



# Recover Lost Subscription Revenue

By Cutting Credit Card Declines up to 27%

## Enabling the Account Updater Service

**It is no secret that in the world of recurring billing, credit card declines are the bane of your existence. We recommend pursuing all available tactics to ensure that your decline rates are held to a minimum.**

However, when presented with a range of options, it is also super important to understand where to begin, how to prioritize your efforts, and what to expect. This overview describes the result of a pre/post study looking at the results of enabling the Account Updater service to ensure continuity in your recurring billing operations.

### First off, let's define terms. "What is the Account Updater?"

The Account Updater is a service provided by **Visa** and **Mastercard**, which provides the ability for Recurly and other qualified payment service providers to retrieve updated billing information when a card has been replaced, or reported lost or stolen.

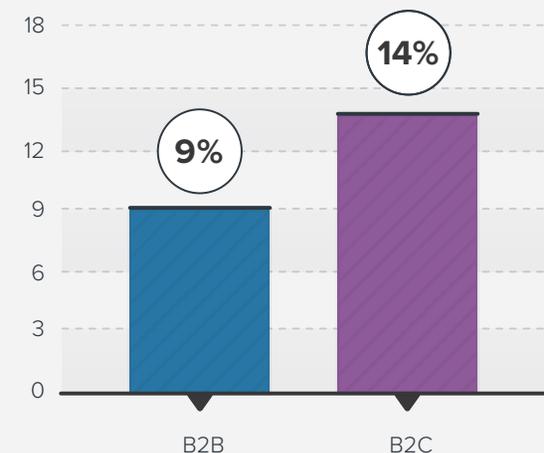
### Sounds great! "Is it a 'Silver Bullet'?"

Well...in a word, NO. Is it a 'Best Practice'? YES...but it would be irresponsible to characterize it as a 'cureall' for credit card declines. This is for a couple of reasons. First of all, it requires participation by Credit Card Issuing Banks (Chase, Citibank, B of A, MBNA, Wells Fargo, etc). Visa apparently has 35%-40% participation rates from Issuing Banks, and Mastercard is reported to

## Number of Declines

For B2B businesses, 9% of monthly recurring credit card transactions fail on average.

For B2C businesses, 14% of monthly recurring credit card transactions – a 50% increase – fail on average.



have somewhat less than that. However, since they have the largest banks participating, the effective coverage rate ends up being between 70%- 85% for Mastercard and Visa, respectively.

### **OK, in what cases will you benefit from the Account Updater?**

We ran a pre/post test, in which we observed 50 companies participating in the Account Updater program to augment their recurring billing capabilities. We studied their decline rates 30 days prior to enabling the Account Updater, and 30 days afterwards. (n=~540K transactions).

Our findings indicated that the Account Updater is far more valuable for companies targeting B2C customers than it is for B2B companies. Our interpretation of these results is that B2C services see a higher proportion of matches being retrieved from the Account Updater.

---

**If you are interested in learning more about the Account Updater service, please feel free to contact our team. We'd be happy to speak with you about what you should expect.**

Recurly customers  
recover revenue  
at an average rate  
of 7% of credit card  
billings per month.

# Recurly

Recurly provides enterprise-class subscription management for thousands of businesses worldwide.



+1.844.732.8759



[sales@recurly.com](mailto:sales@recurly.com)

© 2016 Recurly, Inc. All rights reserved.