PaymentsEd FORUM

Your source for payments education

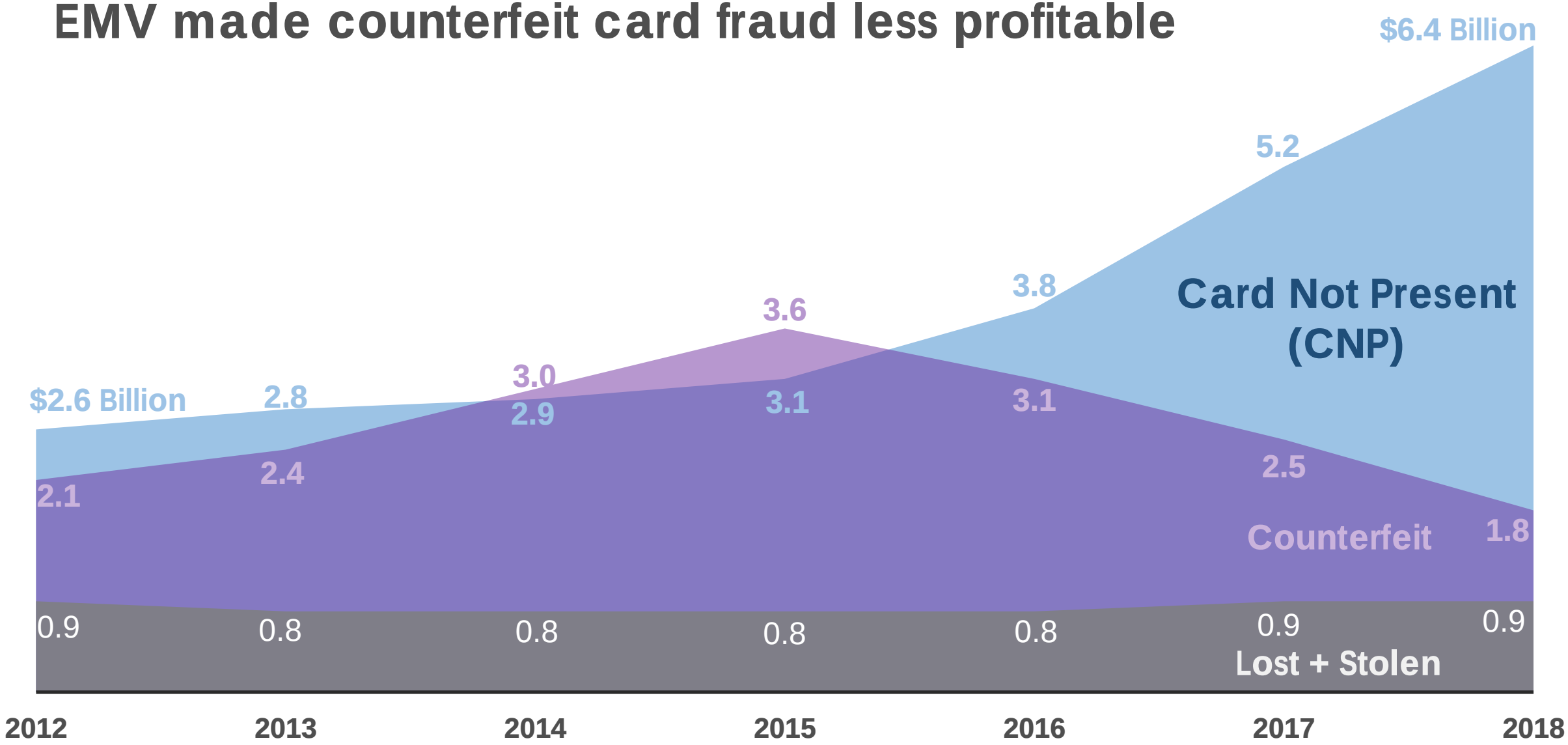
Authentication and Security in the Payments Ecosystem

Amy Zirkle, VP Industry Affairs, Electronic Transactions Association

What is driving Card Not Present fraud?

1. EMV made counterfeit card fraud less profitable
2. Data breaches have exposed billions of personal records, including financial data
3. Commerce is increasingly happening online (eCommerce)

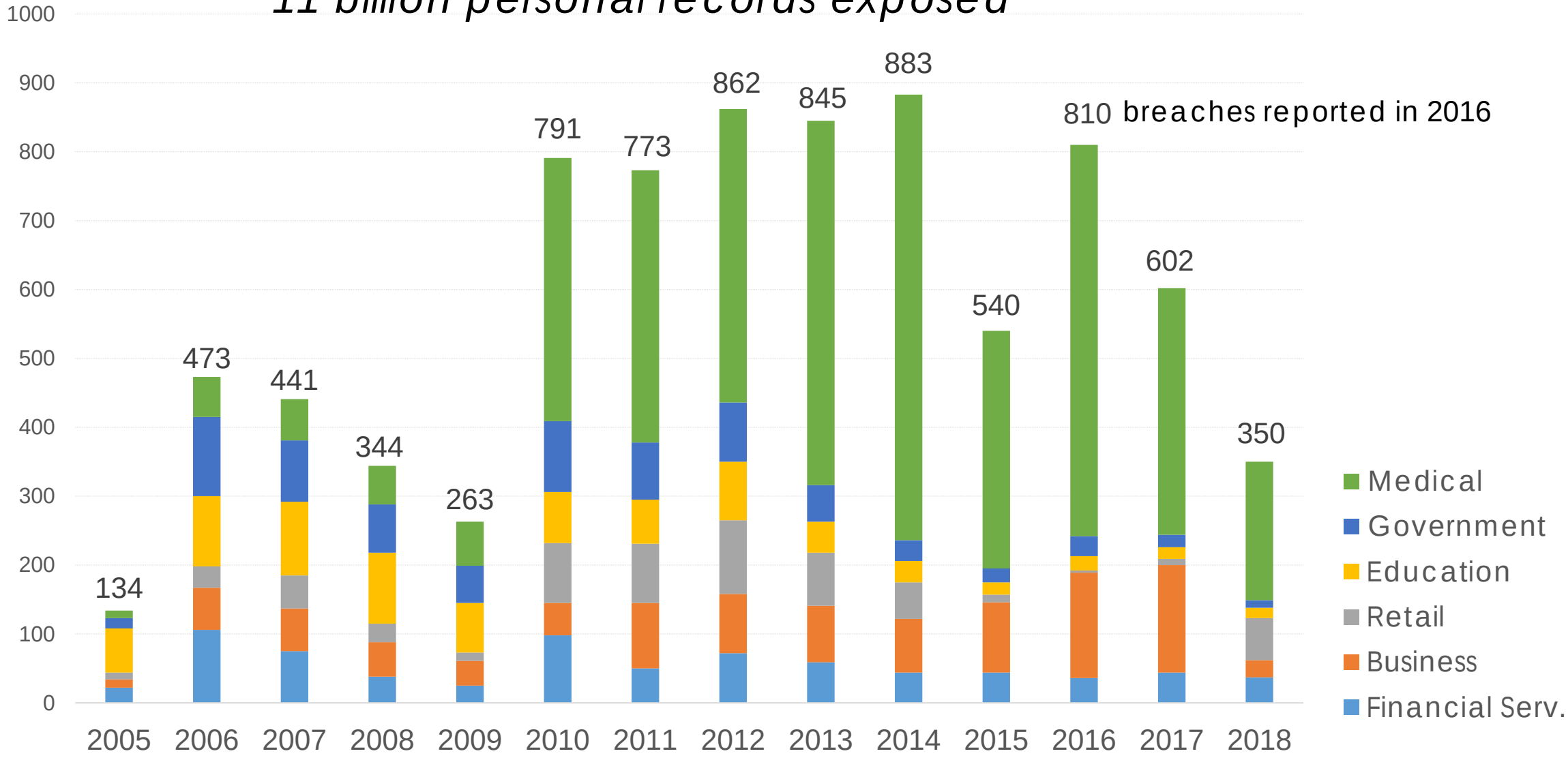
EMV made counterfeit card fraud less profitable



