

PSD2 Authentication

Combining Opportunity and Compliance

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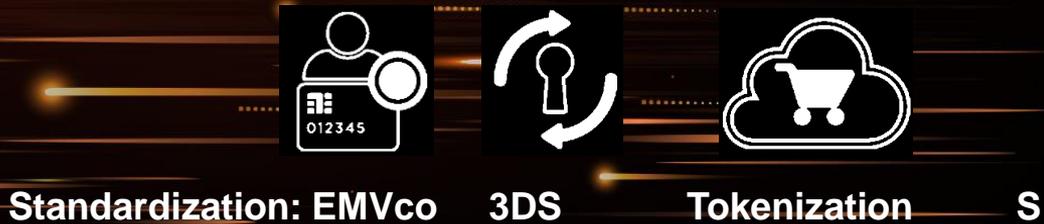
Opposite focus for Merchants and Issuers led to suboptimal performance of ecommerce payments



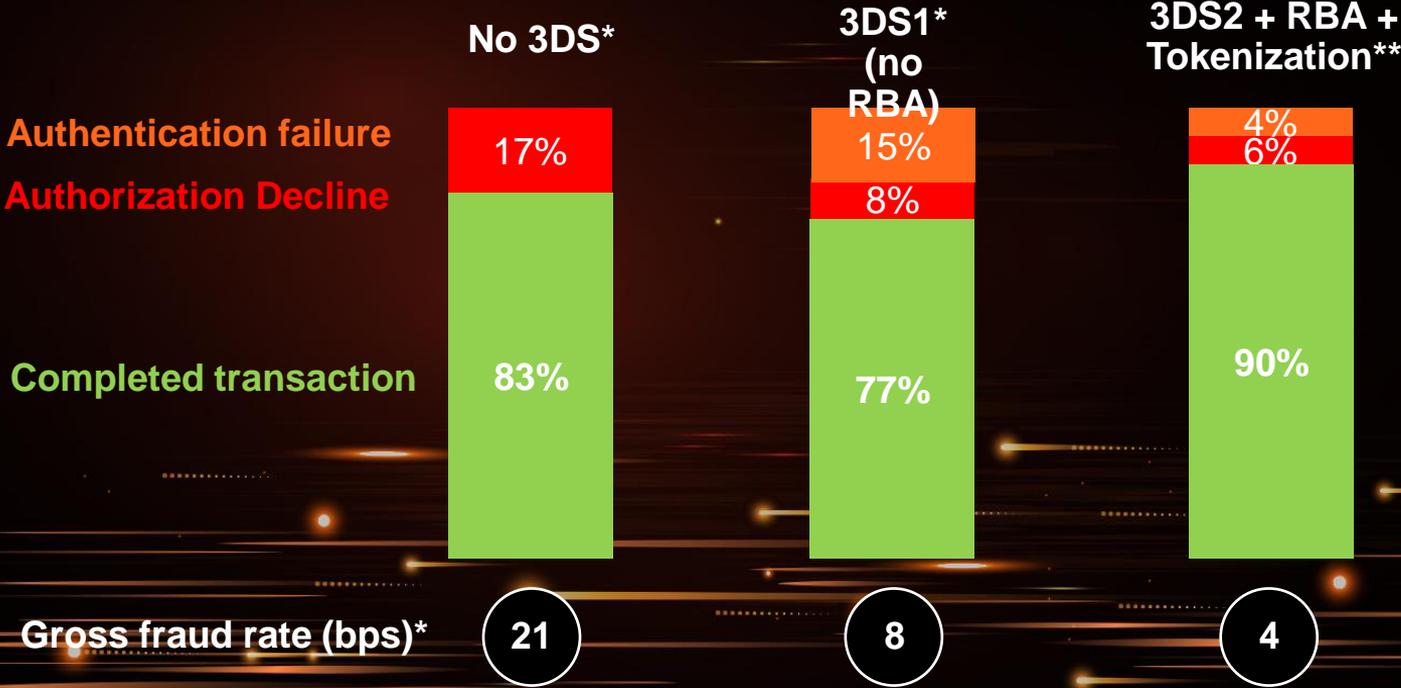
Minimize friction

Minimize fraud

Five imperatives to combine convenience and security on ecommerce payments



Minimizing authentication requests is key to achieve superior transaction completion rate



* Source MC data + partners' insights for Authentication

** Source: MC estimation

To further reduce authentication failures we are launching **Mastercard ID Check Express** to implement biometric SCA leveraging delegation to trusted merchants



As the industry was not ready to adopt SCA without major disruption EBA and NCAs agreed on a transition period – 15 Months - 31 December 2020



enabled on
EMV 3DS



used for
ecom also
use 3DS1
in 2Q19



used for
ecom
enabled on
EMV 3DS



committed
to use
almost all
exemptions

Industry must leverage the transition period to fine tune SCA management through collaboration and acting now!

● All merchants enroll in EMV 3DS

● All issuers to enable all cards to EMV 3DS
(MC to stand-in for not enabled)

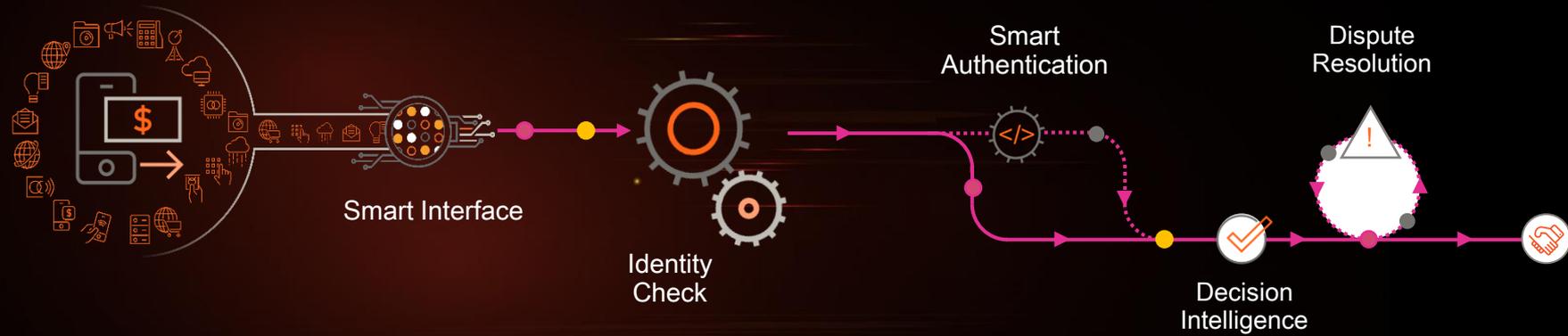
● Merchants start shifting 3DS1 to EMV 3DS

● Issuers adapt risk tools to EMV 3DS data

● Make SMS OTP compliant

Mastercard 1-CLICK Approach | Connected Intelligence to increase approvals, reduce fraud, and improve consumer UX

10x more data



Minimize friction

NuData

Brighterion

Ethoca

Monitor behavioral interactions of the consumer and account accessing the ecosystem

Review consumer attributes, payment credentials and verify their identity

Score fraud risk using enhanced AI models, advanced data insights and rules

ENGAGEMENT

IDENTIFICATION

DECISIONING



Questions