

Navigating SCA: How **open banking** can help

Speakers: Jack Wilson (TrueLayer),
Bobby Chadha (TrueLayer), Tim Richards (Consult Hyperion),
Kristian Sorensen (Norfico)

24 JUNE, 3-4PM (GMT)



Agenda

- SCA overview and timeline
- Approaches to implementation
- Intro to open banking payments
- Panel discussion
- Audience Q&A



Jack Wilson

Head of Regulation & Policy

TrueLayer



Bobby Chadha

Head of Product

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Tim Richards

Principal Consultant

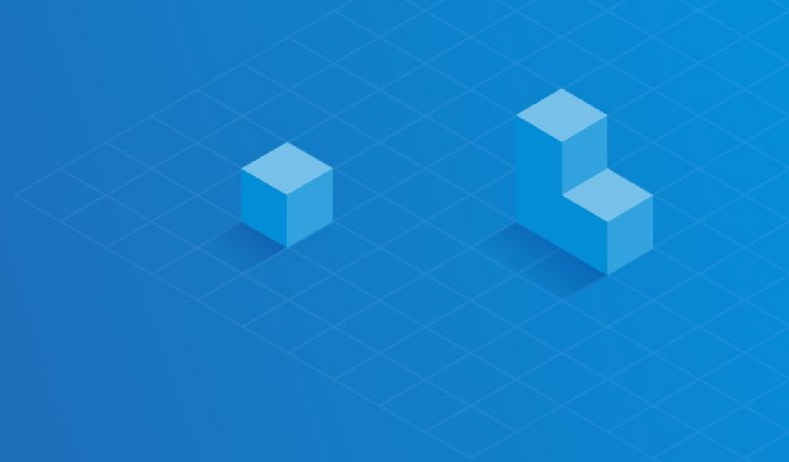
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Kristian Sorensen

Partner

Norfico





Hello!

Jack Wilson

Head of Policy @TrueLayer

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What is “Strong Customer Authentication”?

- Customer need to take extra steps to verify identity before they can pay online
- It is a set of requirements under PSD2
- To meet requirements, banks must authenticate their customers using at least 2 of 3 following authentication elements

Something you know



Password



Passphrase



Pin

Something you own



Mobile phone



Wearables



Smart card

Something you are



Fingerprint



Face detection



Voice patterns

Why is Strong Customer Authentication required?

There were over **2 million cases** of card fraud in the UK in 2020, **valued at £574m.**



Strong customer authentication timeline

EU law sets out what strong customer authentication requirements will be

SCA rules come into effect for online banking and open banking (cards enforcement is delayed)

European Banking Authority flexibility on SCA for cards ends

UK Regulator provides another extension for UK card issuers to limit the impact

25 NOV 15

21 JUN 19

14 Sept 19

1 APR 20

31 DEC 20

30 APR 21

20 MAY 21

14 March 22

European Banking Authority allows countries to delay SCA implementation for cards

UK regulator extends delay for card SCA to 14 September 2021

European Ecommerce bodies complain to EBA of a 31% card payment failure rate

Final deadline for SCA implementation in UK

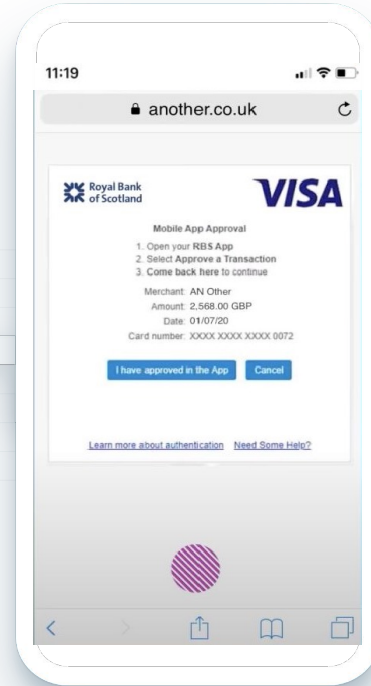


How is the card industry dealing with the requirements?