Data from Aite Group

8000+ Data Breaches Reported Since 2005

11 billion personal records exposed



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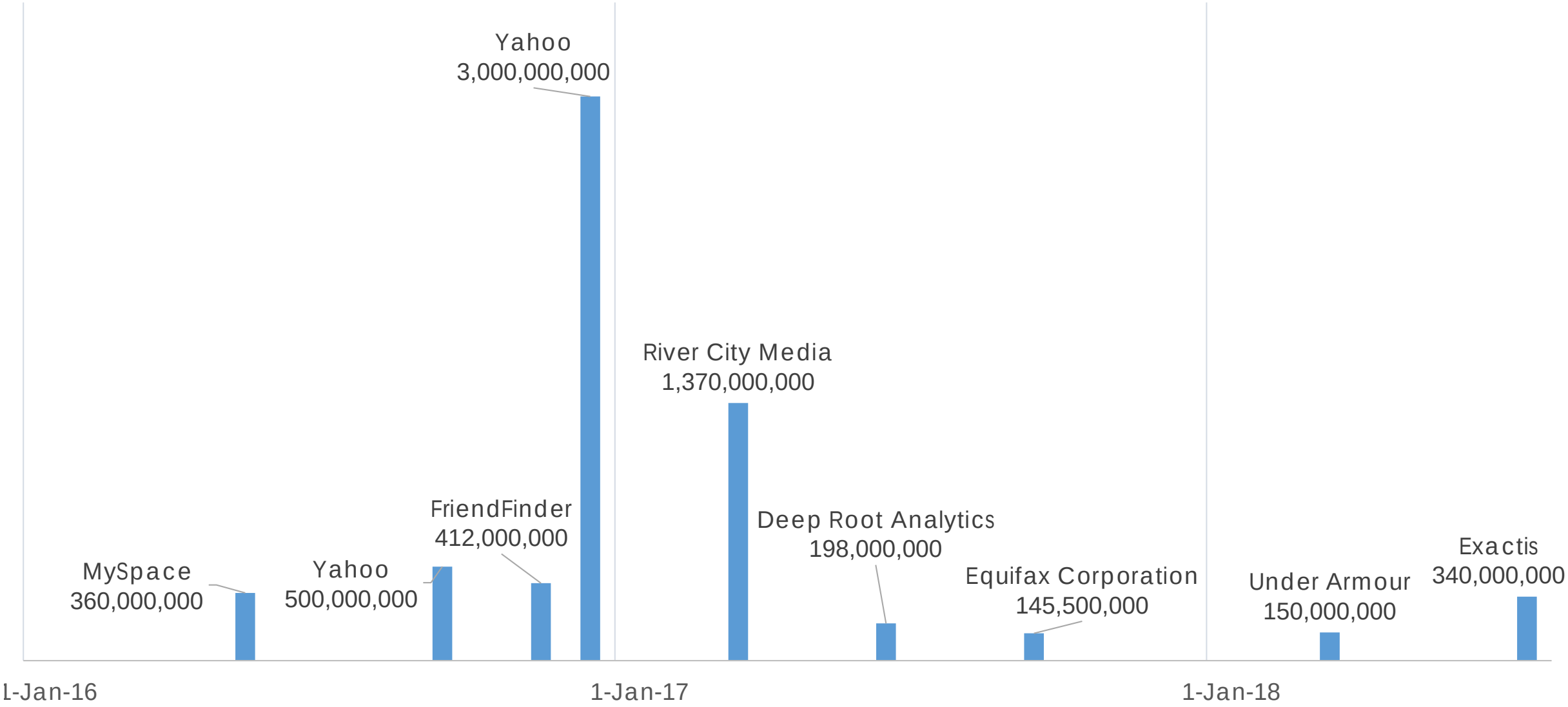
These 9 breaches alone have exposed **6.5 Billion** records



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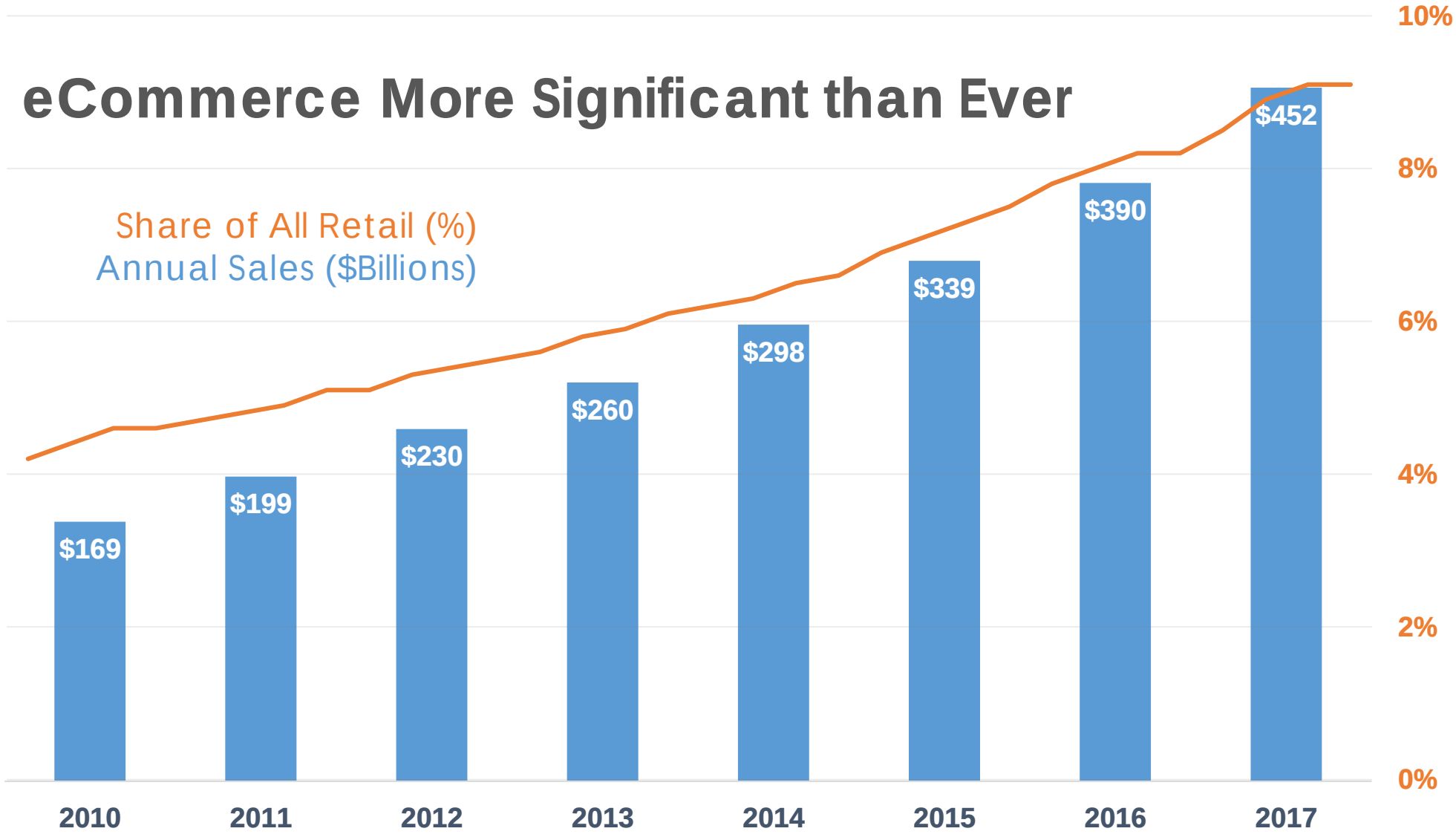
eCommerce More Significant than Ever



Data from the US Census Bureau and US Department of Commerce

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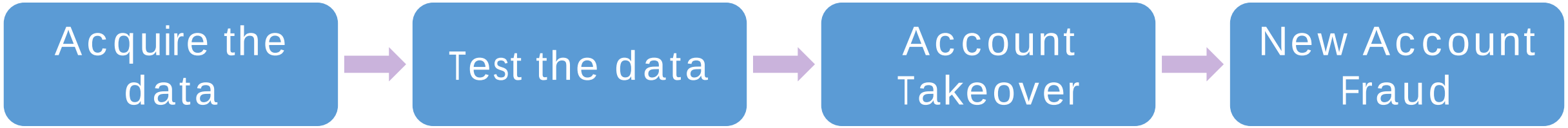
Lifecycle of CNP Fraud



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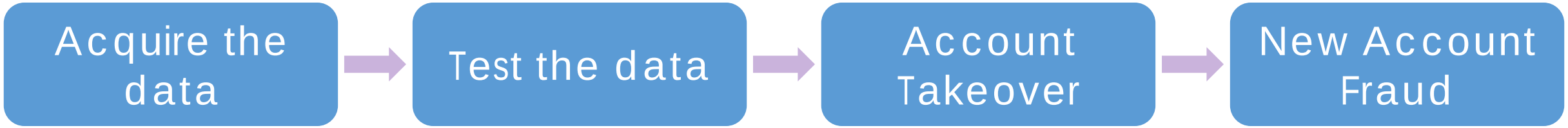
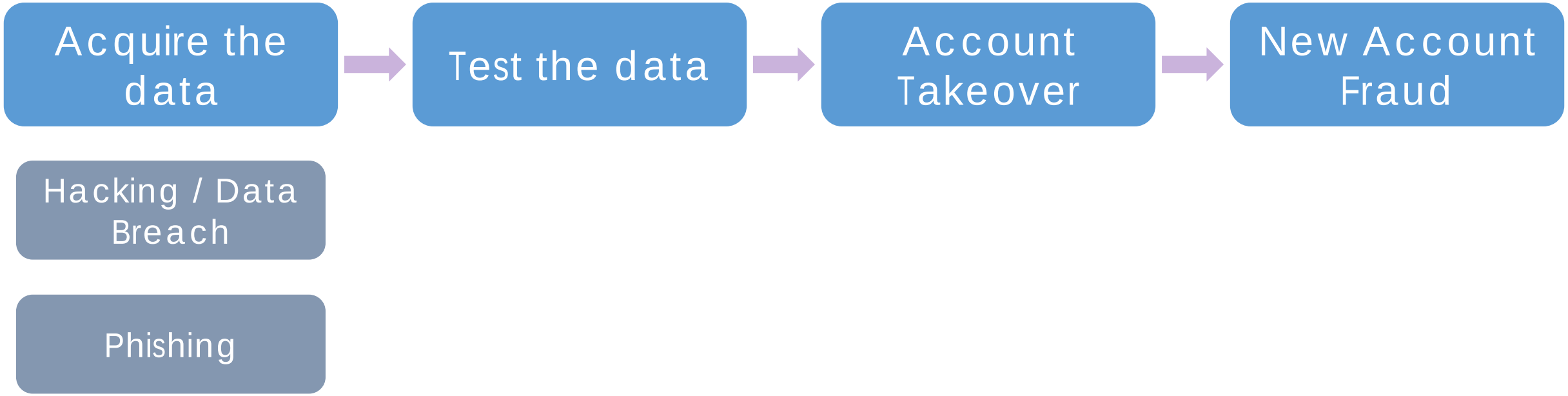


