



# Touchless Payments

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Jennifer Ferrell  
Director eCommerce Solutions Consultant

# COVID-19 Impacts

*“In the eight-week period from early March through the end of April, e-commerce experienced about 10 years’ worth of growth as our suddenly socially distanced lives were thrust online.” Forbes*

Social distancing is changing the shopping behaviors of consumers all around the world. Since the World Health Organization declared the COVID-19 outbreak a global pandemic on March 11, **“we’ve already seen a 23% increase in e-commerce transactions within a one week period of time.”**

TransUnion–GlobalE-Commercein2020Report

# Four Key Objectives

- 1 What is a touchless payment
- 2 Why implement a touchless experience
- 3 Considerations for implementing a touchless strategy
- 4 Innovative Technologies to help secure touchless payments



# Touchless Payments



- **Mobile wallet**, i.e. Apple Pay



- **Contactless card** (tap n go)



- **In-application**



- **Mobile/online order**



- **Pre-payment**

- **Invoicing**



# Businesses are Already Going Touchless



## CLEANER CHECKOUT

Kohl's has installed protective barriers at all registers and will offer touchless payment through Kohl's Pay on the Kohl's App to make the checkout experience as contactless as possible.

✓ Verizon Communications

## Verizon raises the bar with Touchless Retail

Verizon's Touchless Retail is more than just touchless payments; new in-store experience optimizes digital and physical elements to create a ...

## Restaurant Brands International : Burger King Parent to Reopen Dining Rooms With Contactless Service, Extra Sanitation



F Forbes

## Walmart Is Setting An Example And Now It Must Live Up To Its Promises

Walmart has already speed rushed the implementation of a new contactless payments system through the Walmart App, for instance, which is ...

sn Supermarket News

## Publix deploys contactless payment for extra COVID-19 safety

Tomorrow, Publix Super Markets expects to complete the rollout of contactless payment to all of its more than 1,200 stores in the Southeast.

1 month ago

# Drivers of touchless payments growth



## Security

Contactless cards and mobile wallets can provide stronger security, lowering risk of data breaches. Contactless cards have the lowest fraud rate of any type of payment.<sup>1</sup>



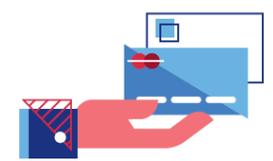
## Convenience

Contactless payments increase the speed of the transaction, reduce slow-moving lines and help ensure a frictionless checkout and payment process.



## Engagement

Contactless payments provide valuable consumer insights from in-store and digital interactions, which can be used to develop more personalized experiences that drive sales and increase loyalty.



## Progressive

Cash has long been declining, representing only 26% of consumer transactions in 2019.<sup>2</sup> Meanwhile, contactless card transactions will reach \$6 billion globally by 2024.<sup>3</sup> Future-proof your business by investing in payment acceptance for the future.

<sup>3</sup> <https://usa.visa.com/visa-everywhere/security/how-visa-secures-contactless-payments.html>

<sup>4</sup> The Strawhecker Group and the Electronic Transactions Association

<sup>5</sup> [https://www.juniperresearch.com/press/press-releases/contactless-oem-pay-transaction-values-to-reach-\\$1?ch=contactless%20payments](https://www.juniperresearch.com/press/press-releases/contactless-oem-pay-transaction-values-to-reach-$1?ch=contactless%20payments)



**Customers are quickly getting on board with digital payments at home and around the world. They expect businesses to adapt and reward those that do.**