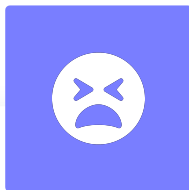
- Lobbying for delays
- Building new technology
- Looking at exemptions from SCA

What does the SCA card
payment flow look like?

10+ steps...



Impacts of SCA on the card payment flow



More steps for
customer to
go through



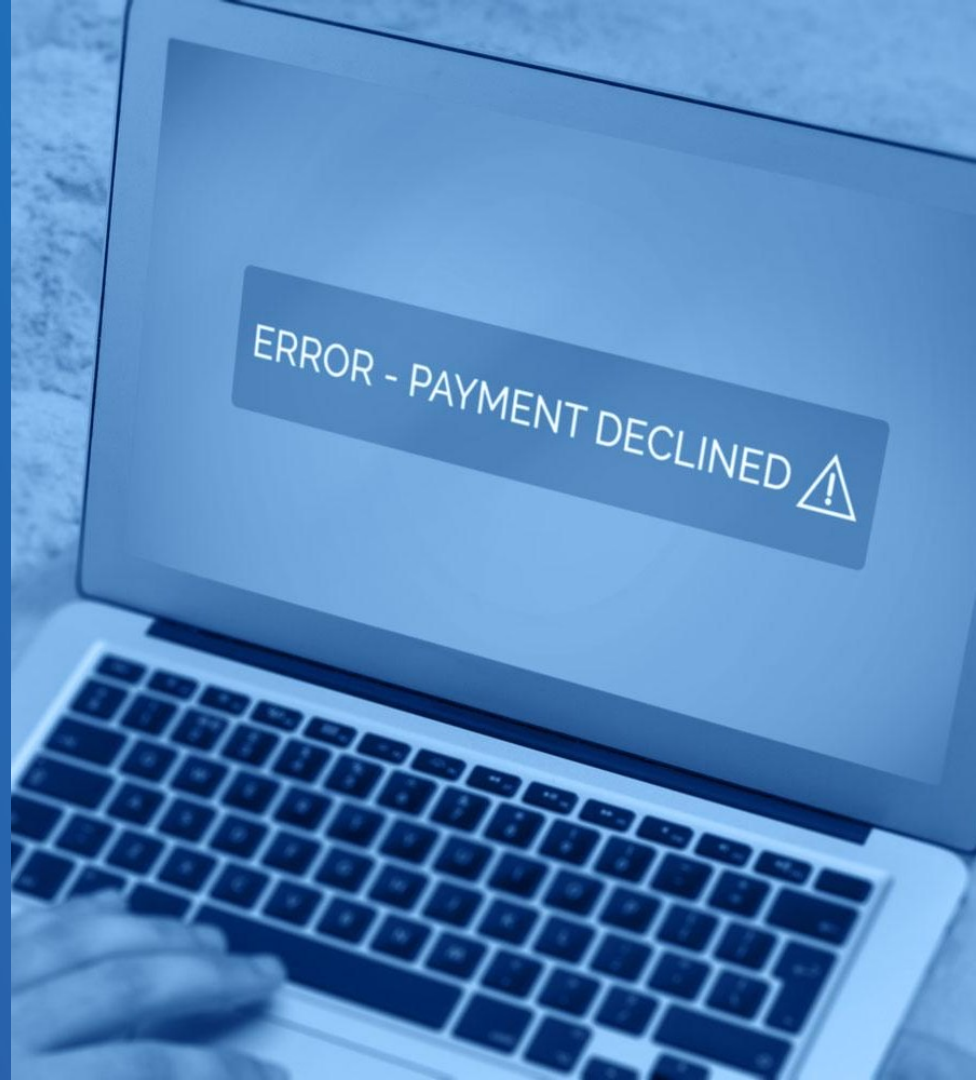
Slower payment
process, between
4-8 minutes



Transaction failure
rate up to 31%

According to European Ecommerce bodies there are structural problems with SCA compliance for cards:

- Consumer 3DSecure (3DS) enrolment with issuers
- Issues with the availability, usability, or mis-interpretation of the available exemptions - notably those based on transaction risks analysis.
- Access control server providers are failing to address issues
- Timing and latency issues between the issuer's 3DS page and the final payment confirmation page





Hello!