Hacking

Lifecycle of CNP Fraud



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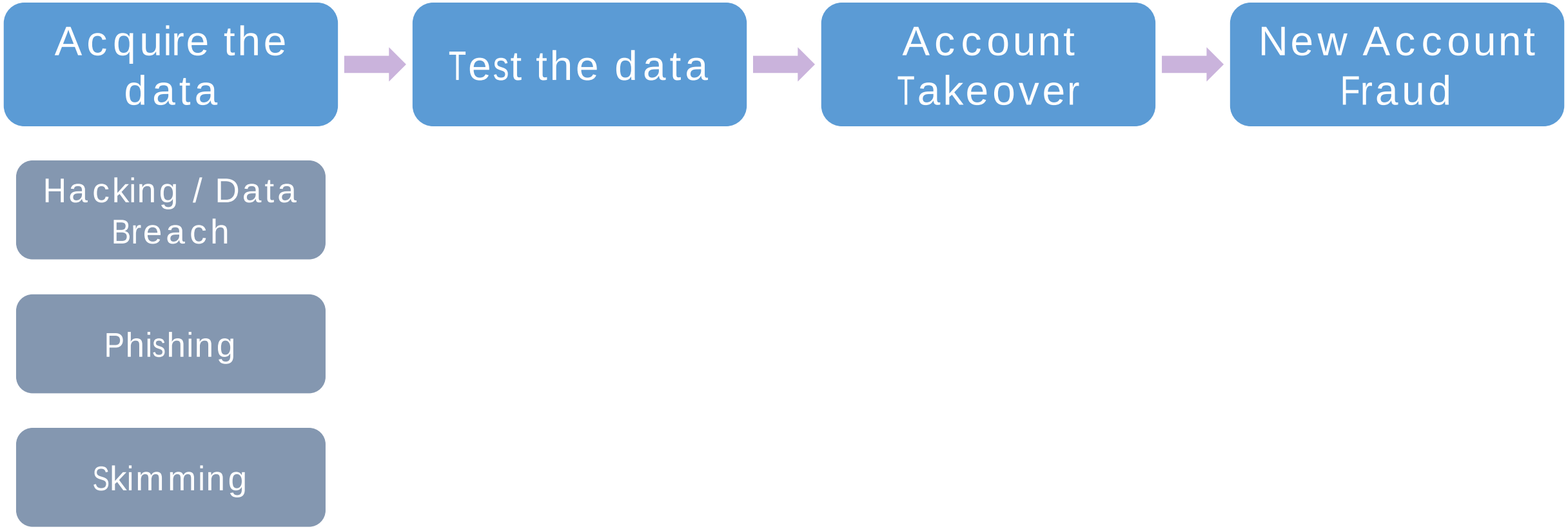

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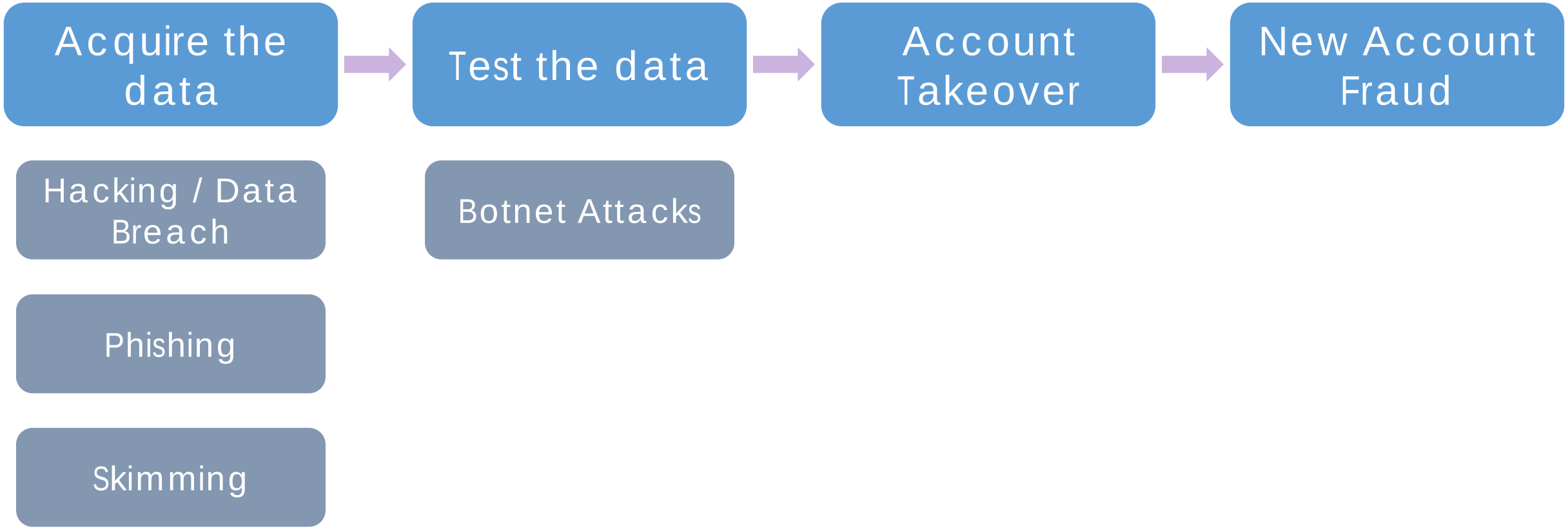

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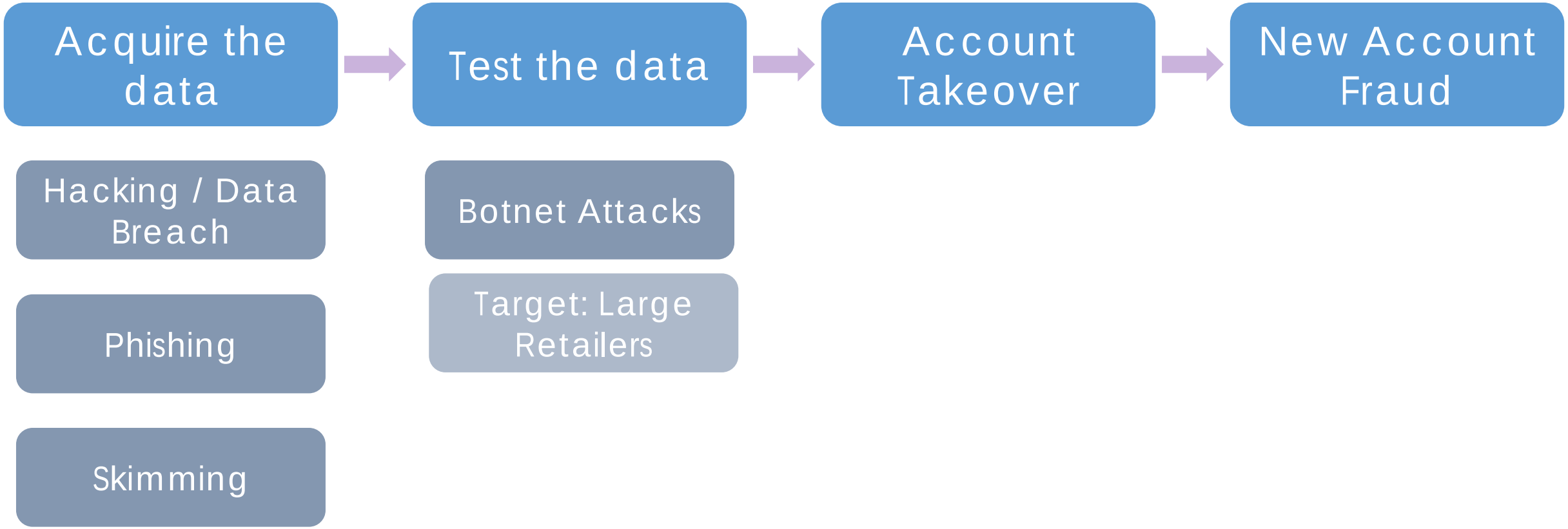

