

WEBINAR:

# The New Landscape of Payments

## The Rise of Pre-Authorization Risk Assessment

**EKATA**



MERCHANT  
PAYMENTS  
ECOSYSTEM

# Alan Moss (Moderator)

VP of Marketing @ Miura Systems Ltd.



Alan Moss is currently working as VP of Marketing at Miura Systems, a leading global provider of secure mobile acceptance technology. In parallel, Alan is Head of Fintech and Payments at the consulting company, BluSpecs Innovation.

Alan has over 20 years' experience in the electronic payments business, working with industry leaders such as Hypercom, Thales and Verifone, in a variety of roles from business development and product marketing to global relationship management. Alan also worked in international sales for De La Rue's security holographics and security print divisions.

Prior to working for BluSpecs, Alan was VP of Business Development at Verifone, where he was responsible for the deployment of new value-add applications and services in Europe. Whilst at Verifone, Alan was also a board member and Chairman of the General Assembly of Nexo, a leading pan-European standardization initiative promoting the interoperability of card payments.

Alan holds an International MBA from Madrid's leading business school, Instituto de Empresa, as well as a bachelor's degree from the University of London.

# Spencer McLain

Vice President of the EMEA region @ EKATA



Spencer McLain is Ekata's Vice President of the EMEA region. He leads Ekata's international expansion efforts and owns key relationships with card brands and payment service providers. Spencer supports multiple fraud platform partnerships, collaborates with Product Management to improve Ekata's API products to ensure that they provide maximum lift in risk models and/or rule-sets, and acts as a key liaison to complex data customers who require specialized testing/analysis.



# The New Landscape of Payments

## The Rise of Pre-Authorization Risk Assessment

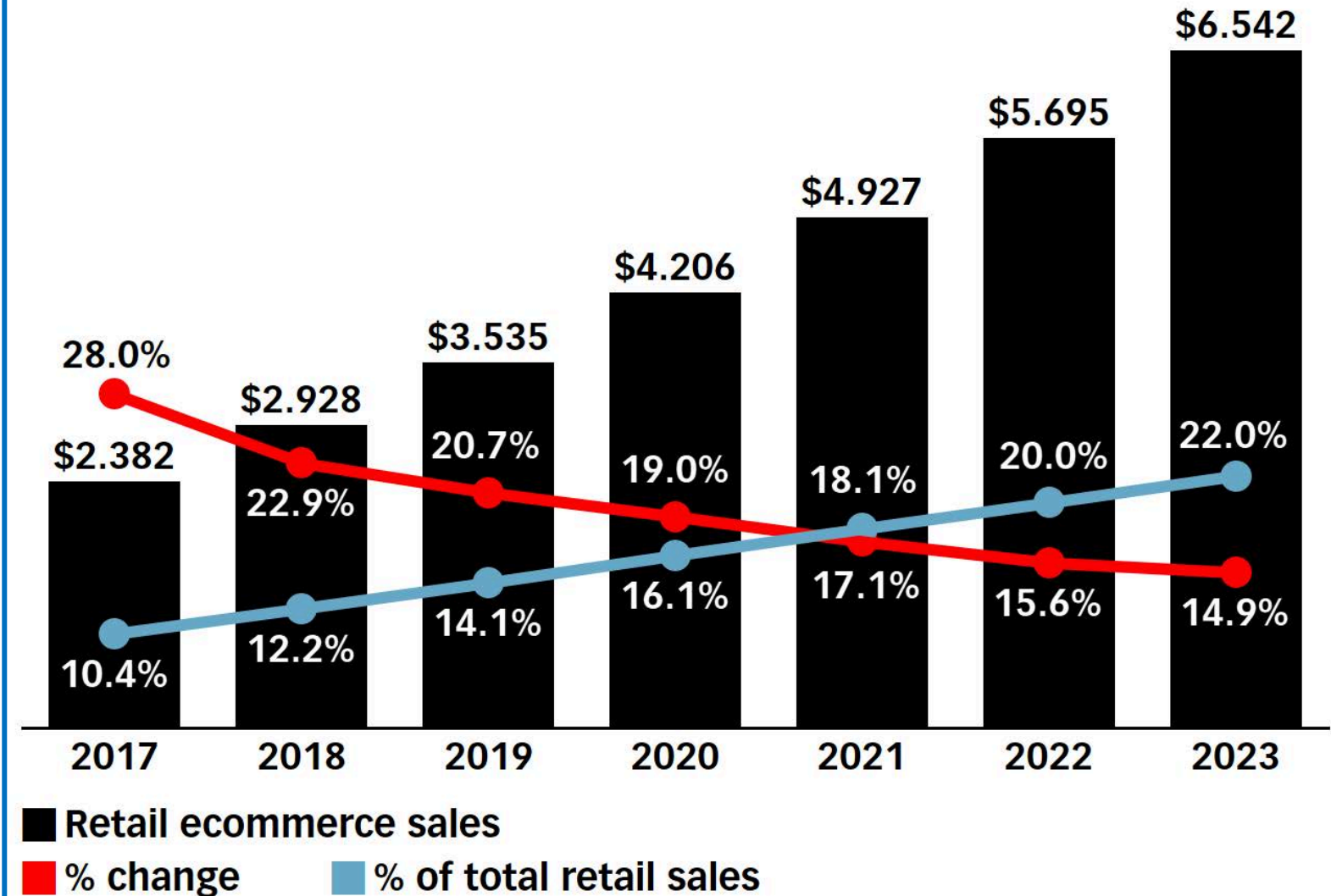
Spencer McLain – Vice President & General Manager, EMEA

