VISA

Is now the time to change ACS providers?

What to do? Your current ACS provider may not be able to handle your needs, but you're afraid to switch in the middle of SCA enforcement.

WHAT KEEPS YOU AWAKE AT NIGHT?

If you're an issuer in the European Economic Area, enforcement of PSD2's Strong Customer Authentication requirement might be causing you to lose sleep.

After several years of preparation, enforcement day has finally arrived. What does that mean to you?

For issuers whose cardholders shop online, it means that they now have to authenticate cardholders who are subject to the SCA requirement whenever they make an online purchase. That means transactions with

- consumers whose payment cards were issued in the European Economic Area (EEA),
- buying from merchants who have acquiring relationships in the EEA.

It also means that issuers may need to be able to manage exemptions on those transactions, to minimize friction for their cardholders.

As a refresher, Strong Customer Authentication, or SCA, means that the shopper needs to provide two of the following three factors in order to be authenticated:

Something they know
like the answer to a knowledge-based question

Something they have
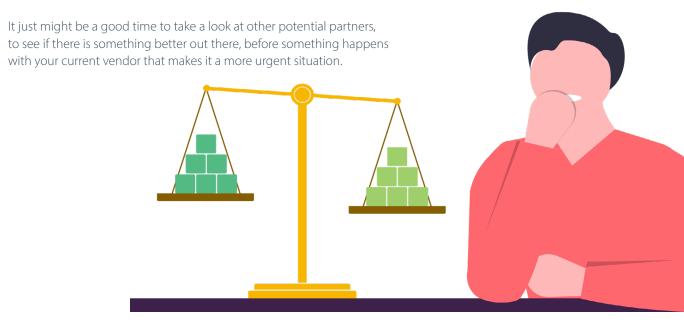like a mobile phone that can receive a text

Something they are
like a biometric (a facial scan or a fingerprint, for example)

THE CONUNDRUM

As an issuer, you've probably been with your current ACS provider for years. They've done a fine job for you, providing that critical link between the issuer and the other players within the online payments process. They may even be a local provider that you know personally and see around your community.

But now the stakes have changed. With SCA coming into play, you need a partner that really knows what they're doing, who can manage SCA exemptions for you, so your cardholders can transact with minimimal friction. Especially now, during this pandemic, when online shopping has grown by over 30%[1] in just the last year.

You might hear that your cardholders are experiencing a lot more friction when they order, or you might be experiencing more outages and lapses from your ACS than you have had in the past.

It just might be a good time to take a look at other potential partners, to see if there is something better out there, before something happens with your current vendor that makes it a more urgent situation.

SO WHAT DO YOU DO?

Is it the right time to look for a new partner? Should you think about switching providers in the middle of a pandemic and in the middle of the biggest upheaval in online payments in Europe ever?

Here's something to think about. PSD2's SCA requirement has challenged many ACS providers to solve complex issues that are changing rapidly. In today's world, authentication needs to be reliable so your transactions make it through authorization when SCA is required.

> With SCA, you absolutely have to have a reliable authentication solution in place. If authentication goes down, you may not be able to authorize cardholder requests. **It can be that serious.**

But even if you were to find a company who focuses on authentication, wouldn't it be a nightmare to change right now? It might be, but if you look at an ACS like Visa Consumer Authentication Service (VCAS), you're in luck. We have the technology, the tools, and the Visa risk model.

VCAS is backed by the power of Visa for faster scalability, technology, and resources. It supports an issuer's authentication strategy within their 3-D Secure program by providing real-time risk assessment against ecommerce fraud. Works behind the scenes evaluating each transaction based on data from Visa, the merchant and the issuer.

With VCAS, you can be comfortable knowing that when a new version of EMV 3DS comes out, or new authentication methods and other innovations, we'll be one of the first to have those new protocols available. And you can count on VCAS' more than 20 years of experience authenticating ecommerce transactions for issuers around the world.

Our implementation team will be with you every step of the way. We know this is not where your expertise is, and this is what we do every day, so you can count on us to make it as easy on your team as possible. We've migrated hundreds of issuers over the last 18 months, and we're ready to help your team, too. Our platform is configuration-based, so we can migrate your systems at whatever pace your developers can do their part of the work. We've had issuers migrate in as little as four-to-six weeks when the issuer wanted to and were ready to move quickly.