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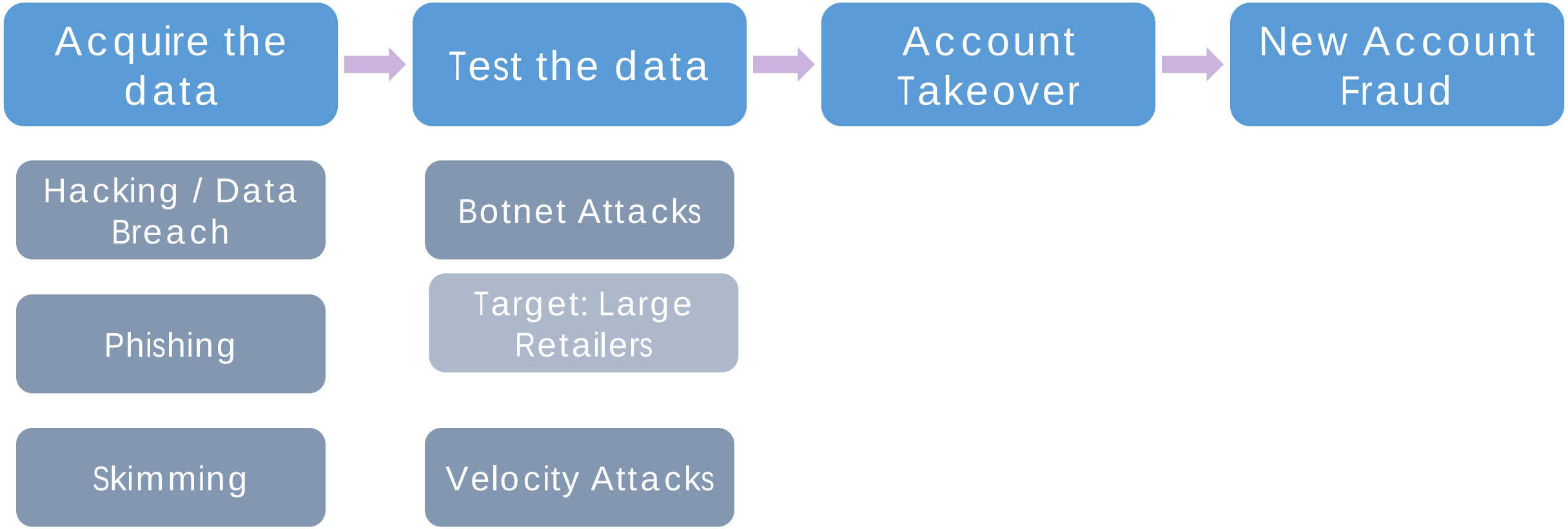

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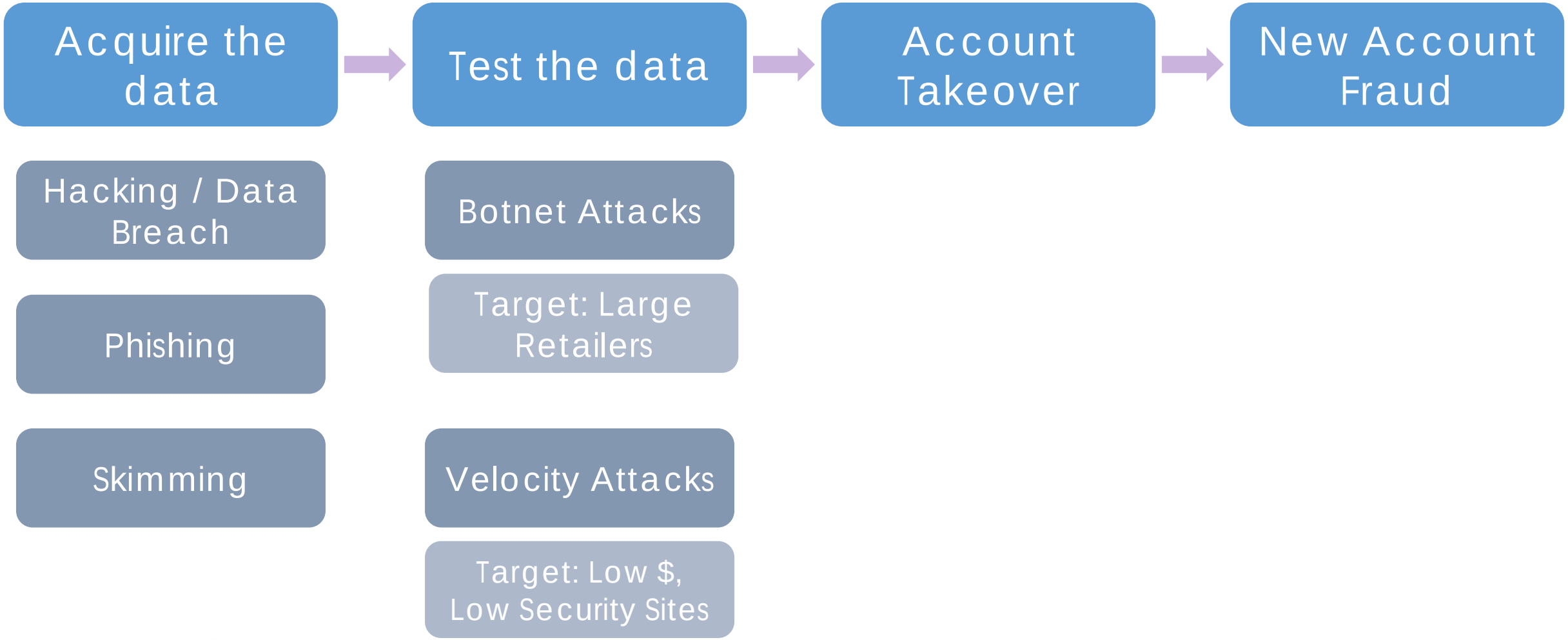

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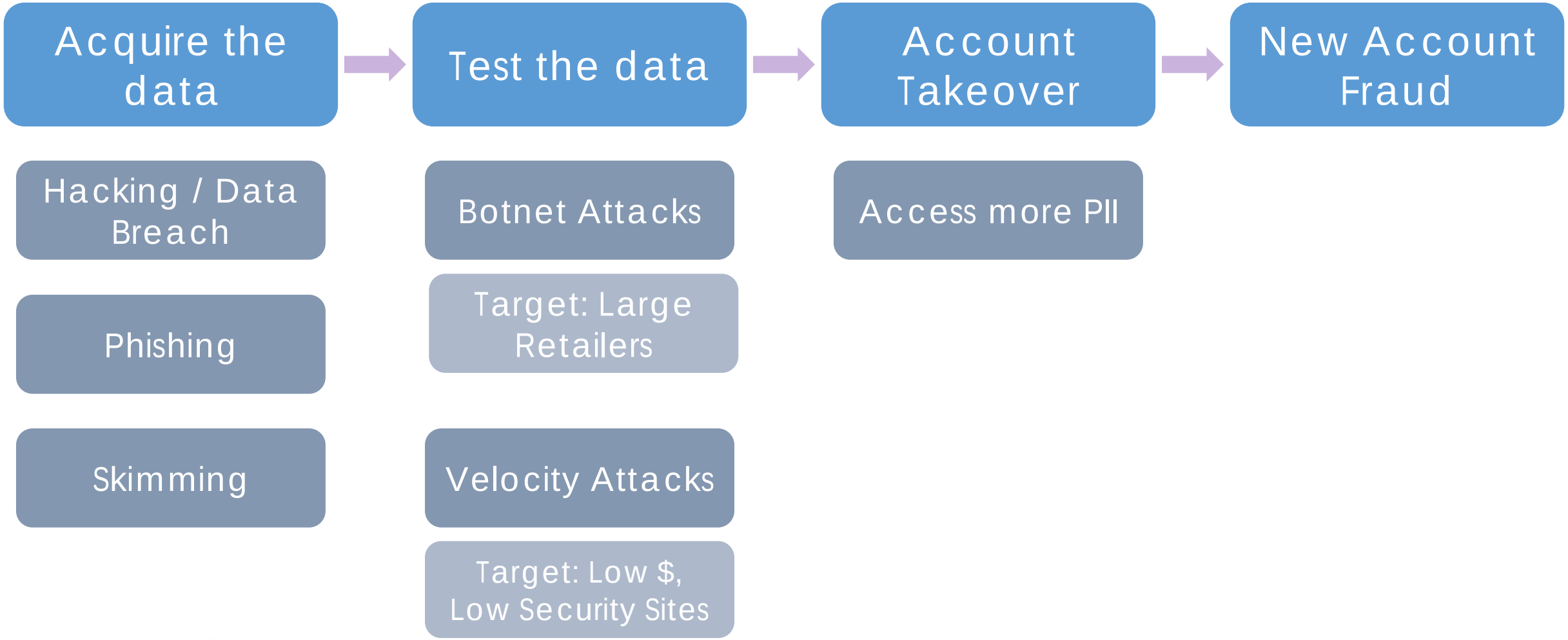