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# Moving Online

eCommerce volume  
expected to  
increase **85%**  
over the next 5 years

**Retail Ecommerce Sales Worldwide, 2017-2023**  
trillions, % change and % of total retail sales



# Rising Consumer Expectations

Payments & shipping



Apple Pay



prime now

Digital goods



NETFLIX



Digital services



Uber



deliveroo



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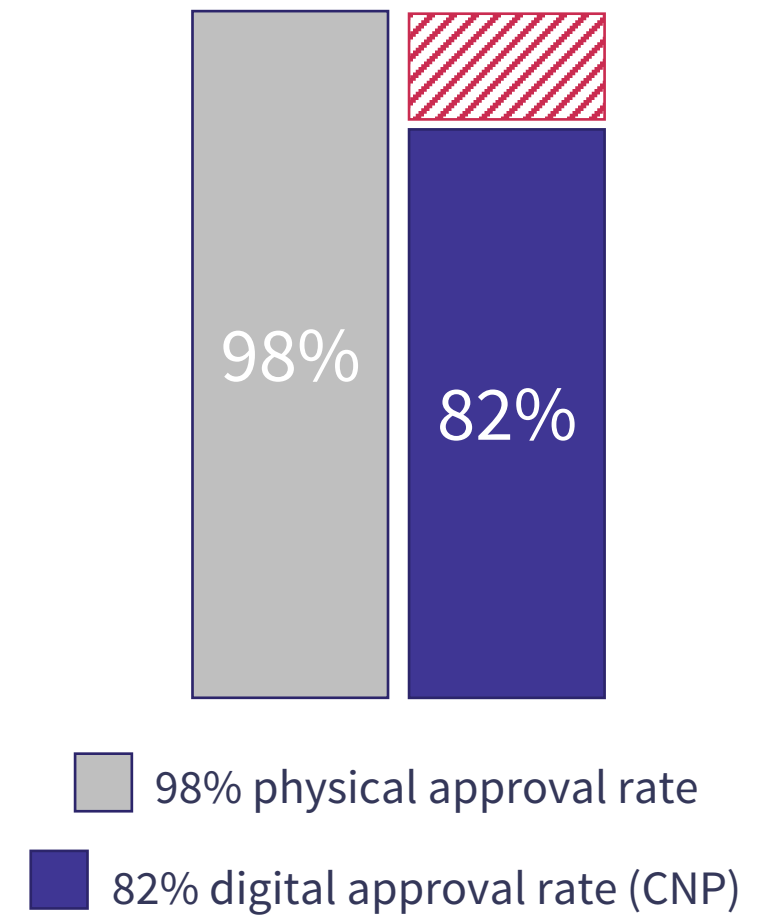


