



QUIET CONVERSION

GREASING THE GEARS OF CARD-ON-FILE

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Key Takeaways

1. Benefits and Challenges of Credential-on-File
2. Solutions (and results!)
 1. Credential on file indicator
 2. Real time account updater
 3. Network tokenization
 4. 3DS 2.0



Upsides to Card-on-File

Lower Checkout Friction

Happier, more loyal customers

Higher and more frequent spend

Higher LTV



Downsides

Revenue risk:

involuntary churn due to
payments disruption
and poor UX design

Liability:

fraud and card breaches
chargebacks
privacy (GDPR is here!)
exposure



Solutions

New transaction type:
Credential-on-File

Real time account updater

Network tokenization

3DS 2.0



Discussion



Tim Cheung | VP Merchant Digital Products



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eCommerce | CoF | Subscription

MANDATED for Merchants

By Visa - April 2018

	One-off Ecommerce	GROUPON UBER Card on File	  Subscription
<i>regular timing/amount</i>	✗	✗	✓
<i>stored card details</i>	✗	✓	✓

More information on the mandate: Search for Visa Stored Credential Framework

Auth Rate Testing: CoF vs. eCommerce

Top 1700 BINS by Volume

(> 100 transactions out of 1.7MM sample)

+2% Average and Median Lift
CoF over eCommerce indicator

+23% Peak Lift

32% of BINS saw auth rates **fall**

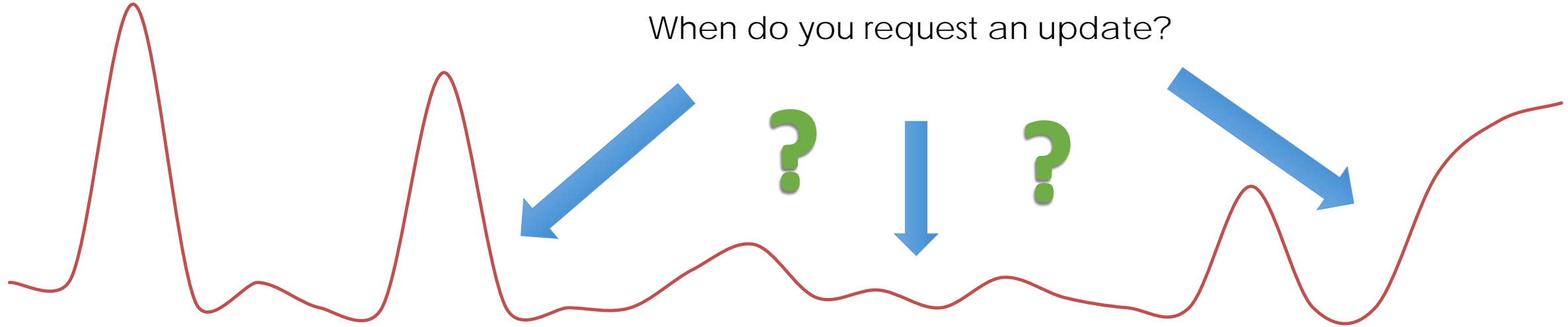
Many banks in France, Spain, Mexico
do not appear to be ready:

497874 (CNCE France): -68%

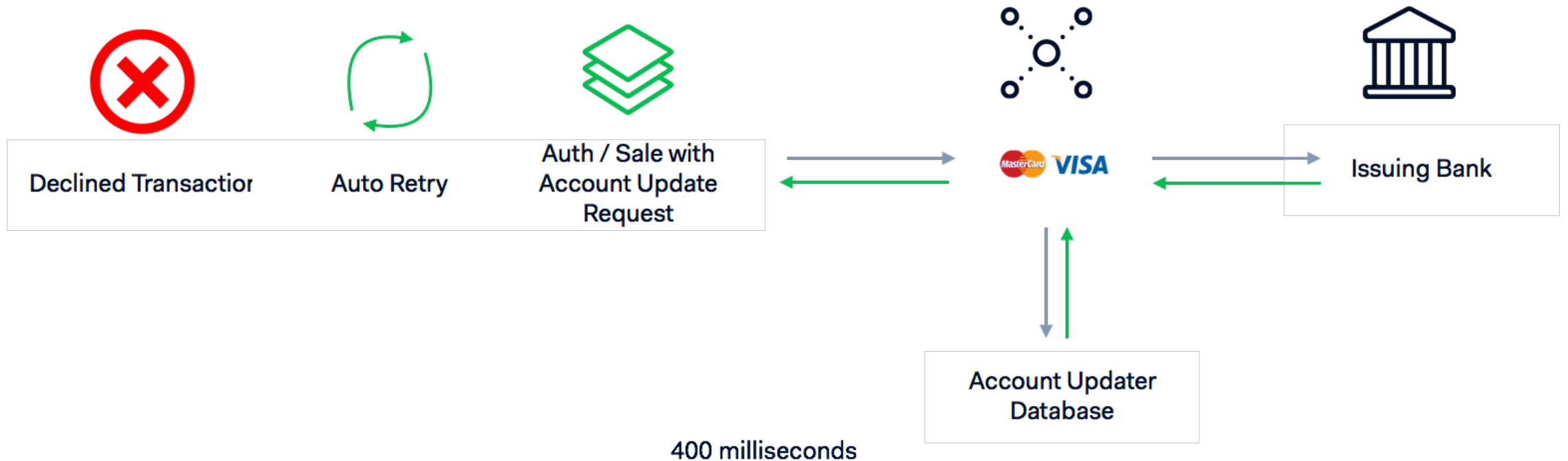
497831 (CNCE France): -50%

491089 (HSBC Mexico): -24%

Account Updating for CoF



Real Time Account Updater



Recovered declines from
real time account updater

+1.5% Generic Declines

+8.5% Invalid Card Declines

+3% Expired Card Declines

+2.5% ALL Declines



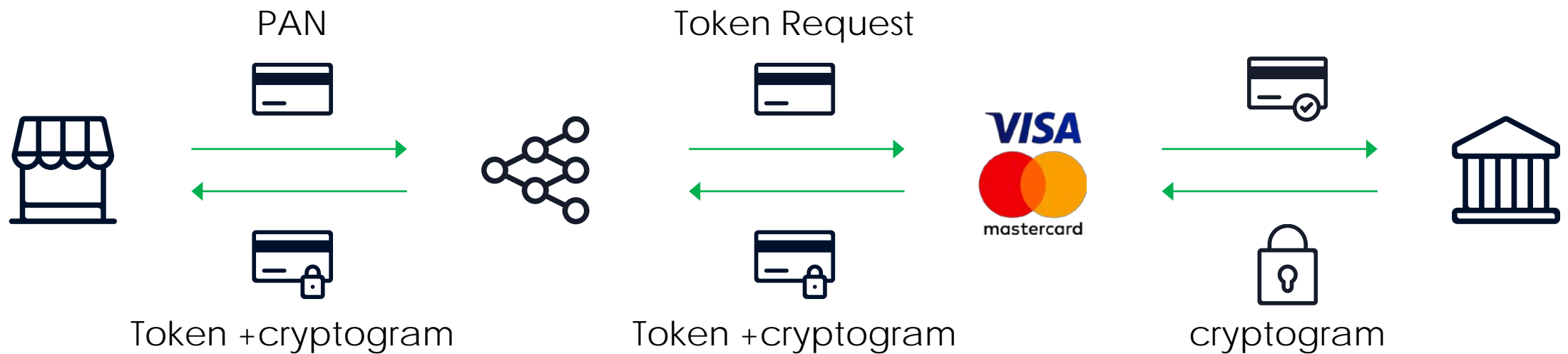
Network Tokenization

You're already using it...