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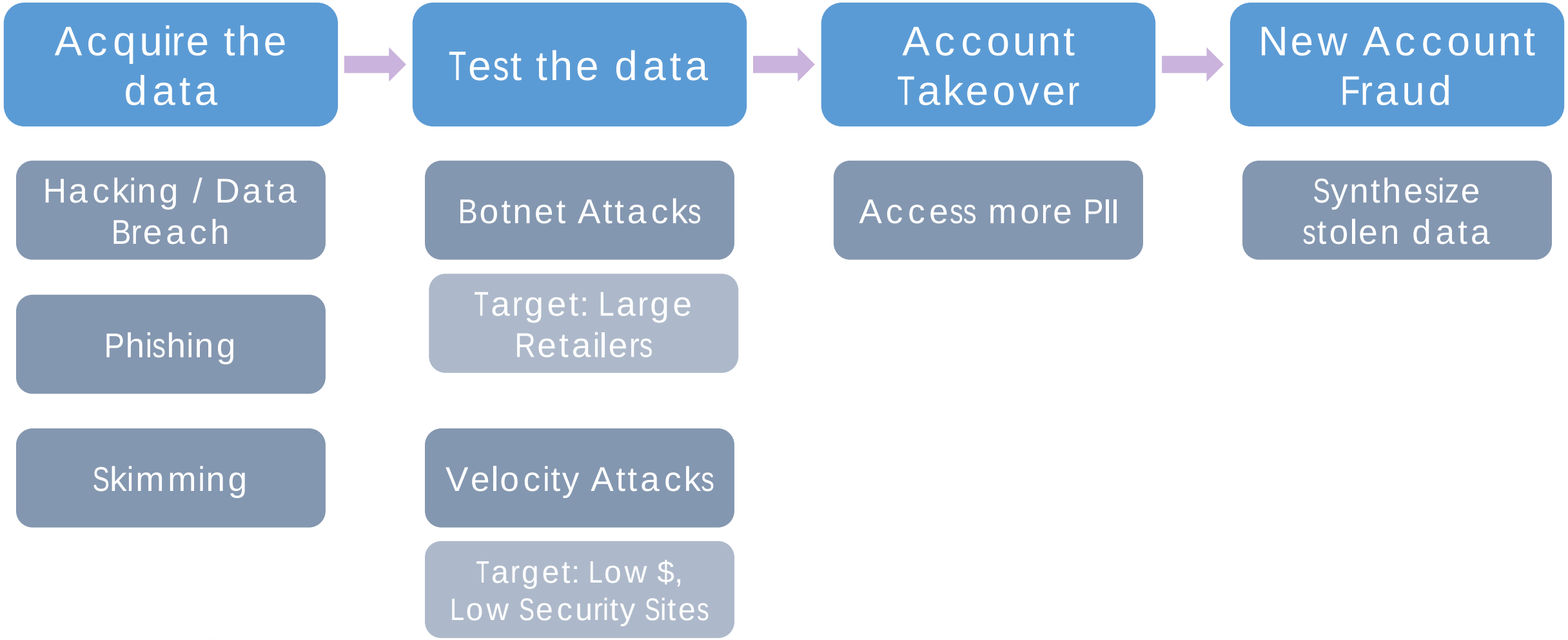

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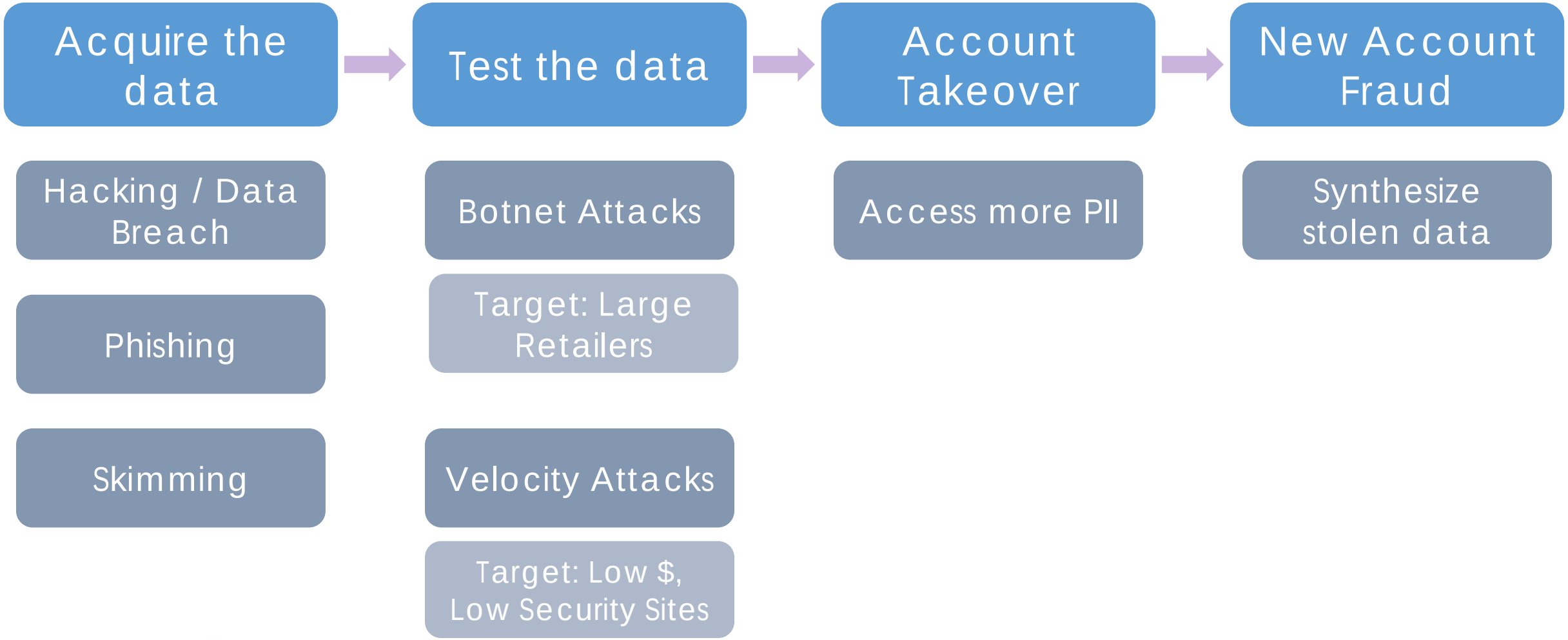

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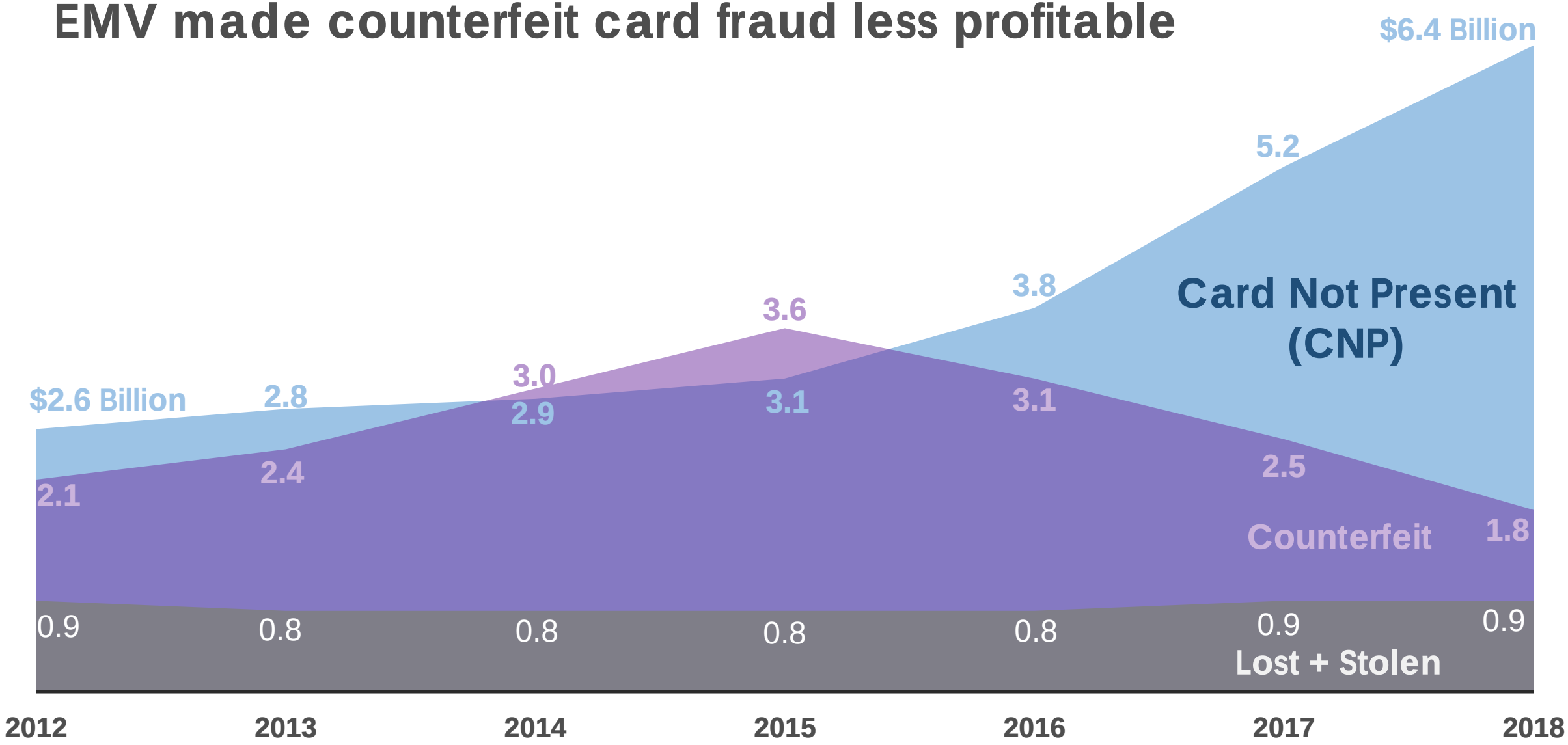