> Our issuer customers come in all shapes and sizes. We provide ACS services to tier 1 issuers as well as smaller direct banks, and issuer processors and resellers that have five to 500 banks in their networks.

And we have feet on the ground in every region around the world. Our local implementation managers and SMEs are working when you are, and time differences are never an issue for implementation and support. Even when you need help when the office isn't open, we have 24/7/365 support and are there when you need us.

USEFUL FEATURES WITHIN THE VCAS ACS

Visa risk model
The Visa risk model scores every digital transaction with a score between 0 and 99, in less than a second per transaction. The higher the score, the higher the risk. This robust model uses historical transaction data, providing protection against fraud in debit and credit ecommerce transactions.

OTB + KBA
And we know what issues may be a challenge to you, so we have developed back-up systems to help. If your online banking penetration is not as high as you would like, especially when you want to use biometrics for SCA, we can help with that. We developed an alternative program that uses OTP + KBA (one-time passcodes + knowledge-based authentication) so you can fulfill the SCA requirement without having capabilities for biometrics right now.
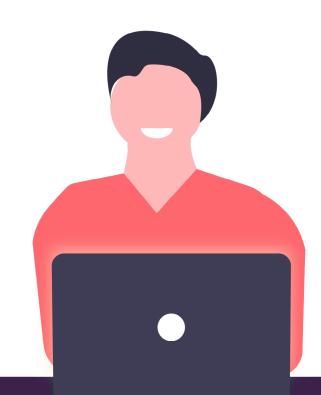
Compliance manager
Our compliance manager feature helps issuers know which transactions are subject to SCA, so for those that are one leg out or out of scope, they can authorize those transactions without SCA. Compliance manager also helps banks navigate between their own risk rules, compliance rules and SCA exemptions.

Rules tester
We created a rules tester so that issuers can see how a rule will perform against historical transactions before publishing it into production. And it generates a report that shows how each transaction in the test set performs, so your team can analyze the results.

Our flexible suite of solutions is based on what we have learned from our issuer customers. If issuers need more help, we can provide that, and if issuers have their own systems built internally, we can work with those.

We handle all the updates. After your initial implementation, with our SaaS solution, we do the heavy lifting and keep up with government mandates, new versions of EMV® 3DS, and more.

HERE'S HOW WE DO IT

Requirements gathering
We work with your team to determine the scope, timelines and how you would like to integrate to us. We'll work with you to determine how quickly you want to 'go live' and set milestones to help reach your goal. As mentioned, we can usually work as quickly as the issuer's team can, which is why we work together to set agreed-upon dates for each step in the process.

Development
This is where we build the requirements we identified during requirements gathering. We'll build out your VCAS portal and network configurations, and at the same time, your team will start their development work for the integration testing that will happen in staging.

Staging
In staging, we do full end-to-end testing on the integration between VCAS and your systems. If you are doing OTP + KBA for example, in staging, we can test the entire flow to ensure both systems are communicating properly to get the desired outcome. Your team will be heavily involved, but your VCAS implementation manager will be with you every step of the way to help with troubleshooting and identifying the right test cases to run, to make sure you're ready when we move into production. We'll also work with your team to review the VCAS portal and train you on how to use each component.

Production
Once testing in the staging environment is complete, we'll move you into VCAS production. At this point, we'll run similar testing to what we did in staging, but at the production level. We're also able to facilitate small range testing on specific PANs or card ranges to ensure all transactions are performing end-to-end as expected. This gives you the ability to see the 3DS workflow through VCAS in a controlled way, before rolling out to all your cardholders.

Go Live!
Once production pilot testing is completed, we can fully launch the 3DS program to all of your BIN ranges. Your VCAS implementation manager will help you load the BIN ranges to the directory server (s), ensure all rules and policies are set up in VCAS, and help monitor VCAS traffic to ensure all is working properly.

This conversion may not be the fastest process, but we'll be with you every step of the way to make it as painless as possible. As we mentioned, we can usually work as fast as your team is able to complete their tasks.

If you're ready to start planning your move to VCAS, reach out.
Let's talk. We'll be with you every step of the way.

Check with your Visa contact to learn more.