



Minimize the impact of PSD2 on your revenue

Maximize exemptions and increase conversions by up to 5%



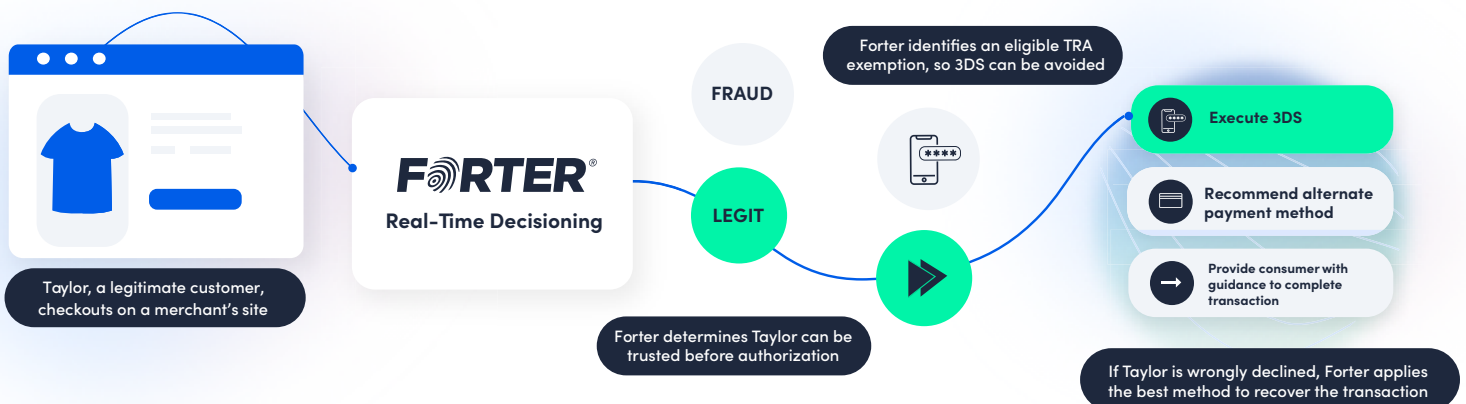
At the core of PSD2 regulation is the Strong Customer Authentication (SCA) requirement for online transactions. Currently, 3-D Secure (3DS) is the primary authentication protocol available for merchants to meet the SCA requirement. While 3DS provides a liability shift of fraud from merchants to issuing banks, it also introduces additional friction into the purchasing process and presents several challenges for merchants.

Challenges

- **Poor customer experience:** 3DS authentication introduces additional friction into the purchasing process, impairing the customer experience and increasing checkout abandonment by up to 50% in some countries.
- **Lowered approval ratio:** Merchant approval ratios can potentially drop from 3DS authentication as issuing banks can decline 3DS transactions to avoid the fraud liability shift.
- **Inability to Manage Fraud and Risk:** Processing fraudulent transactions with 3DS can result in an increase in service chargebacks, entering chargeback monitoring programs, and a drop in approval ratios due to a poor risk reputation with banks.

Forter PSD2 Solution

Forter's PSD2 Solution provides real-time payment routing decisions to distinguish transactions eligible for exemption and transactions that require 3DS authentication. If required, Forter's PSD2 solution enables authentication on the merchant's behalf. Forter ensures that up to 80% of transactions (under 250 EUR) will be exempted from SCA, increasing total conversions by up to 5%. With Forter, merchants can strike the right balance between risk, customer experience, and managing regulatory requirements.





We knew we wanted to work with the best fraud-prevention partner available, and Forter's suite of capabilities has been a game-changer for us. Knowing we can meet the requirements of PSD2, while also mitigating the friction introduced by SCA requirements, means we can focus on our core business objectives and drive overall engagement with consumers."

[Juraj Striezenec](#), CFO at Kiwi.com

Forter PSD2 Solution



Accurate pre-auth fraud prevention: Improve your business' risk profile and increase your authorization rates by blocking fraudulent transactions before bank authorization.



Increase conversions and maintain compliance with dynamic 3DS: Optimize the application of 3DS authentication to increase approval ratios, decrease fraud liability, and ensure that friction will only be applied when absolutely necessary. Forter's platform determines whether or not to apply 3DS for each transaction in real-time based on the following factors.

- The transaction's risk level
- All global regulatory requirements
- Whether 3DS will be frictionless (while still transferring liability to the bank)
- Consumer's likelihood to cooperate with 3DS
- Issuing bank's likelihood to authorize a 3DS
- Processor's likelihood to allow a PSD2 exemption or exclusion (when relevant)



TRA Exemption Engine: Identify and apply every eligible exemption and exclusion by leveraging Forter's payment ecosystem intelligence to minimize 3DS authentication friction.



Recover declined transactions: Maximize your approval ratio by using 3DS to recover declined transactions.

- Recover legitimate transactions that would have been lost entirely after being declined during the payment flow.
- When a bank declines a transaction due to risk, Forter can recommend retrying processing for that transaction with 3DS authentication. This increases bank confidence that a transaction is legitimate, so they are more likely to approve it.

- ✓ **Manage and analyze payment performance:** Gain full visibility into your payments metrics and KPIs. Access deeper insights on your payment processes (e.g. approval rates), 3DS authentication metrics (e.g. abandonment rates), transaction approval and decline rates, and more.
- ✓ **Full chargeback guarantee:** Eliminate chargeback liability for fraudulent transactions by leveraging Forter's chargeback guarantee for transactions that are not mandated to undergo 3DS authentication.
- ✓ **Improve PSP and issuing bank authorization rates:** Forter can provide data to a merchant's processors and issuing banks to help them improve the accuracy of their risk assessments and reduce false declines, increasing authorization rates by 1.5%.
- ✓ **Integrate with any PSP:** Optimize your 3DS routing with an agnostic integration that works with any PSP. With Forter, merchants have only one integration and don't need to provide sensitive data to multiple vendors.
- ✓ **Continuous testing and optimization:** Ensure the best results as Forter's decision engines constantly and automatically run experiments (A/B testing) on segments to improve performance.
- ✓ **Ensure 3DS availability and redundancy:** Forter's platform provides the highest availability and redundancy for performing 3DS transactions.
- ✓ **Support all versions of 3DS:** Forter supports all versions of 3DS, so merchants can also apply 3DS1 authentication when needed or when preferred by an issuer/PSP.



Want to learn more?