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Data from Aite Group

Fraud Risk in the Payments System

Challenge: how do you prevent criminals from using cards that don't belong to them?

Counterfeit

Card Not Present (CNP)

Lost / Stolen

Solutions

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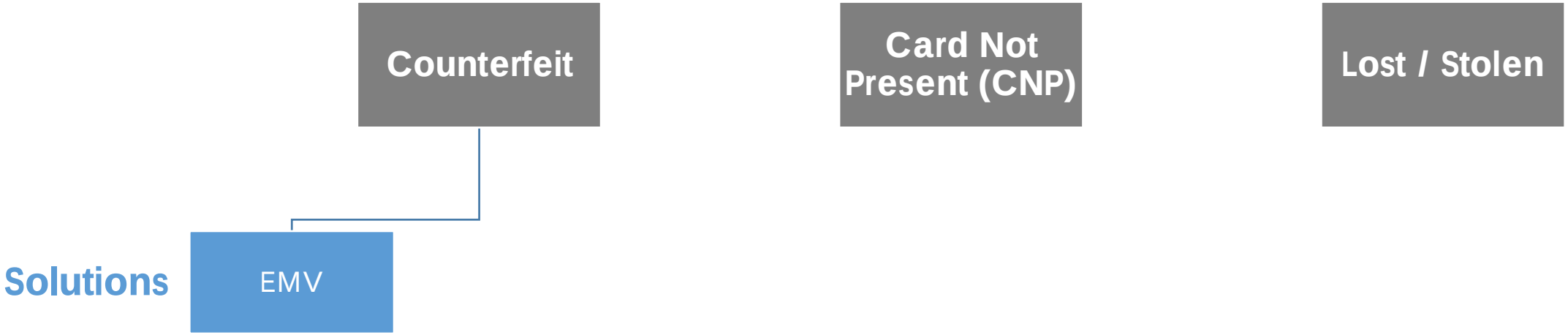

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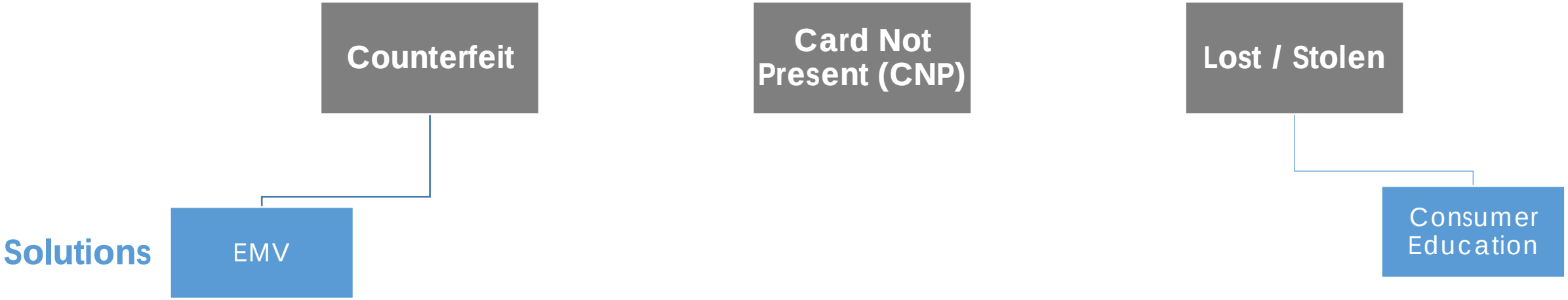

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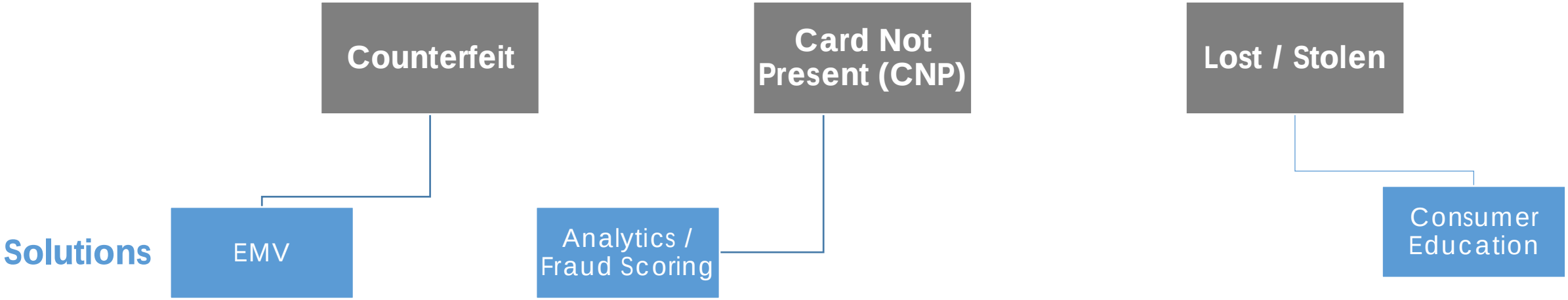

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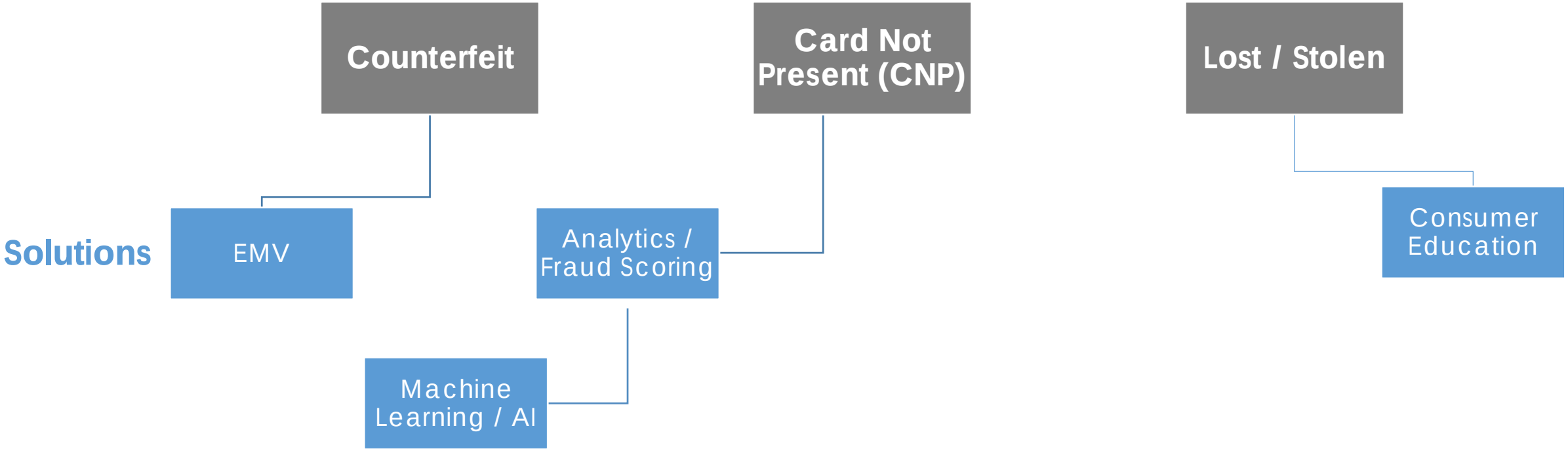

