

Visa announces 3-D Secure enhancements

As a part of efforts to enhance the 3-D Secure (3DS) program, Visa announced changes to the Visa Fraud Monitoring Program (VFMP) effective October 2018.

Visa will implement a number of enhancements to improve the overall performance of the 3DS program and to help reduce U.S. domestic 3DS fraud. These enhancements include updating Visa's 3DS platform to support the underlying EMV 3-D Secure (2.1) specifications, as well as making changes to the program rules.

The enhancements are designed to deliver an authentication solution that helps reduce fraud and deliver higher approval rates, further ensure appropriate use of fraud management tools and fraud mitigation practices, and provide a streamlined consumer experience.

The first set of program rule changes include:

- Establishing issuer authentication requirements
- Enhancing program risk management requirements for 3DS participants

This program will be referred to as VFMP-3DS. The risk program enhancements will apply only to U.S. domestic 3DS activity. The global VFMP will continue to operate as currently defined in the Visa Rules. As a reminder, upon identification in the VFMP, merchants are required to reclassify all 3DS transactions (ECI 05 and ECI 06) to ECI 07.

Risk Program Threshold Enhancements

Just as in VFMP, VFMP-3DS will review the previous calendar month's fraud and sales.

- \$7,500 in domestic 3DS fraud and
- 0.75 percent domestic 3DS fraud amount to domestic 3DS sales amount ratio

Remediation for Identified Merchants

As with the existing VFMP program, Visa will consider remediation successful if the merchant remains below - the listed standard threshold- for three consecutive months. If the merchant is unable to reduce its 3DS fraud levels below the program threshold- after 12 monthly program cycles, it may lose Visa acceptance privileges. The merchant identified in the program- will be subject to Dispute Code 10.5 (formally known as RC93) until the merchant remediates out of the program.

Information Classification Confidential

For combination of Worldpay UK and European entities:

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Name	Definition	Issuer action
Electronic Commerce Indicator (ECI)	<p>The ECI indicates the level of authentication performed on the transaction. The Verified by Visa ECI values are:</p> <ul style="list-style-type: none"> • 05—Cardholder authentication successful • 06—Merchant attempted to authenticate the cardholder * • 07—Non-authenticated e-commerce transaction** 	<p>Issuers cannot dispute the chargebacks when they are in ECI 5 or 6. But merchants identified in the program, will be subject to Dispute Code 10.5 (formally known as RC93)</p>

*For ECI = 06, merchant attempted authentication but the issuer does not participate in Verified by Visa or the card is not eligible for authentication. This value may also be used by some issuers for transactions where the cardholder was successfully verified using risk-based authentication with no step-up.

**ECI = 07 is also the default value for an e-commerce payment transaction that does not include Verified by Visa.

Visa may impose risk conditions in egregious cases.

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