



Third-Party Resellers

The Retail Gift Card Association (RGCA) is a trade association of diverse, closed loop gift card retailers committed to promoting and protecting the use of gift cards. RGCA members commit to continuous improvement and increased security against fraud, among other gift card business initiatives. At the same time, RGCA members will reasonably and respectfully engage with consumers, interest groups, and media to work on solutions to challenges that face the stored value industry and to ensure optimal customer experiences with member products and services.

RGCA and its members understand that this industry continues to evolve. One example is how “paper gift certificates” are no longer the norm, and now plastic gift cards are slowly shifting over to “e-gift” codes/cards. With an ever-evolving closed-loop gift card industry, concerns about fraud will continue to be at the forefront of our discussions. RGCA members are prepared to accept that new technologies are emerging; however, we will continue to combat fraudulent practices. One such emerging trend is that of third-party gift card resellers. RGCA is aware that this new segment of the industry continues to increase in popularity, but also invites a new forum for fraudulent activity. RGCA is interested in working with third-party resellers to ensure the highest integrity with the process, so that the retailer and end user does not become victims of fraud.

Issues with third-party resellers that have been circulated through RGCA and its members include, but are not limited to:

- The practice of gift cards being purchased with stolen credit/debit cards and quickly turned into cash for the thieves, while the unassuming purchaser is often left with a deactivated gift card post charge back at the retailers level.
- Stolen products that are returned in exchange for a store credit gift card, which is then turned into cash using these third-party reseller sites.
- Unauthorized gift card electronic vouchers produced, issued and sold using the plastic gift cards.
- Unauthorized usage of retailers’ brands, copy, logos and other associated marketing images.
- Bulk purchases of gift cards at unauthorized discount structures.
- Unauthorized linking to the balance check functionality on branded web sites.
- Customer service problems.

RGCA members and other retailers continually strive to combat fraud throughout the process of acquiring and redeeming closed-loop gift cards. Until and unless the above issues are resolved by third-party resellers, RGCA will maintain its position that purchases made from such companies are riskier and much more likely to be subject to fraud.