

Nets Merchant Services

PSD2 is (almost) here – What happens now?

PSD2

Points to cover today

- 1 **WHERE** are we in the timeline of PSD2?
- 2 **WHAT** is the latest position in Norway?
- 3 **HOW** should you continue to prepare?

RECAP: PSD2 is a mix of challenge and opportunity

- 1 Access to Account (XS2A) → **New way to accept payments: A2A**
- 2 Strong Customer Authentication (SCA) → **New rules around transaction authentication – 2 Factor**
- Surcharging restriction → **No surcharging European Consumer Debit and Credit**

RECAP: SCA has been the biggest concern across the ecosystem

Access to Account (XS2A)



New way to accept payments: A2A

Strong Customer Authentication (SCA)



New rules around transaction authentication – 2 Factor

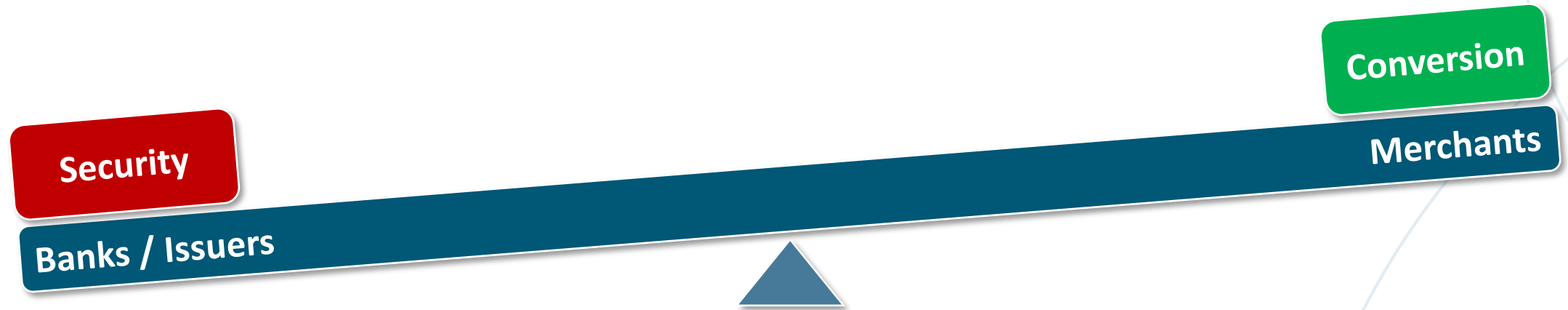
Surcharging restriction



No surcharging European Consumer Debit and Credit



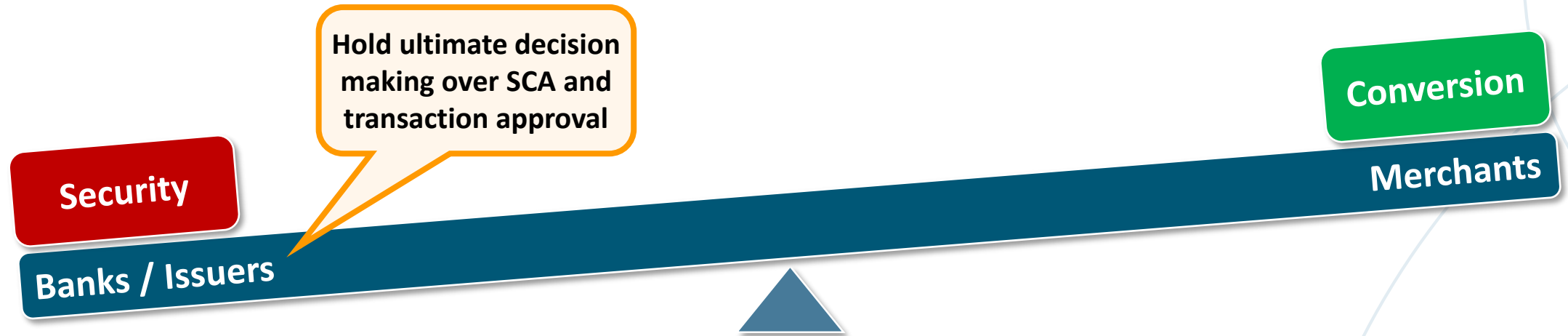
Strong Customer Authentication (SCA) – it's a balancing act



- Responsible for SCA
- Fraud reporting
- Scheme compliance
- Exemption strategy

- Want lower fraud
- Want good UX
- Want good approvals
...i.e. Conversion!

Strong Customer Authentication (SCA) – it's a balancing act



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POLL #1

Do you feel you understand Strong Customer Authentication (SCA)?

So what is it that Merchants are required to do?

