

» Transact implementation FAQs

What is the Payment Services Directive 2?

The Payment Services Directive 2 (or PSD2 for short), is a piece of European Union (EU) legislation.

PSD2 aims to make banking safer, more transparent and more innovative. The legislation is being introduced to protect individuals and businesses when they transact online. It also satisfies the need consumers now have for a better, more frictionless online payment journey.

What is Strong Customer Authentication?

Legislation to make transacting online safer and more secure.

Put simply, SCA will require an individual to use an additional authentication step to verify online payments or to log in to their accounts online. This new step is an addition to the current single authentication layer in place today. It means that online payments and account servicing will be more secure than just using a single element, such as a simple password authentication.

Why do we need SCA?

SCA aims to provide greater protection against fraud. Online card fraud is on the rise, and the safeguards within Strong Customer Authentication will give both businesses and consumers greater protection and reassurance.

Will SCA be used for every online transaction?

No, not every transaction. Thanks to our comprehensive view of the payments landscape, Barclaycard will be able to apply a number of exemptions – based, for example, on the size of the transaction or the potential for fraud. These will be applied automatically, without the cardholder having to do anything for transactions above €30 or GBP equivalent.

What are the exemptions?

There are occasions when SCA won't be necessary. These include things such as:

- 1) When it's low-risk. Some transactions, following real-time risk assessment, will be judged to be low risk.
- 2) Recurring payments. A series of payments of the same amount to the same merchant (such as subscriptions and membership fees) are exempt, although the initial setup will require SCA.
- 3) Secured corporate payment exemption. Secure payments, which are made through a dedicated payment protocol by businesses, may be exempt from SCA.

What does this mean in practice?

- Prepare for 31 December 2020*
- Decide which version of 3DS against the timeframe (v2.1 or above recommended) – don't wait until the last minute
- Maximise use of exemptions
- Don't forget your 'out of scope' changes
- Test and switch on
- Visit our website for other insights: barclaycard.co.uk/business/news-and-insights

How can Barclaycard help?

With Barclaycard Transact.

What is Barclaycard Transact?

Barclaycard Transact helps you make the most of the changing payments landscape, by turning PSD2 into an opportunity for your business to differentiate itself from the competition.

Increasing sales is vital to any business, and security is key. You can also deliver a smoother payment experience for your customers by accepting more transactions and minimising disruption throughout the journey.

- **Accept more transactions** – our TRA exemptions can help deliver faster authorisation of transactions as low-risk transactions may skip the SCA process
- **Help prevent fraud** – our fraud module is designed to help reduce chargebacks and false positives, give instant decisions and increase order acceptance
- **Data intelligence and optimisation** – our bespoke advice and data insights can improve acceptance rates, reduce declines and protect your business from fraud

What's the aim of Barclaycard Transact?

Barclaycard Transact delivers smart acceptance through a modular approach. This will help you in balancing the need of fraud prevention with maximising revenue. Our exemption service, fraud solution, smart routing and soft decline management process could help drive additional revenue while still developing and enhancing your customer's experience.

What are TRA exemptions?

Exemptions help certain payment journeys reach completion with less friction for the cardholder. Qualifying transactions can potentially avoid the additional steps required by SCA – which reduces disruption at the point of purchase. For a transaction to be exempt, certain conditions need to be met during the initial real-time risk analysis and fraud assessment:

- the transaction has to be classed as low risk according to an assessment in line with the Strong Customer Authentication (SCA) legislation
- the acquirer has to trigger the exemption on the merchant's behalf

What options do I have for evaluating transactions?

PSD2 requires such fraud checks should be completed using available data and tools. The fraud check can be performed by:

- the merchant's own payment environment
- an in-built gateway functionality
- a third-party fraud solution

Barclaycard Transact provides this capability.

What's the Barclaycard Transact Fraud Screening tool?

Barclaycard is working in partnership with Kount to offer state-of-the-art fraud screening tools. The Kount Fraud module is one element of the Transact solution. These tools will make instant decisions on qualifying transactions by using real-time analytics at the point of checkout.

What increase in approvals can I expect if I have Transact?

Barclaycard Transact aims to give you the best opportunity to combat abandonment and drop off. Approvals remain at the discretion of the card issuer and therefore, outside of our control.

What decrease in transactions being directed to 3DS can I expect?

Where these are deemed low risk, your consumers benefit from a more frictionless check out without the need for separate authentication. Issuers will have final say. The better your acquirer's overall fraud performance, the higher value of your transactions can benefit from this exemption.

I don't sell items in a shopping basket scenario, so why do I need to provide shopping basket info as part of my integration updates?

In order for our fraud screening service to work to its optimum capacity, we require certain minimum fields to be passed to the ePDQ message. Please refer to the Implementation Guide in the ePDQ support site for further details.

If all my transactions are stepped up for 3DS, do I get my money back?

No. The transaction fee associated with Barclaycard Transact applies to every call out to the fraud screening tool, including but not limited to, authorisations, declines and other transaction outcomes.

Where does liability for fraud lie?

Liability for fraud will remain with the merchant. This is unchanged from how liability sits in the non secure (non 3DS) environment today.

What happens if I don't use the TRA exemptions solution?

You can continue with our acquiring and gateway using the PSD2 mandated SCA payment journey via 3D Secure.

Where can I find more information?

- PSD2 Questions barclaycard.co.uk/business/help-and-support/psd2-impact-business/psd2-faqs
- News and Insights barclaycard.co.uk/business/news-and-insights/security-and-fraud
- Kount have a web page set of FAQs support.kount.com/s/topic/0TO36000000TJG4GAO/frequently-asked-questions?tabset-4a5eb=2
- The epdq Transact Implementation Guide

This information is available in large print, Braille and audio, by calling 0800 161 5326 or 1800 812 700.

*If you've never accepted European-issued cards, UK SCA enforcement begins after 14 March 2021. These dates may be subject to change due to COVID-19.

Calls to 0800 numbers are free from UK landlines and personal mobiles, otherwise call charges may apply. Please check with your service provider. Calls to 1800 numbers are free from ROI landlines and personal mobiles otherwise call charges may apply. Calls may be monitored or recorded in order to maintain high levels of security and quality of service.

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