ACI Worldwide Readies European Payments Businesses for Strong Customer Authentication

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New European PSD2 requirements significantly impact how European consumers and businesses buy and sell online—ACI's UP solutions with real-time, multi-layered capabilities help businesses to lower fraud rates while providing a frictionless checkout experience

NAPLES, Fla. & LONDON--(BUSINESS WIRE)--Jul. 29, 2019-- ACI Worldwide (NASDAQ: ACIW), a leading global provider of real-time electronic payment and banking solutions, today announced a number of tools and solution updates to ready payment service providers (PSPs), acquirers, issuers and merchants for Strong Customer Authentication (SCA) and exemptions.

Under the new PSD2 regulations, all electronic online transactions in the European Economic Area (EEA) will require SCA, designed to tackle card fraud and protect the confidentiality of payment security credentials for consumers when purchasing goods and services online. From September 14, 2019 onward, all European consumers will need to confirm their identity for the majority of their online purchases, using two of the following: something they know (e.g., a password), possess (e.g., a phone), or are (e.g., their fingerprint). Regulators have indicated a potential extension to the September deadline.

This new requirement puts the ultimate decision to authorize a transaction with the issuer, which can force additional authentication protocols – like 3D Secure 2.0 – that would impact customer experience during card-not-present checkout. However, under the new rules, exemptions from SCA are allowed for those that can keep their fraud levels under specified reference fraud rates; this allows payments under certain thresholds to be exempted when transaction risk analysis has been applied.

"The new SCA mandate has major implications for acquirers and merchants, and with the original deadline for the new rules quickly approaching, many are scrambling to manage and stay ahead of SCA," said Benny Tadele, vice president, Merchant Solutions, ACI Worldwide. "To align with customer demand for fast and frictionless transacting, acquirers and issuers must be able to apply exemptions where possible. ACI's solutions give all participants in the payments ecosystem a competitive advantage."

ACI recently launched a Merchant Guide for PSD2 and Strong Customer Authentication to help PSPs, acquirers, issuers and merchants navigate the regulations. The guide, which is based on ACI's extensive expertise, provides insights into how these organizations can protect their customers as well as their own reputations and businesses. ACI has several additional tools, resources and solutions including:

ACI Proactive Risk Manager

In order to comply with PSD2 and strengthen fraud protection, many financial institutions utilize the latest version of ACI's Proactive Risk Manager, which offers real-time prevention and detection capabilities. Proactive Risk Manager can integrate with Issuers' Access Control Servers and PSPs' and Acquirers' Payment Gateways to deliver SCA and exemptions in real time. Centralizing authentication and authorization messages results in a best-in-class solution along with the ability to create bespoke AI adaptive machine learning tactical models for TRA scoring.

ACI Red Shield

To qualify for SCA exemptions, merchants and the PSPs that support them need to maintain low fraud rates. ACI ReD Shield is a powerful real-time, multi-layered fraud prevention solution that provides the means to address and minimize risk in the authentication process, while at the same time protect merchants' genuine customers, enhance brand reputation and maximize conversion. ReD Shield includes machine learning, positive/negative behavior profiling and consortium data from tens of thousands of global merchants and financial institutions, as well as rule strategies that can be flexed in real-time in a simple tool.

About ACI Worldwide

ACI Worldwide, the Universal Payments (UP) company, powers electronic payments for more than 5,100 organizations around the world. More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI to execute $14 trillion each day in payments and securities. In addition, myriad organizations utilize our electronic bill presentment and payment services. Through our comprehensive suite of software solutions delivered on customers' premises or through ACI's private cloud, we provide real-time, immediate payments capabilities and enable the industry's most complete omni-channel payments experience. To learn more about ACI, please visit www.aciworldwide.com. You can also find us on Twitter @ACI_Worldwide.

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