1 Activate 3D Secure

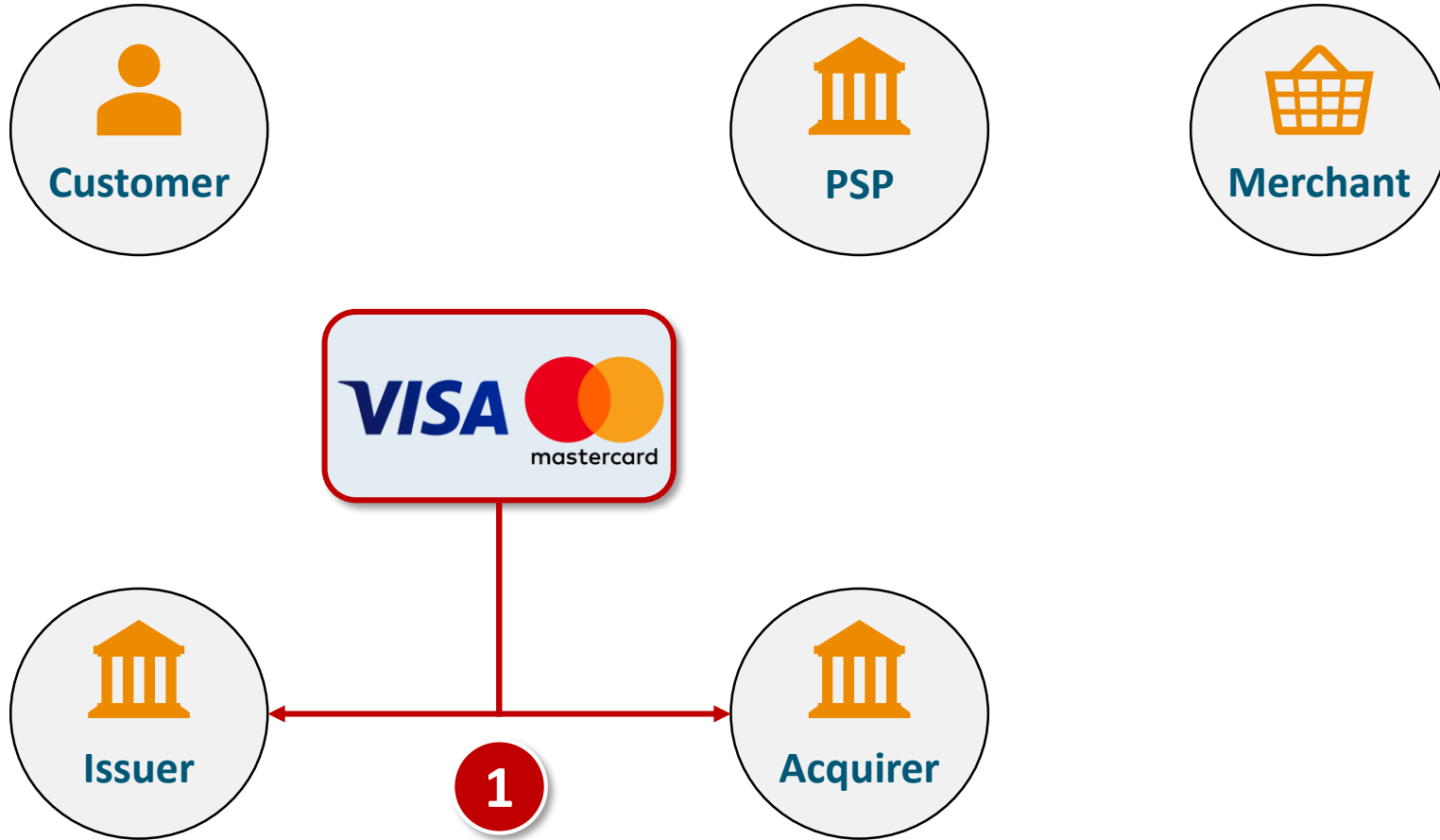
2 Configure transactions in the right way

★ Deadline: 14th September

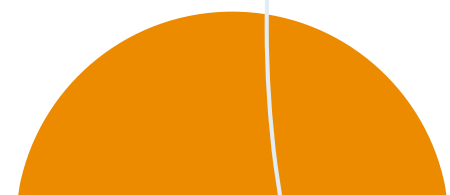
To Authenticate or not to Authenticate? – that is the question

