# Secure Payment Confirmation for Web Payments.

**Europe**

# Enabling customers worldwide.

**450+**
Experts & employees

**3**
Development centres

**9**
Fime laboratories

**3000+**
Customers

**18**
Locations

**40+**
Accreditations

● Headquarters
● Fime locations
● Distributors

# Memberships.

| | | | |
|---|---|---|---|
| Calypso Networks Association | EMVCo ASSOCIATE | fido ALLIANCE MEMBER | GLOBALPLATFORM® |
| GSMA Associate Member | mobey forum | nexo | NFC FORUM |
| ospt ALLIANCE | SECURE TECHNOLOGY ALLIANCE | UITP MEMBER | US PAYMENTS FORUM |
| W3C® MEMBER | | | |

# Some references.

# Secure Payment Confirmation in Europe.

# Online payment growth.

## In 2022

*Source: eurostat*

- 91% of people aged 16 to 74 in the EU had used the internet and **75%** of whom had **bought** or ordered goods or services **online** and this trend **continues to increase**.

- In 2022 the share of **online payment** in value was **28%** (up from 14% in 2021). **Important growth**.

- **Web** application represent the **main channel** for electronic commerce.

Source: eurostat
Source: researchandmarkets
Source: ebc



**E-shoppers, Europe**

Percentage of internet users that bought goods or services online

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 (F) |
|------|------|------|------|------|----------|
| 65%  | 66%  | 69%  | 74%  | 73%  | 75%      |
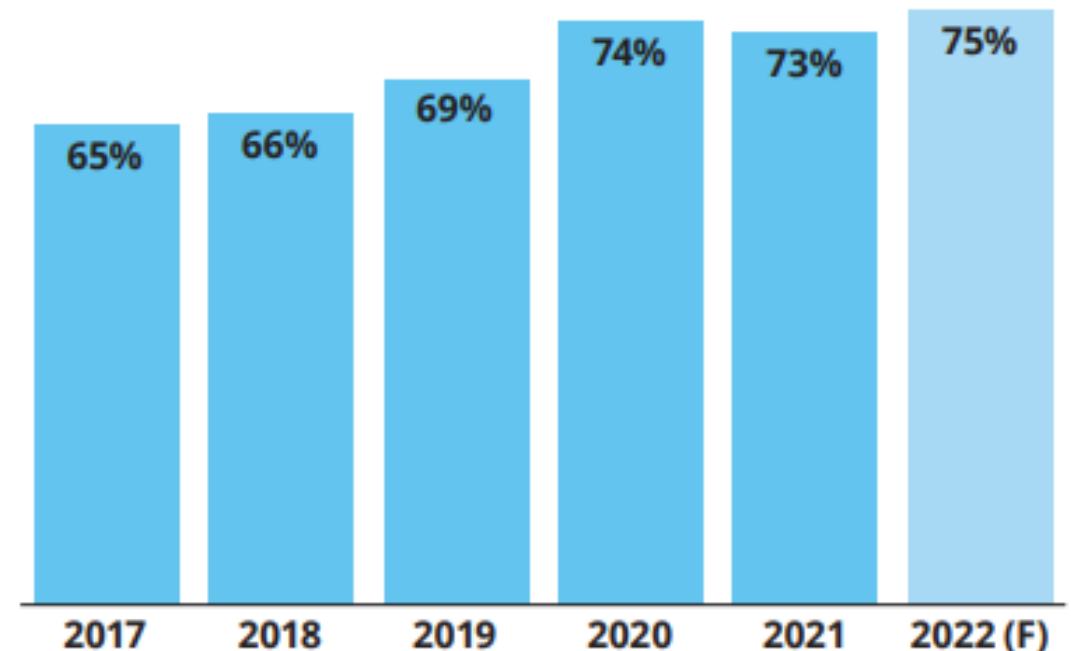
SOURCE: EUROSTAT; STATISTA; UNITED NATIONS
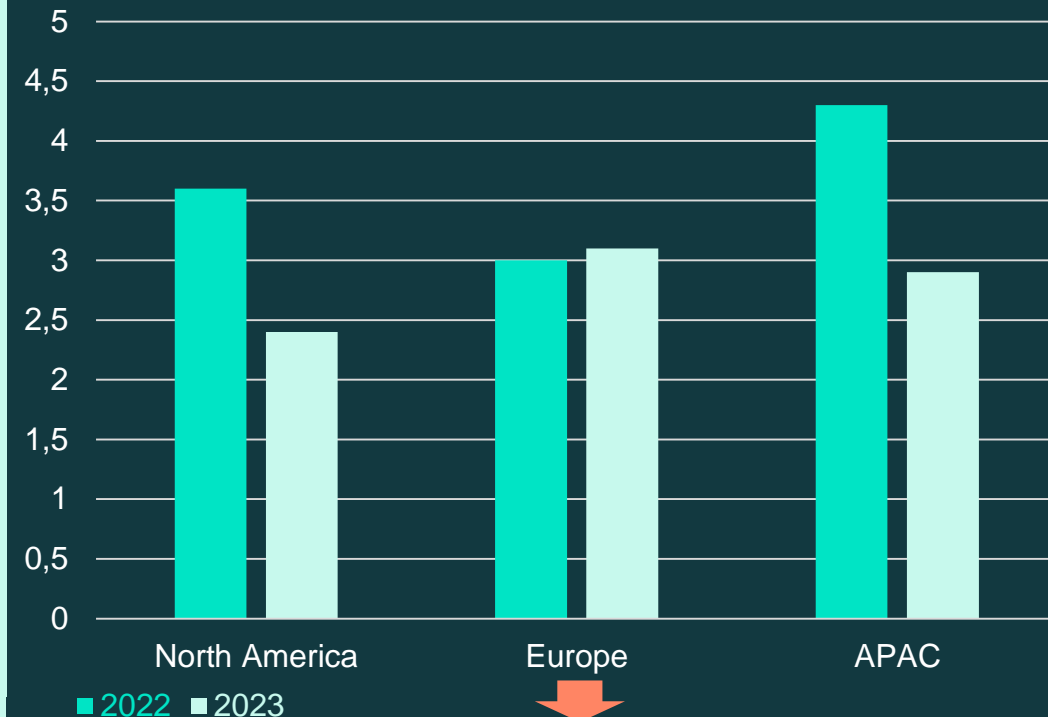
# Online payment fraud.