**92%** of consumers demand a  
fast, **frictionless** experience  
that is trustworthy and secure

# Balancing Fraud & Acceptance



*Lower online authorization rates<sup>2</sup>*





# Cost of False Decline



False declines for card transactions totaled **\$331B** in 2018<sup>1</sup>



**32%** of falsely declined consumers stop shopping with retailer<sup>2</sup>



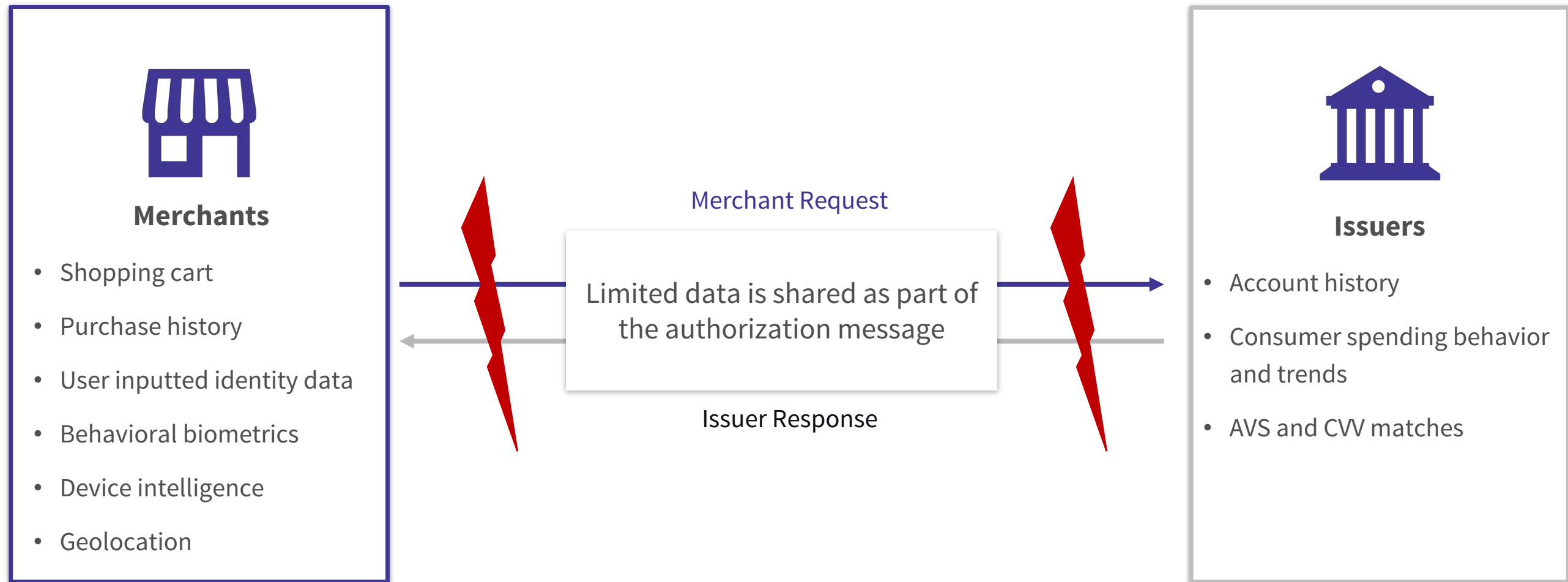
False decline rate is over **3X** the rate of existing card fraud<sup>3</sup>

1. US Payment Forum, Card-Not-Present Fraud Analysis 2017
2. Javelin Study 2018
3. Javelin False Positive Study



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# Broken Authorization Infrastructure