- In-scope versus Out-scope
- CIT vs. MIT
- Exemption or no exemption

How we get to ecosystem readiness



Schemes publish their implementation guides



How we get to ecosystem readiness



2



Issuers and Acquirers adapt their systems and interfaces

How we get to ecosystem readiness

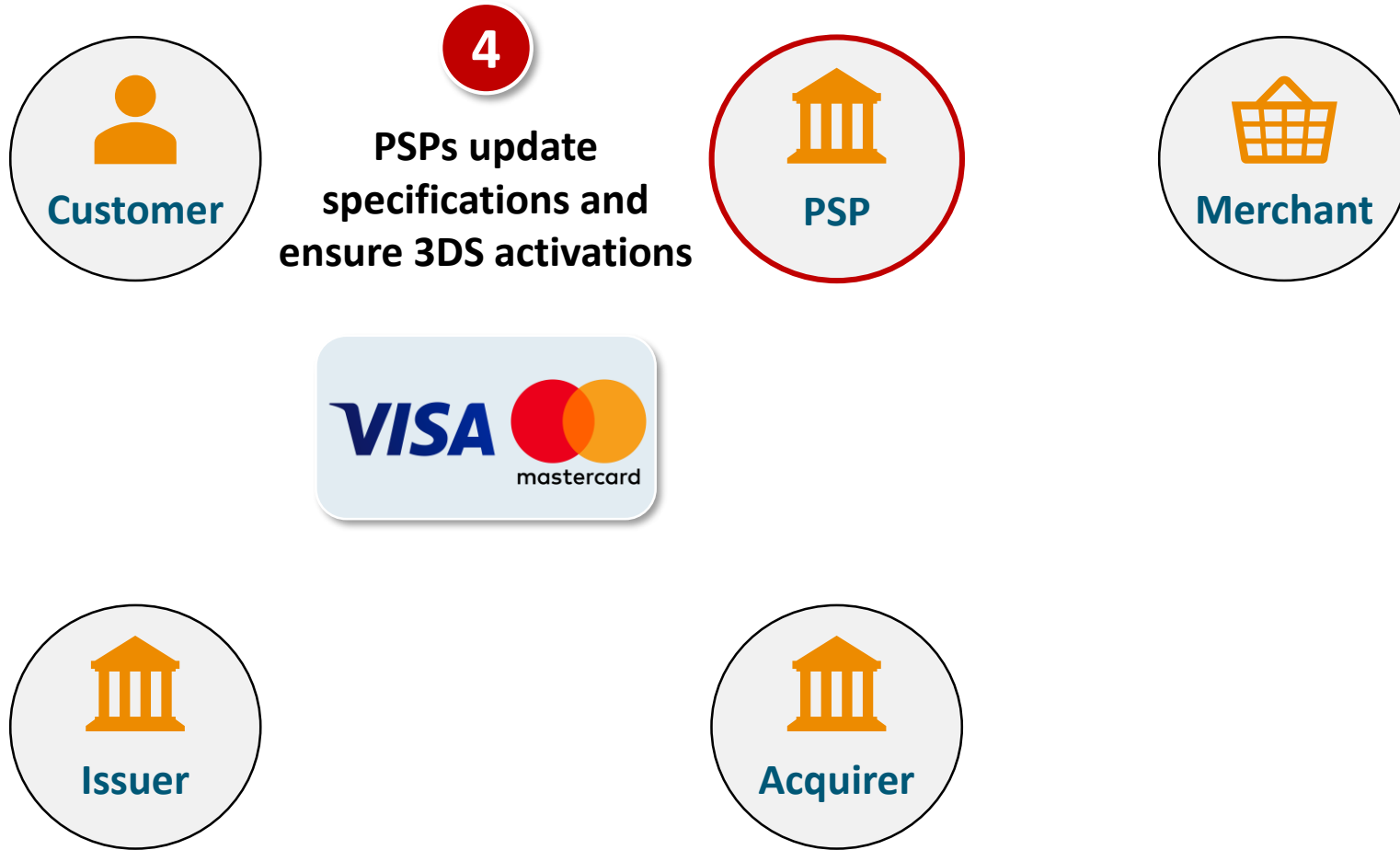


3

Acquirers publish specifications towards PSPs



How we get to ecosystem readiness



How we get to ecosystem readiness



5

PSPs update Merchant endpoints and transaction messaging



It's not that simple...



Definitions misaligned

Different levels of readiness

Unclear expectations



Rushes to make changes

Disrupted business

Failed transactions

POLL #2

Do you send your transactions through 3D Secure today?


And are you ready for 14th Sept?