## New type of fraud

**SCA/PSD2** regulation **reduced** the **CNP fraud rate** over **past years.**

**Consequently fraudsters adapted their methods** for *authorized fraud* leveraging mostly on **phishing**. This type of card not present fraud is increasing and **expected to increase** even more.

Example of such increasing innovative attack is One Time Passcode (**OTP**) **bypass** using **phishing** attack.

### % of eCommerce revenue lost to payment fraud globally



Legend: ■ 2022  ■ 2023

Categories: North America, Europe, APAC

Phishing is the 1st type of attack.

# Online payment abandonment.

## Abandonment problem

Adding **friction** to reduce fraud **leads** to **abandonment,** therefore **improving frictionless** authentication is a **high priority**.

Example: **11% drop** in **conversion rates** due to Out Of Band (OOB) authentication.

**Data collection** is **limited** by browsers and **privacy protection** is **governed** by European **regulation**.

### 3DS Fail and Abandonment - 20-30%

| Market | Avg 3DS Success rate | Abandonment | Fail |
|--------|--------|-------------|------|
| NL | 70% | 10-15% | 16-17% |
| Germany | 60% | 17-20% | 20-22% |
| Denmark | 70% | 12-16% | 13-17% |
| Spain | 72% | 15-20% | 9-11%% |
| Italy | 60% | 17-20% | 23-25% |

| Market | Avg 3DS Success Rate | Abandonment | Fail |
|--------|--------|-------------|------|
| France | 80% | 13-15% | 5-6% |
| Sweden | 80% | 8-11% | 7-11% |
| Norway | 78% | 12-16% | 4-8% |
| *UK | 85% | 6-10% | 6-10% |
| Czech Republic | 76% | 15-17% | 6-7% |

**2021**

*Source: Forter*

*Source: Stripe*

*Source: Mastercard*

# The industry is looking for

Better UX with low friction

Strong authentication

Data collection

Fraud mitigation

Privacy protection

# Secure Payment Confirmation.

## Authentication in W3C groups.

**Web Payment Security Interest Group (W3C + FIDO + EMVCo)**

- 80 participants
- 31 organizations

**Web Payment Working Group (WPWG)**

- 114 participants
- 28 organizations

**Web Authentication Working Group**

- 111 participants
- 37 organizations

# Secure Payment Confirmation.
# A powerful solution for the industry

## Fraud mitigation

**Phishing and scams proof**

- Relying on Fido technology.
- Transaction information display by the browser.
- Data signature without an intermediary

**Privacy protection**

## Strong authentication

**SCA compliant**

- 2 authentication factors (inherence + possession) with Fido.
- Dynamic linking of the authentication to the transaction context.
- Cryptographic evidence of user consent.