# How is the Industry Adapting?

- Pre-Authorization Screening Models
- Trusted Merchant Identification Number (MID)
- 3D Secure (3DS) 2.X
- Account Updater
- Network Tokenization
- Secure Remote Commerce (SRC)



**How do we enable merchants  
to share more insights  
with issuers?**

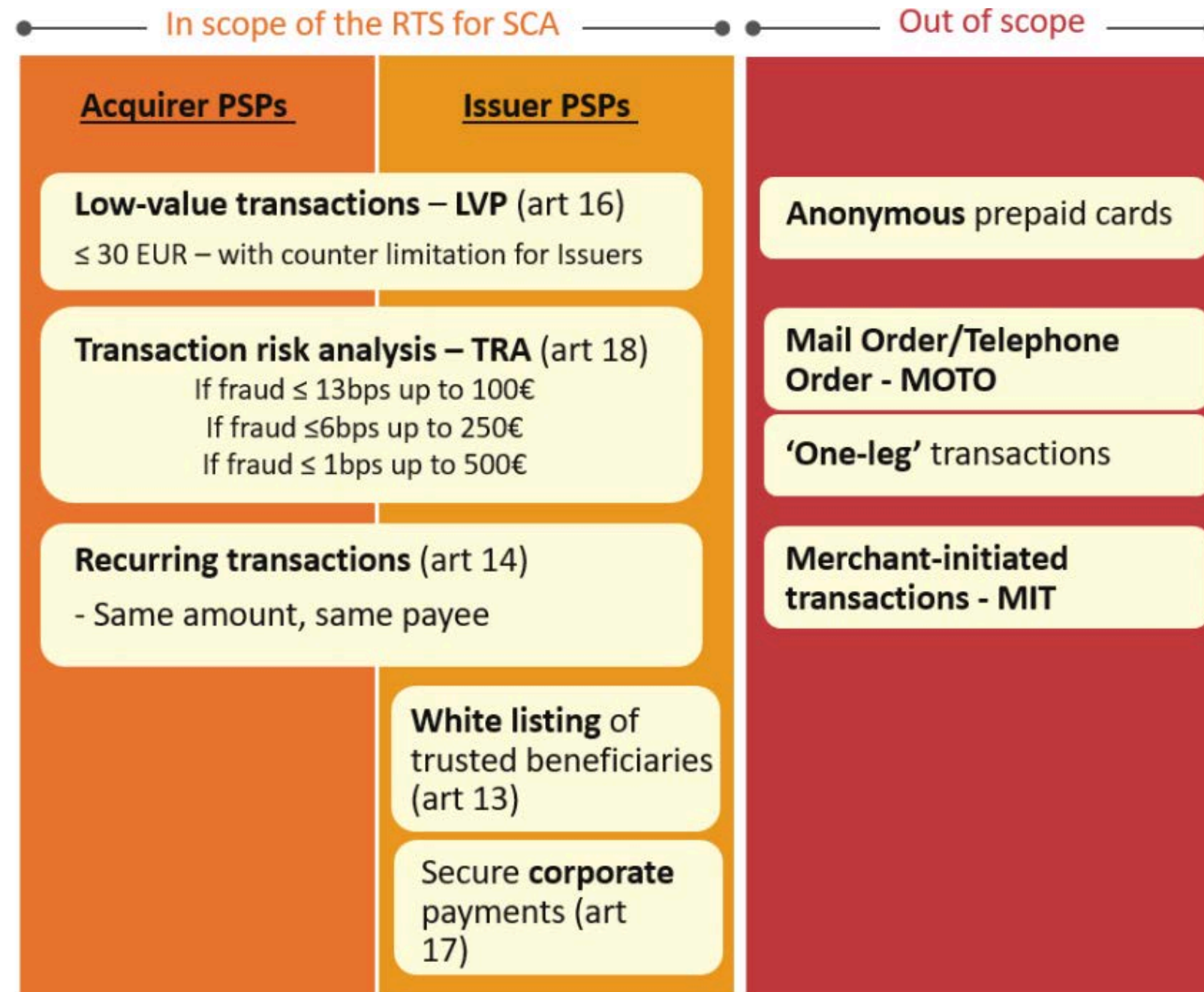
# Emerging Regulations



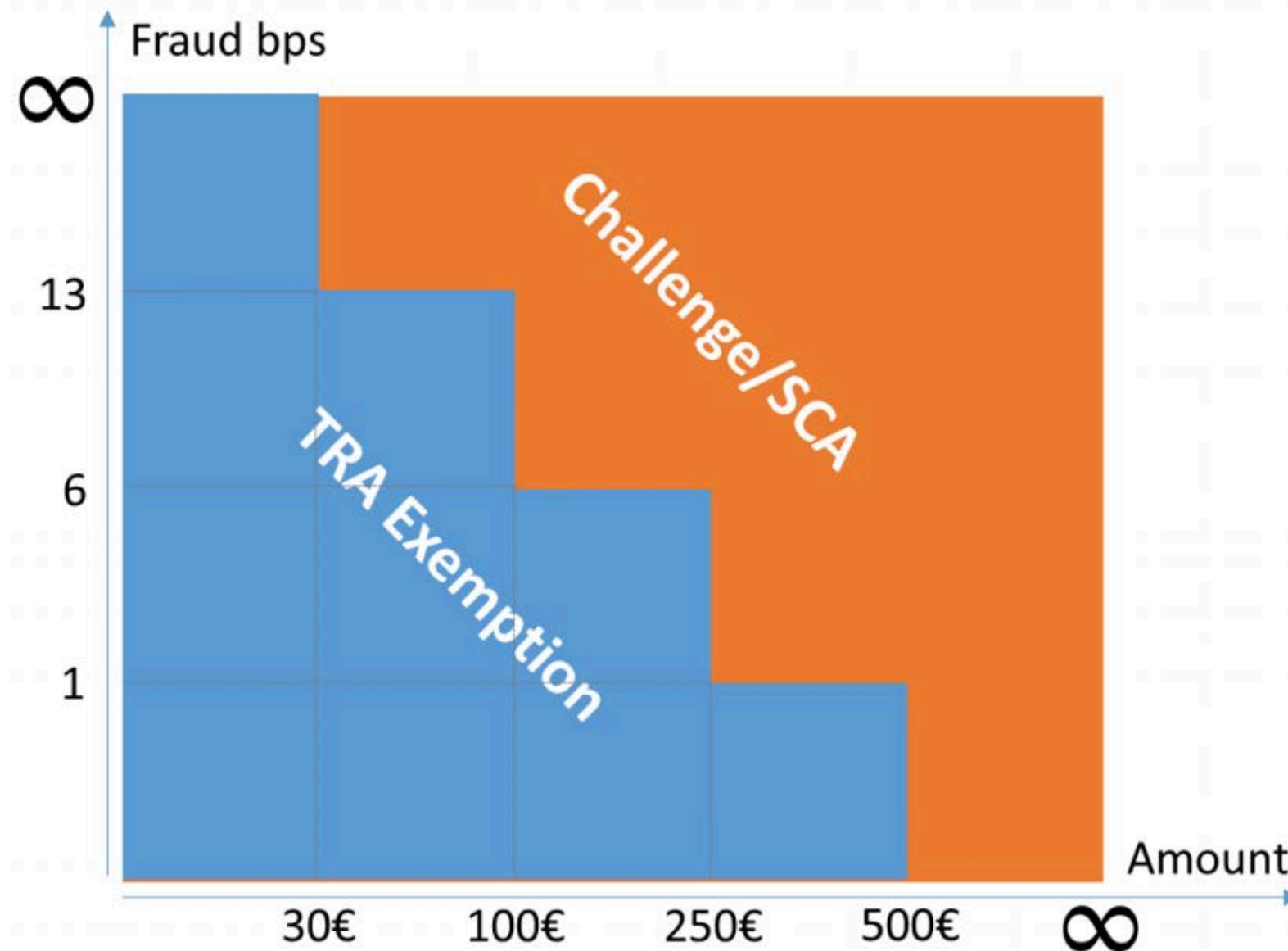


**PSD2 is an opportunity to  
increase intelligent data  
sharing across the ecosystem**