We were getting closer and closer, and then Regulators had to act to prevent any major issues across Europe

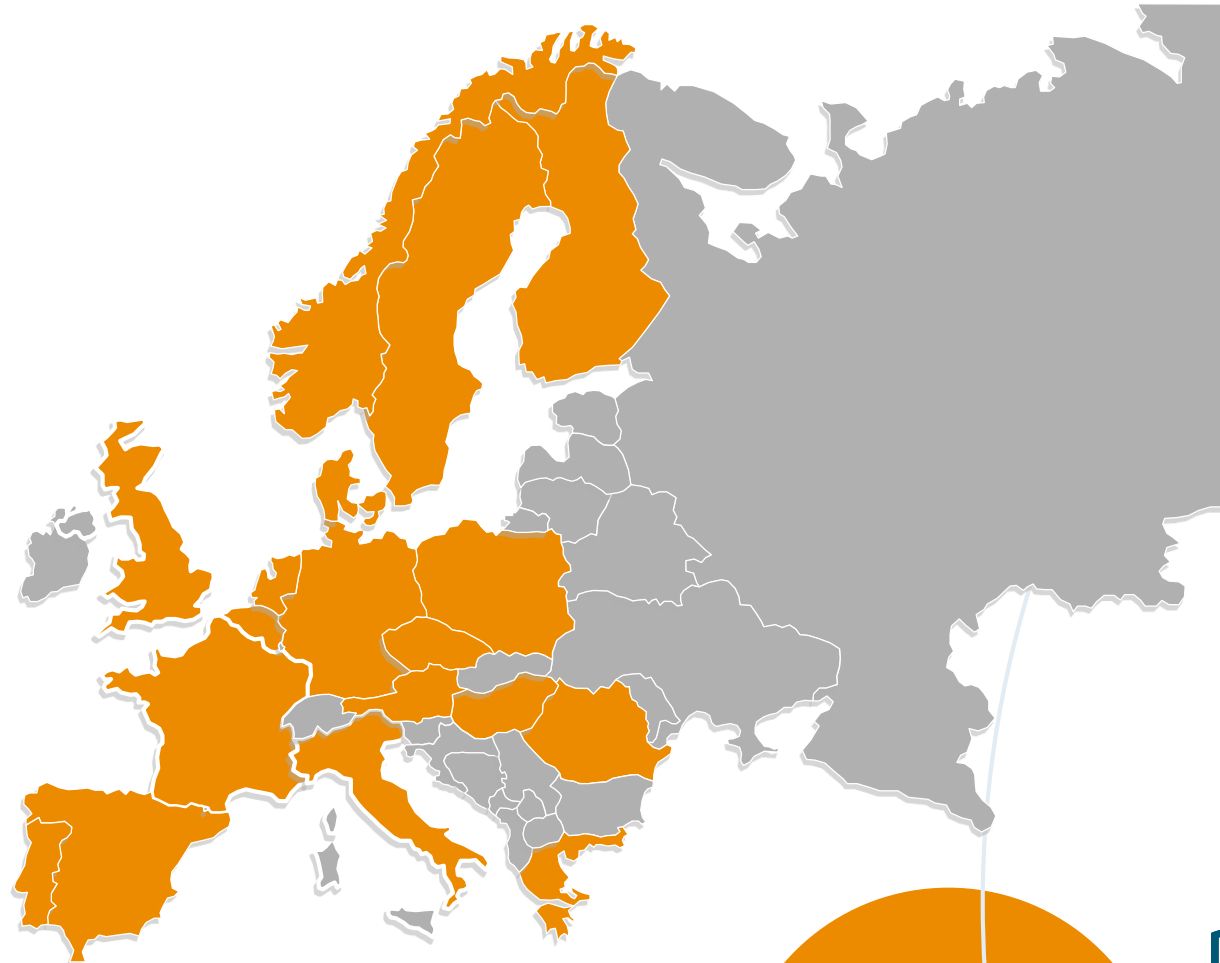


June 2019

Allow individual National Competent Authorities to implement transition periods

 Countries with expressed interest in SCA transition period*

**May not reflect latest positions*



What is the status across the Nordic markets?



Waiver applications



**Market transition –
18 months**



Waiver applications



**Market transition –
length tbc**



What is the process in Norway?



FINANSTILSYNET

20 August 2019:

”Kravet til sterk kundeautentisering trer i kraft i EØS-området 14. september 2019. For å unngå negative konsekvenser for brukere som betaler med kort når de handler på nett, kan kortutstedere, kortinnløserne og netthandelsvirksomheter få utsatt frist for å ferdigstille og implementere SKA for kortbetalinger i netthandel”

- ➔ **14th September still applies and SCA will always come into force in Europe**
- ➔ **Extension can be granted if there is a specific challenge**
- ➔ **Extension application must be supported by a migration plan**

Take these things away today:

- 1 SCA is still a requirement for 14th September and 3D Secure should be activated for in-scope transactions
- 2 Take time to understand which transactions actually are required to go through SCA – we can advise if you are unsure
- 3 If there are specific challenges to be ready for 14th September, you can reach out to us
- 4 Not to be left out, but we are also working on Account-to-Account payment solutions under PSD2!

Questions



Thanks for listening!

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