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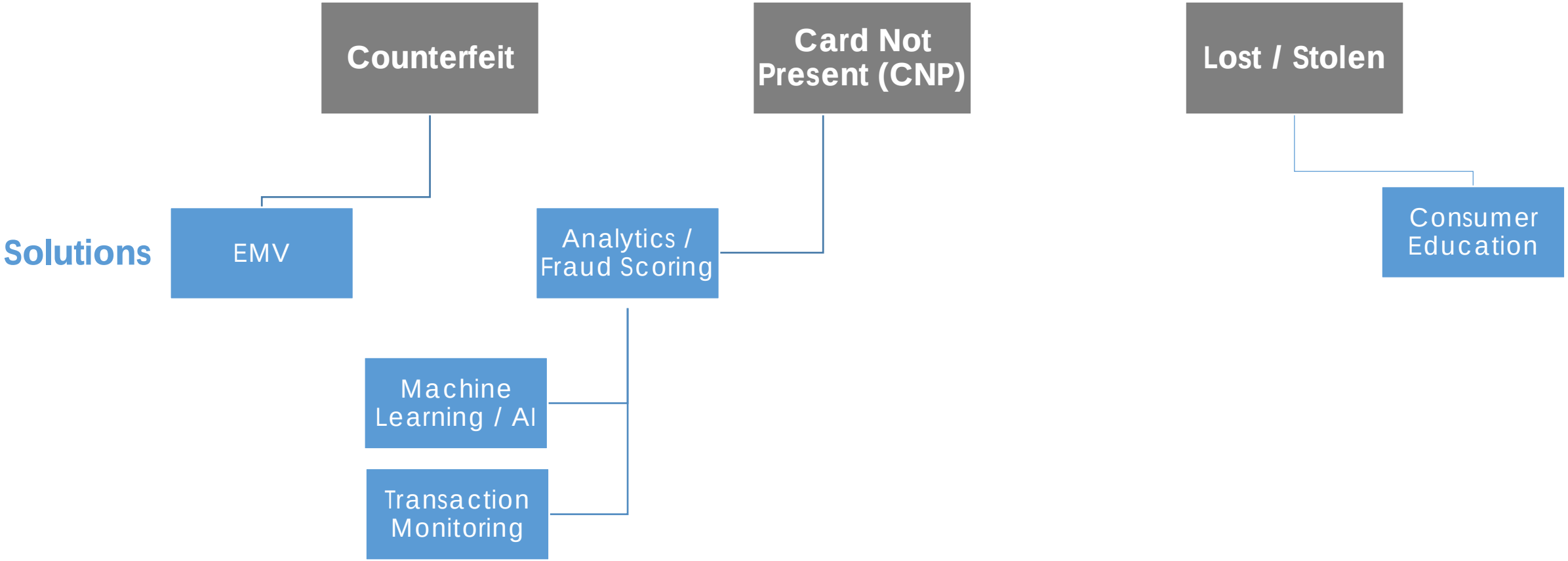

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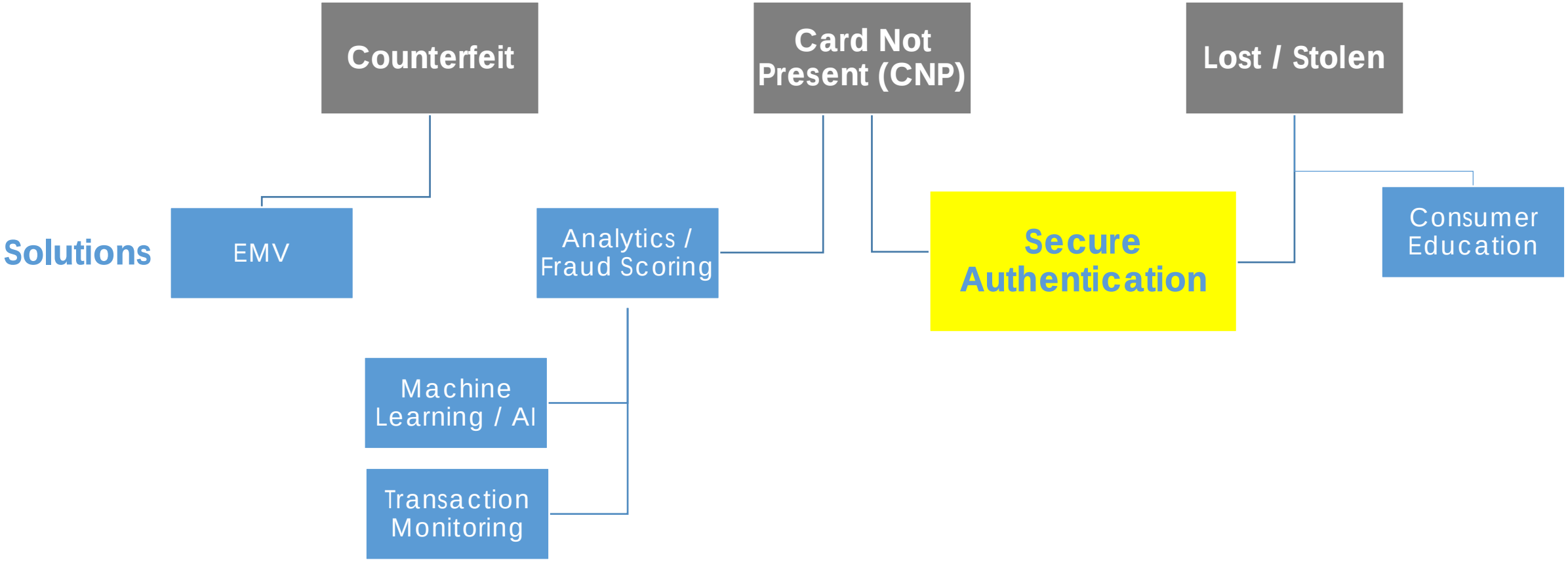

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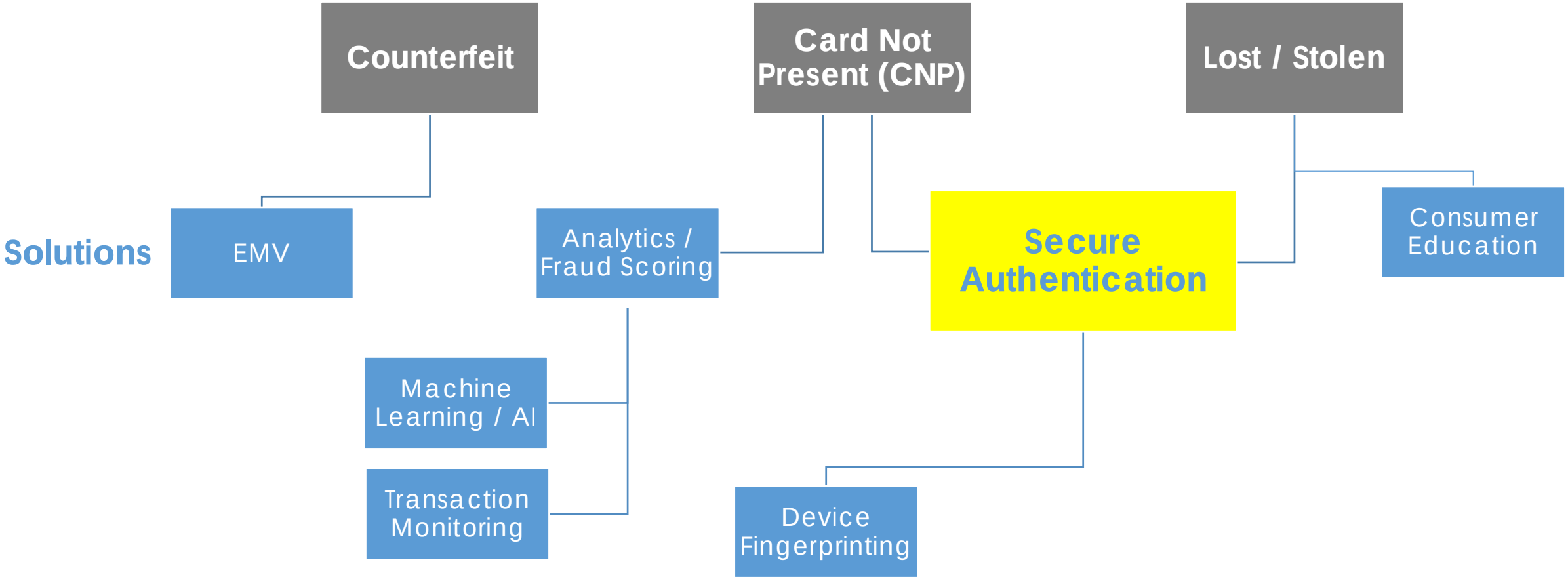