# PSD2 SCA Exemptions and Exclusions



# PSD2 SCA Exemptions and Exclusions



Source: Mastercard Authentication Guide for Europe



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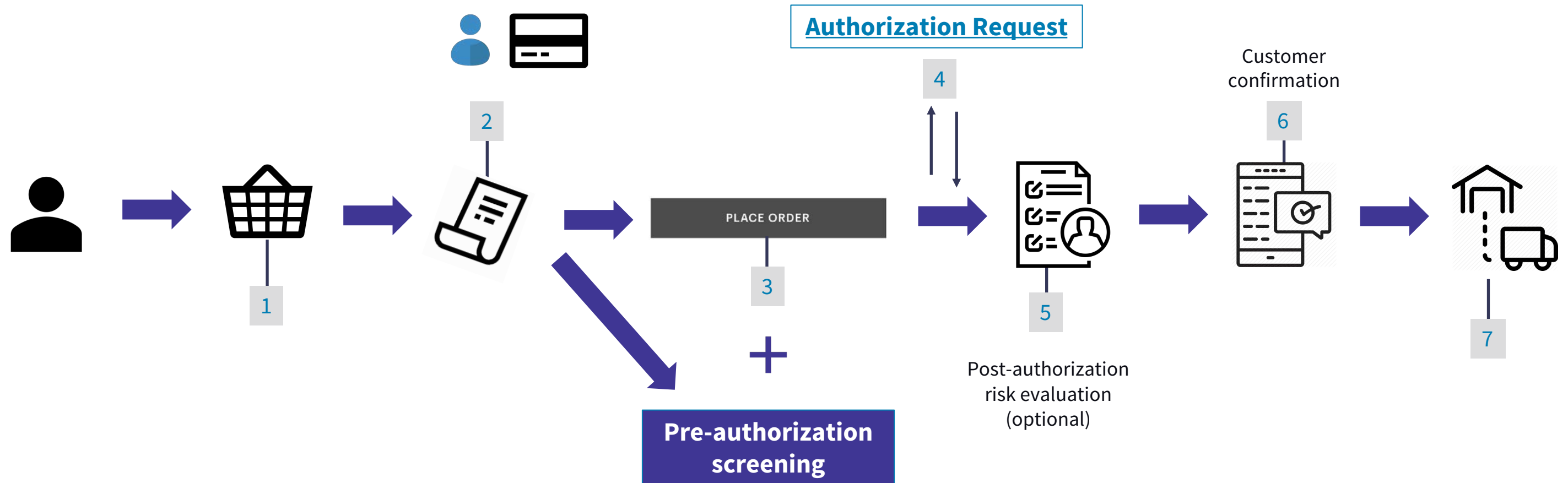


*3DS takes **37 seconds** to complete on average.*

*Conversion by issuer ranges from **68%** to **92%**.*

*Only 9% of transactions are **frictionless**.*

# What Is Pre-Authorization Screening?



# Benefits of Pre-Authorization Screening

- ✓ Enables new consumer experiences
- ✓ Minimizes checkout friction
- ✓ Increases issuer approvals
- ✓ Decreases operating costs
- ✓ Required as regulations emerge



**Questions?**

The EKATA logo features the word "EKATA" in a bold, white, sans-serif font. The letter "A" is stylized with a white circle inside it. The logo is positioned in the upper left quadrant of the slide.

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**THANK YOU FOR ATTENDING!**

**THE RECODING WILL BE AVAILABLE TOMORROW!**