

## Merchants and Acquirers Must Work Together to Ensure SCA Success, Says ACI Worldwide

April 15, 2021

- Merchants need to take charge of their exemption strategy and up their fraud screening solutions to maximize preparedness for Strong Customer Authentication

MIAMI, FL/LONDON, UK – April 15, 2021 – Merchants need to work actively with their acquirers and take charge of their exemption strategy now in order to be fully prepared for when Strong Customer Authentication (SCA) regulations take effect in the UK in September 2021, says [ACI Worldwide](#), a leading global provider of [real-time payments and digital payments software solutions](#).

SCA is a new European regulatory requirement under PSD2 that intends to protect consumers and businesses from fraud by making it more difficult for fraudsters to make payments from their accounts. Under the new regulations, consumers and business must verify their identity with at least two steps of authentication. SCA checks are mandated for every digital payment over €30, but can be exempted if the merchant has demonstrated low levels of fraud, for example. However, this requires that transaction risk analysis (TRA) is in place and fraud is kept below set exemption threshold values (ETV).

Although SCA requires that fraud rates be assessed at the provider (issuer or acquirer) level, it isn't enough to rely on issuers and acquirers to carry out risk analysis. According to ACI, merchants need to up their fraud screening solutions, which is vital for de-risking transactions, protecting and enhancing the customer experience and ultimately securing revenue growth.

"Many merchants still believe that the upcoming changes are fully out of their hands and that they will be at the mercy again of their acquiring bank; however, this is not the case," comments Amanda Mickleburgh, director, fraud product solutions, ACI Worldwide. "Merchants understand the behaviors and needs of their customers better than anyone and have significant amounts of transactional data that can be used to profile customers and prevent fraud. They must not sit back and wait for their acquirer to decide, but rather go and argue for what they need."

ACI recommends 5 key steps all merchants should take now:

- Continue fraud screening and have full visibility of your fraud rates, with the ability to track trends that define SCA exemption options. This will help monitor and adapt to keep control of your fraud and cost exposure.
- Actively engage with your acquirer to discuss and agree on an exemption strategy. Merchants can and should actively seek exemptions. It will be critical to fully understand, and push for, the exemptions that are most suitable for an individual merchant.
- Merchants should jointly agree on an exemption strategy with their acquirer to make sure they are only taking on risk at a level they are comfortable with and in a way that fits with their goals for customer experience.
- Merchants should continuously monitor their acquirer's adherence to TRA fraud metrics. They should not wait for them to get out of control before looking to switch their traffic to an alternative provider.
- Merchants should ensure they can switch acquirers, route transactions to acquirers with the best fraud levels and negotiate acquiring services whenever needed. Merchants with robust fraud strategies hold all the cards when it comes to picking the acquirers that offer the best conversion rates, SCA strategies and commercials.

To learn more about SCA, please visit [ACI Fraud Management for SCA and Exemptions](#) and [Multi-Acquiring and the Benefits for Merchants](#).

### About ACI Worldwide

[ACI Worldwide](#) is a global software company that provides mission-critical [real-time payment solutions](#) to corporations. Customers use our proven, scalable and secure solutions to process and manage [digital payments](#), enable [omni-commerce payments](#), present and process [bill payments](#), and manage [fraud and risk](#). We combine our global footprint with local presence to drive the real-time digital transformation of payments and commerce.

### Media Contacts

Katrin Boettger  
katrin.boettger@aciworldwide.com  
Phone: 0044 (0)7776 147 910

Dan Ring  
dan.ring@aciworldwide.com  
Phone: 781-370-3600

© Copyright ACI Worldwide, Inc. 2021

ACI, ACI Worldwide, ACI Payments, Inc., ACI Pay, Speedpay and all ACI product/solution names are trademarks or registered trademarks of ACI Worldwide, Inc., or one of its subsidiaries, in the United States, other countries or both. Other parties' trademarks referenced are the property of their respective owners.