Bobby Chadha

Head of Product @TrueLayer

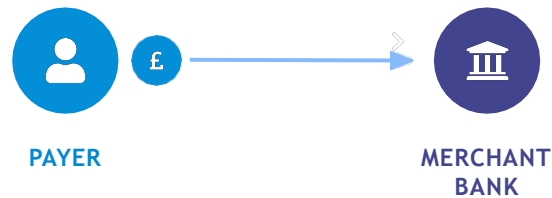
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Open banking lets us
connect you directly
to a customer's bank
account via open APIs



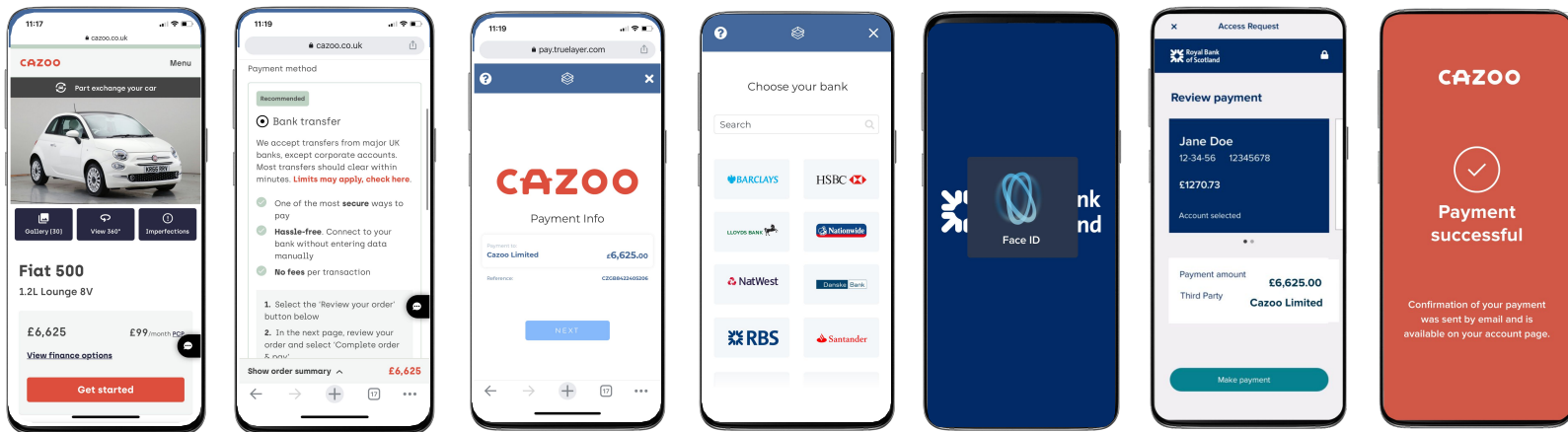
Open banking payments

- Built to comply with SCA and PSD2
- Payments convert up to 40% higher than other methods such as cards
- Typically with 95% payment success rates

