

## EMV® 3-D Secure

A new frontier in battling fraud in digital commerce



Fraudsters are seizing new opportunities from digital commerce growth as card-not-present fraud significantly outpaces card-present fraud. This is pushing the industry to look for new ways to authenticate consumers.

### The fraud landscape

When it comes to digital commerce, fraud presents a significant challenge.



**44%**

U.S. mobile fraud attacks have increased by 44% in 2018<sup>1</sup>



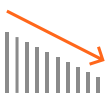
**\$7 billion**

Online card fraud will rise to U.S. \$7 billion by 2020<sup>2</sup>



**4x**

The global digital fraud rate is 4x higher than the physical fraud rate<sup>3</sup>



**15%**

Global approval rates are 15% lower for digital than physical (82% for digital and 97% for physical)<sup>3</sup>

### Battling fraud with EMV® 3-D Secure

New standard and capabilities can help drive greater security, profitability, and an optimal user experience, and EMV 3-D Secure will lead the way.

- **EMV 3-D Secure (2.0) is an industry standard designed to help merchants and issuers authenticate card-not-present transactions**

- **It expands on the functionality of 3DS 1.0 and makes the consumer experience more secure, effective, and seamless for all stakeholders**

3DS 1.0 Standards

3DS 2.0 Standards

Method



Static passwords



Eliminates static passwords

Interfaces



Browser dependent



Supports different payment channels

Data



Only 15 data elements available



Enables 10x more data to be exchanged

Decisioning



Merchants bound by issuer decisioning



Enhances merchant's ability to influence transaction decisions through increased flow of data

Reduced Friction



Frequent cardholder friction



Frictionless 90% of the time

### A positive outlook

Issuers and merchants will experience the bottom-line benefits of a more secure authentication method with EMV 3-D Secure.

**12%**

Higher approval rates on fully authenticated transactions compared to merchant-only authentication<sup>3</sup>

**12 bps**

Decrease in fraud when dynamic authentication is used<sup>4</sup>



Decrease in false declines as a result of improved decisioning<sup>3</sup>

### Mastercard's Identity Check™ program

is based on EMV 3-D Secure standards and integrates powerful tools to provide a holistic fraud prevention strategy. Identity Check facilitates the authentication process between the merchant and the issuer.



Merchant



3DS server provider

**Identity Check improves decisioning and confidence and is more secure and user friendly than static passwords.**



Issuer



Access control server



Data only

Payment authentication

### Taking action

EMV 3-D Secure is a requirement for all Mastercard issuers to ensure a more secure and seamless experience for merchants, issuers, and consumers.

Issuer compliance with EMV 3-D Secure and Mastercard Identity Check is required by December 2019.

**To learn more about Mastercard Identity Check and EMV 3-D Secure, visit [Mastercard.com](https://www.mastercard.com)**

1. Payments Journal 2018 Report

2. LexisNexis. The 2017 True Cost of Fraud Report.

3. Mastercard. January to November 2018 Data, Across all Card Types.

4. Mastercard. Q2 2018 Data, Across all Card Types in Fully Authenticated Transactions.