
Frequently Asked Questions...

1. WHAT IS 3-D SECURE?

- Visa and MasterCard have developed authenticated payment capabilities to improve online transaction security and to help encourage the growth of e-commerce. This capability is known as 3-D Secure.
- By creating a virtual 'card present' environment during Internet transactions, guaranteed payments for merchants and a safer online commerce experience for cardholders is achieved.
- MasterCard have implemented their brand of 3-D Secure, called 'MasterCard SecureCode', while Visa have called theirs 'Verified by Visa'. Both of these are brand identities for the 3-D Secure cardholder authentication scheme.
- 3-D Secure is a payments protocol based on an architecture known as the "Three Domain Model" and builds on proven SSL technology to provide a standard, secure method of performing transactions over the Internet through authentication of all parties involved in an online transaction:
 - the Merchant and its bank (Acquirer Domain)
 - the Cardholder and their bank (Issuer Domain)
 - the Cardholder's bank and the Merchant's bank (Interoperability Domain)

2. AS AN ORGANISATION ACCEPTING ONLINE PAYMENTS WHY DO I NEED 3-D SECURE?

- As of 1st July 2007, MasterCard has mandated that organisations wishing to accept UK Domestic Maestro (formerly Switch) payments online must process those transactions with SecureCode or face fines from their Acquiring Banks and a possible block on future revenue.
- Signing up to 3-D secure today is a basic and necessary step that Merchants need to take in order to help combat the growing threat of fraud in e-commerce. Online fraud is increasingly being directed to those websites that do not have 3-D Secure deployed.
- In non-secure shopping environments, chargebacks incurred as a result of customers denying they made purchases online are recorded at 8 times of that in cardholder present situations. By taking up 3-D Secure Merchants benefit from a global liability shift*, resulting, on average, in a 73% reduction in chargebacks from the protection this offers.
- Additionally, Merchants that actively seek to reduce chargebacks are often able to negotiate reduced service charges from their Acquiring Banks as a result of this.
- Authenticating MasterCard, Maestro and Visa payments using 3-D Secure gives customers more confidence to shop online, with the average purchase made in a 3-D Secure environment rising from 95€ to 197€, an increase of 107%.

3. WHAT WILL I RECEIVE FOR MY PURCHASE OF 3-D SECURE?

- For a one off payment Merchants will receive full integration to 3-D Secure via the DataCash API, inclusive of all participating current and potential future card scheme brands (currently Verified by Visa and MasterCard SecureCode).
- As with all payment processing solutions provided by DataCash, 3-D Secure resides on a proven resilient platform, giving merchants a safe and reliable shopping environment for their customers.

* Excluding non-enrolled MasterCard cards issued in North America

4. HOW EASY IS THE INTEGRATION OF 3-D SECURE AND SUBSEQUENT PROCESSING OF TRANSACTIONS?

- The effort required to convert from a traditional DataCash integration to a 3-D Secure based one (i.e integrate to the MPI) will be very much dependent on the Merchants own architecture and business processes, but should not take a huge amount of effort.
- The main difference in the implementations is in the sequence of calls that the Merchants systems will make to the DataCash systems.
- In the traditional system, Merchant systems would send a request to DataCash and receive a response giving the results of the transaction.
- In a 3-D Secure implementation, there will be an initial response which will determine the next step in the Merchant's business process, i.e. whether the Merchant will need to get an authentication response from their customer or not. This is an automated process.
- All this functionality can be built into the Merchant's current business logic, the majority of existing code will remain unchanged, it will just be supplemented.

5. ARE CARDHOLDERS AWARE AND WILLING TO USE 3-D SECURE WHEN SHOPPING ON MY WEBSITE?

- Both Card Schemes and Banks have been active in educating cardholders about the value of 3-D Secure using statement inserts, leaflets, online and press advertisements, competitions and other promotions.
- As a result cardholder awareness and enrolment figures have increased; over 12 million cardholders are now enrolled. With cardholder education continuing it is expected that customers will increasingly favour shopping on secure websites and change their habits accordingly.
- The options of Activation During Shopping (ADS) or Activation On the Fly (AOF) for customers that have not enrolled their card for 3-D Secure also reduces any possible barriers to making a purchase. Between 70% and 80% of cardholders register with the first attempt when presented with ADS or AOF.
- Statistics gathered by RSA suggest that completion rates for legitimate orders placed within a 3-D Secure environment are between 99.8% and 99.9%.

6. HOW MANY MERCHANTS AND CARDHOLDERS HAVE SIGNED UP TO 3-D SECURE SO FAR?

- Over 60,000 merchants throughout Europe have integrated 3-D Secure into their online payment systems. Some of those successfully integrated through DataCash include Ladbrokes, Virgin Megastore, Dixons and ASOS.
- There are 12.3 million 3-D Secure live cardholders in Europe, a figure that is constantly rising.

7. DOES 3-D SECURE ONLY APPLY TO E-COMMERCE TRANSACTIONS?

- 3-D Secure can only be applied to E-Commerce transactions.
- All areas of the payment industry are aiming to make all card transactions as secure as possible. DataCash solutions help Merchants to achieve this with ease, offering various bespoke fraud and risk services, an effective Chip & PIN solution and a cost effective route to PCI DSS compliance.

IF YOU HAVE ANY FURTHER QUESTIONS A MEMBER OF THE DATACASH 3-D SECURE TEAM WILL BE HAPPY TO HELP YOU TODAY

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