Network Tokenization

Gateways and Acquirers can now be Network Token Providers



Benefits of Network Tokens

Lifecycle Management

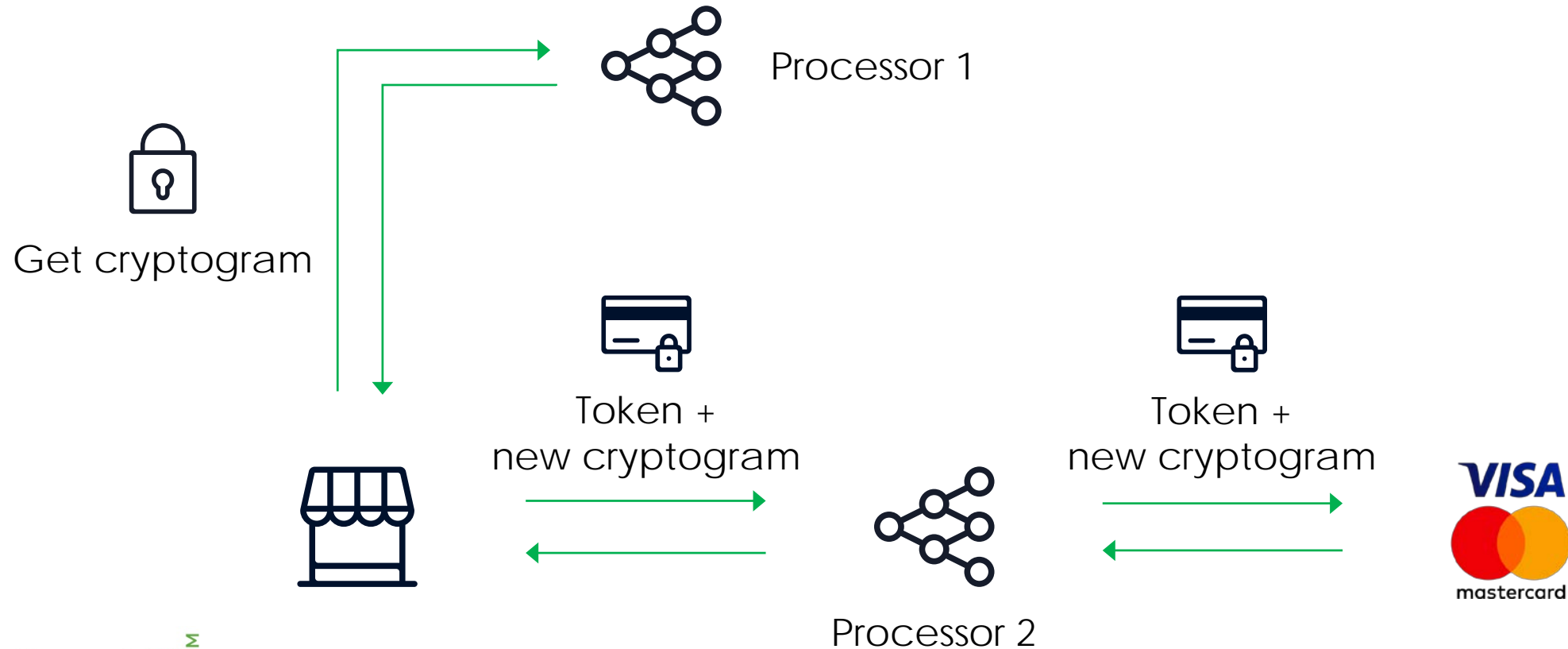
- One Account Number for the life of the card
- Closed accounts don't authorize!
- Network tokens have more global coverage than account updater

Fewer False Positive Declines

- Issuers provide the cryptogram, and have more direct control
- Some issuers are whitelisting network tokens
- Cryptogram makes acquirer-agnostic tokens possible

Network Token Portability

Get a new cryptogram to chain declines to another processor



PSD2 and SCA (strong customer authentication)

Effective September 2019 for all EU-issued cards

Get an Exemption

- Ask customers to whitelist you with their issuer
- Keep transactions below 30 € (beware 5x / 100 € rule)
- Recurring payments: same amount, every payment

Get 3DS 2.0

- Integrate a 3DS 2.0 service provider before September 2019

Thank you

Don't forget to submit your session evaluation!



Bart Phelps | Senior Payments Manager



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