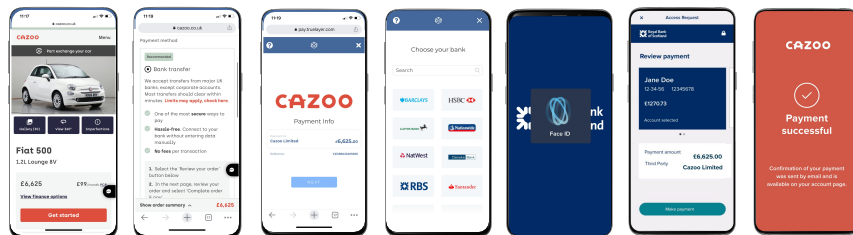


Cazoo

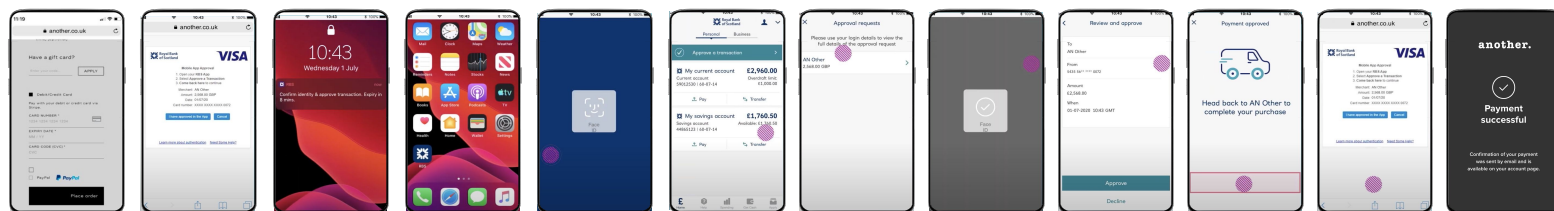
Mobile payment flow with SCA



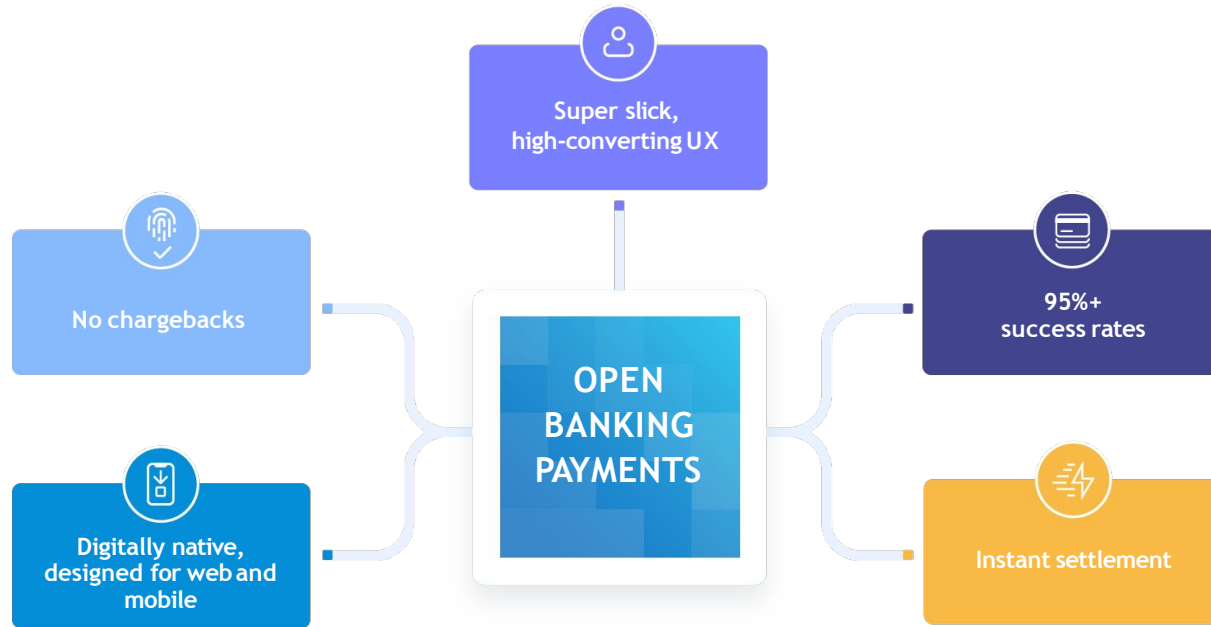
Open banking with SCA



Cards with SCA



Benefits for merchants



Build better financial experiences with TrueLayer

50% +

Of all open banking traffic in UK, Spain & Ireland flows through TrueLayer.

100%

Open API based. No screen scraping, just secure, reliable, permissioned access to financial data and payments.

\$180m

Total capital raised from lead investors.

3m +

Businesses and consumers trust TrueLayer to access their financial data.

+22%

Payments through TrueLayer convert 22% higher than other open banking providers.

220+

Growing team with offices in London, Milan, Dublin, Hong Kong, Sydney and more to come.

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ADDITION

anthemis

NORTHZONE

TEMASEK

Tencent

Panel discussion



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Q&A

