



by Buddy Frank

## The Move to Cashless Gaming

*"It's a no-brainer – we need to catch up to the rest of the world and go cashless now. The good news is that since so many industries have gone down this road before (retail, banking, fuel suppliers, credit card providers, etc.), the tough lessons have been learned."*

Cashless wagering will be the "next big thing," but only if we move quickly and cautiously forward. It should come as no surprise to anyone, but gaming (as an industry) is woefully behind in technology on most fronts. Today, you can buy a week's worth of groceries or remodel your entire kitchen with a simple swipe of a card at a grocery store or home improvement center. But it's impossible to get casino chips or slot credits with anything resembling good guest service.

Without exaggeration, in most table game pits a player without cash (but possessing a solid credit history and a robust bank account) will first have to summon a pit boss, bring the entire game to a halt for other players, perhaps get a security guard involved, wait for a marker from the cage, and then (with glaring stares from the other players) finally get his/her chips.

It's a no-brainer – we need to catch up to the rest of the world and go cashless now. The good news is that since so many industries have gone down this road before (retail, banking, fuel suppliers, credit card providers, etc.), the tough lessons have been learned. We just need to follow them. The bad news is that, for the most part, we're not really ready. That could cause problems for some.

As an example, the credit/debit card companies have already developed tough and proven standards that you've probably already implemented in your restaurants, gift shops and showrooms. It's known as PCI Compliance. If you're accepting credit or debit cards today; you and your IT team have already implemented these standards. PCI is an acronym for Payment Card Industry. If you'd like to immerse yourself in pages of details, check out their website at: [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org).

Within these specs, there is a section called PTS (that's short for PIN Transaction Security, which is short for Personal Identification Number Transaction Security). In simple English, these are the guidelines that govern the devices such as keypads and video screens used in credit card and PIN debit transactions to maintain security. The bad news is the keypads or video screens in use today by the major slot or table games system providers do not meet these standards.

Despite that, several of the "cashless" gaming solutions that

are being talked about today seem to gloss over these requirements. There are at least two or three "cashless" proposals being circulated that allow credit card transactions, but don't use compliant keypads. That could be troublesome.

Another concern in casinos is the distinction between credit card and PIN debit transactions. Outside of work, you've probably used both types on a regular basis. When you're buying gas at the pump, you probably don't really care which transaction type results in a full tank. But in gaming, it could represent a critical difference. One major obstacle to cashless technology has been the concern over problem gaming. The old logic was that if we make it too easy to gamble, folks will find it too easy to get in trouble quickly. The irony today is that we still allow players to get as much as their credit rating allows, but to be "responsible" we make the entire process a hassle and time-consuming.

A far better solution on all fronts is to limit cashless gaming to PIN debit transactions, instead of credit cards. This has several advantages:

- 1). Players cannot spend more than they have in the bank (no credit allowed).
- 2). The bank and/or player can set limits that cannot be overridden.
- 3). These transactions are secured by both the card and a PIN number entry.
- 4). Most importantly, these transactions are less expensive for players than traditional credit card advances.

What's the downside? One of the Finance Department's main revenue streams comes from the fees for ATMs and credit card advances. If players start using the less expensive and far more convenient PIN debit transactions, revenue will shrink. However, better guest service, stronger security, increased fraud protection and fewer issues with problem gaming are worth it. ♣

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