**Data collection**

## Better UX

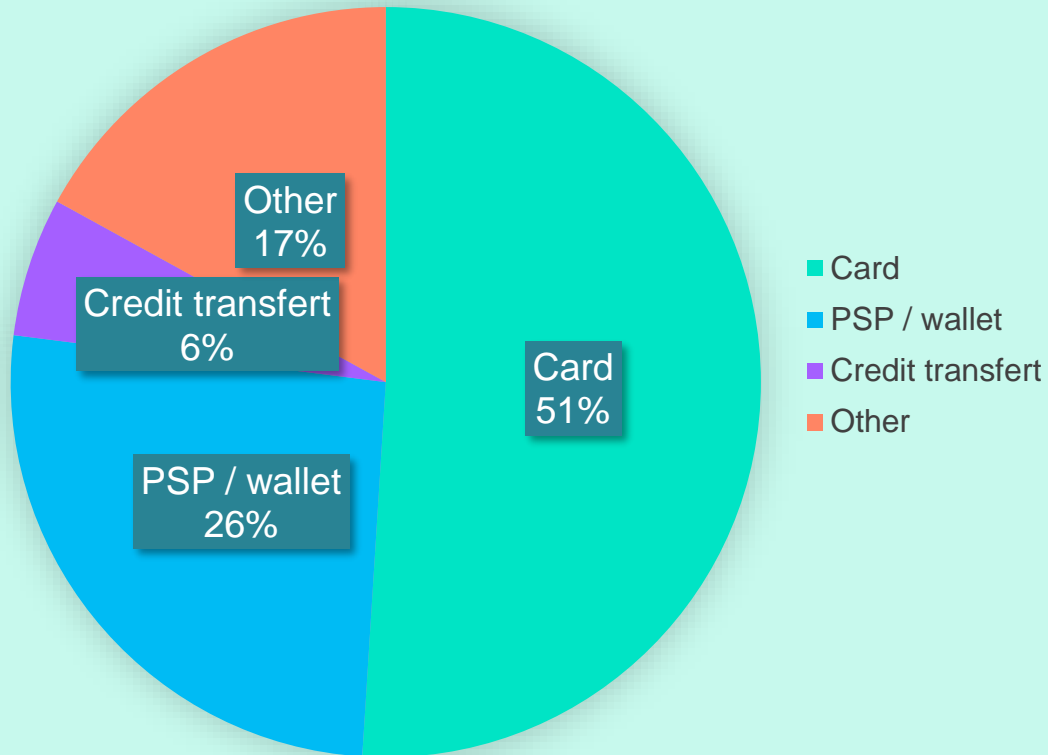**Reduce user friction and** contribute to reduce authentication **abandonment**

- Low friction
- No user redirection; Accessible by a third party within an iframe.
- Faster than OTP (3X)
- Unified experience

**Low friction**

Source: SPC spec
Source: SPC explainer

# Online payment share.

## 2022 number of payments



Card 51%
PSP / wallet 26%
Credit transfert 6%
Other 17%

- Card
- PSP / wallet
- Credit transfert
- Other

▶ Majority of **online payments** in Europe are done with a **card.**

▶ As the volume of payment **card purchases** made via the Internet **continues to grow**, so too do the **attempts** of Card Not Present (CNP) **fraud.**

Source: european payments council

Source: European Central Bank (EBA)

# SPC - Industry adoption and interest.

## Card industry (major payment instrument in Europe)

### EMV 3DS 2.3.1 (H2 24)

Enable the issuer to authenticate the consumer leveraging on a card scheme network.

EMV 3DS is used to perform SCA in Europe

### EMV SRC

Enable a consumer to select a payment instrument, and related info, managed by card schemes during an electronic checkout.

### Delegated authentication

Allows merchants/PSP to apply SCA and verify transactions in place of issuers.

### EMV Tokenization

enables a payment token to be used in a payment transaction.

Source: European central bank

# Secure Payment Confirmation. Industry adoption and interest.

## Account to account payment industry

**Open banking**

allows third-party to access financial data in traditional banking systems through application programming interfaces (APIs).

**ISO 20022**

The European Cards Stakeholders Group works on developing and maintaining the SEPA Cards Standardisation

**Swift**

(Society for Worldwide Interbank Financial Telecommunications)

supports most international money and security transfers.

# Thank you

# Discover more about how Fime can help your business.

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