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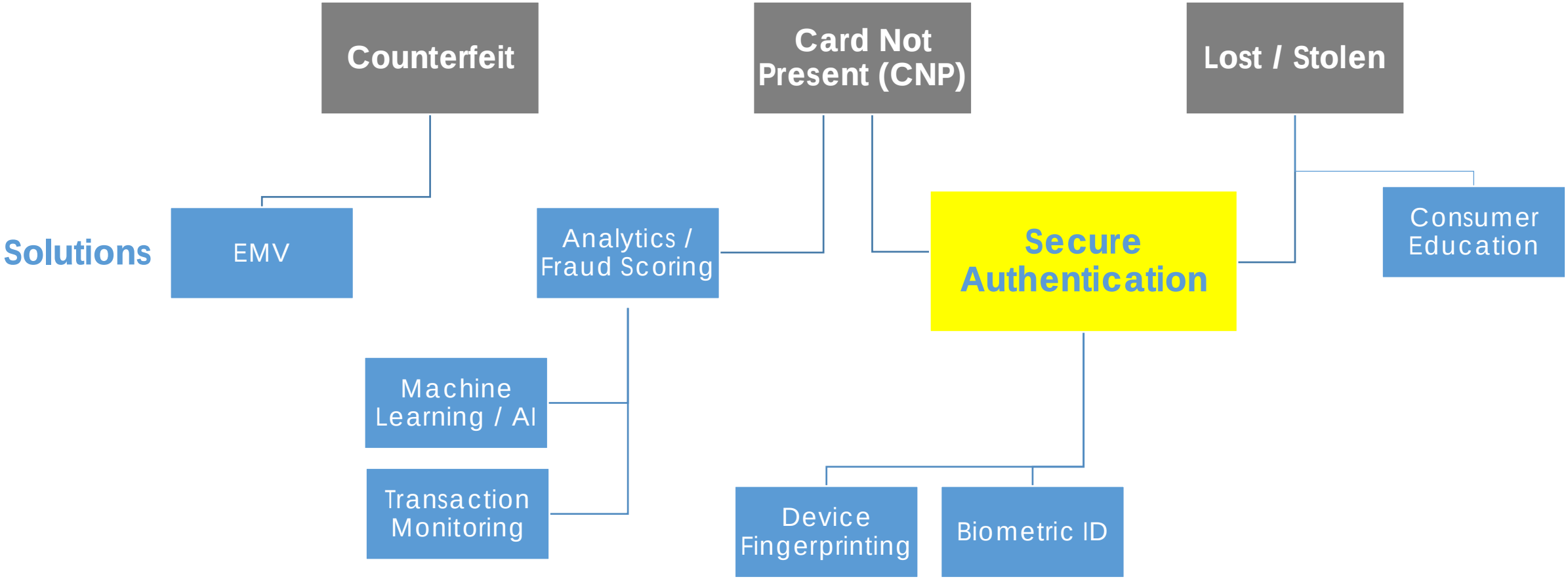

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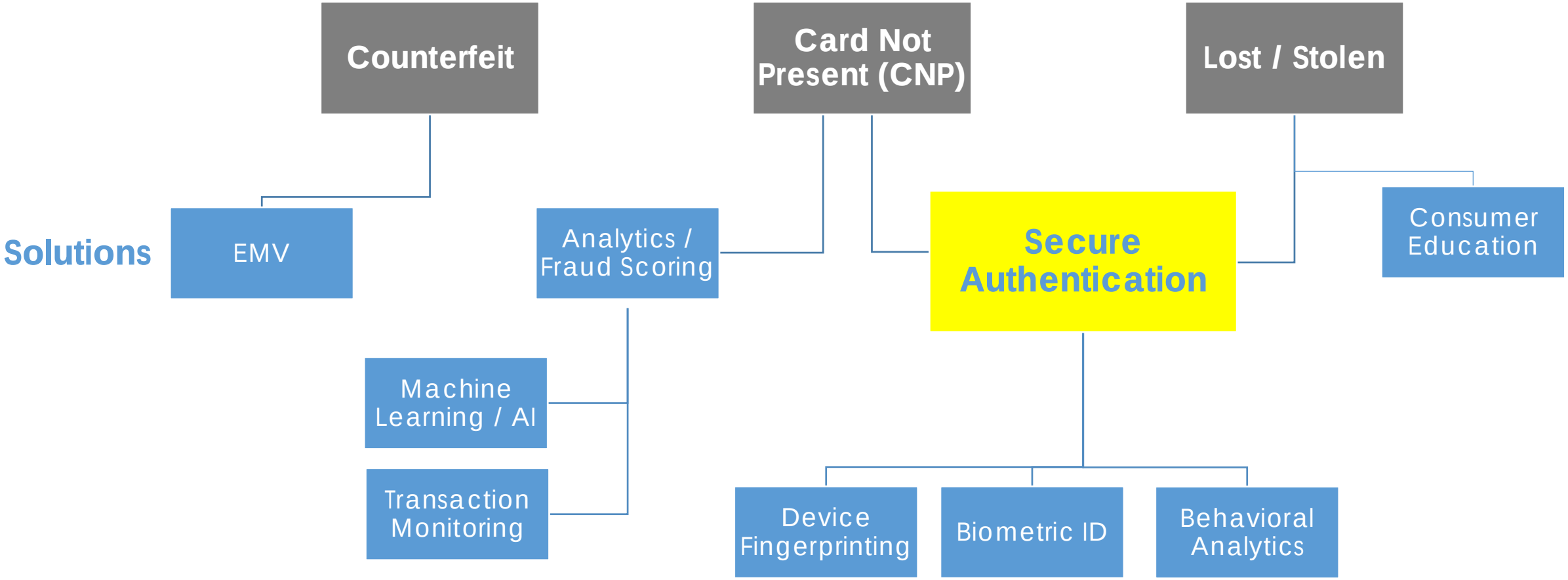

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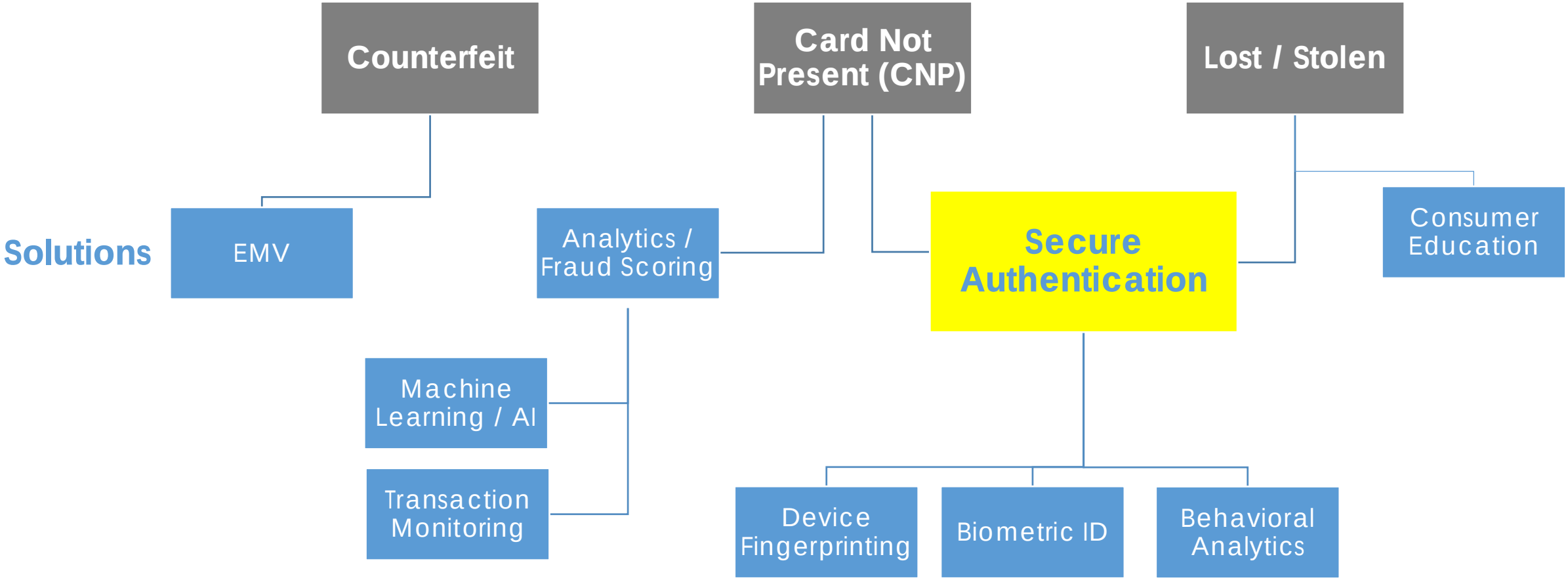

Friction: Active vs. Passive Authentication

Most active / labor-intensive on the user's part

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One-time tokens, codes, or passwords (OTP)

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MULTIFACTOR AUTHENTICATION


MULTIFACTOR AUTHENTICATION
Passwords
Knowledge-Based Authentication
Something you know


Time zone
Something you have
Geolocation
Device fingerprinting
MULTIFACTOR AUTHENTICATION
One-Time Codes
Passwords
Knowledge-Based Authentication
Something you know


Time zone
Behavioral Analytics
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One-Time Codes
Fingerprint Scanning
Passwords
Knowledge-Based Authentication
Something you know

Enhanced Authentication: 3D Secure

10x as much transaction data
+
Risk assessment

ISSUER

High-risk → require additional customer verification

MERCHANT

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Thank you

- Don’t forget to submit your session evaluation!

Amy Zirkle, VP Industry Affairs
Electronic Transactions Association
@ElecTranAssoc
electran.org