45%

...of Americans would rather shop where contactless payments are offered

50%

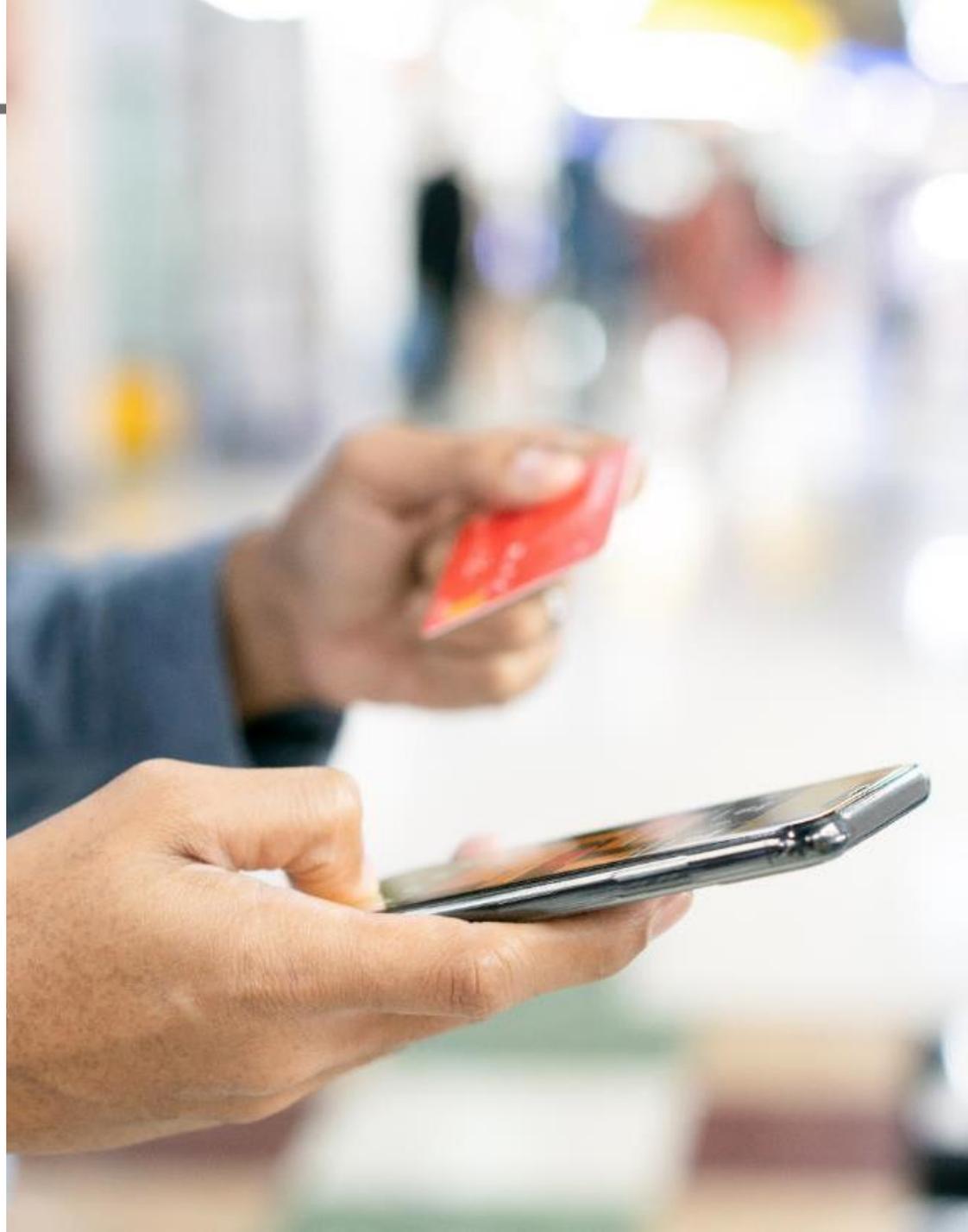
...more than half of Americans now use contactless payments

82%

...view contactless as the cleaner or smoother way to pay

74%

...will continue using contactless post COVID-19



# Smartphones are hub of contactless commerce

- \$457 Billion is the projected global value of mobile payments by 2026<sup>3</sup>
- 74.7 Million mobile payments users expected<sup>4</sup>
- 8 in 10 Americans shop using a mobile device<sup>1</sup>
- 72% of consumers are using mobile device in stores<sup>2</sup>
- 23.8% global annual growth rate for m-commerce market<sup>5</sup>

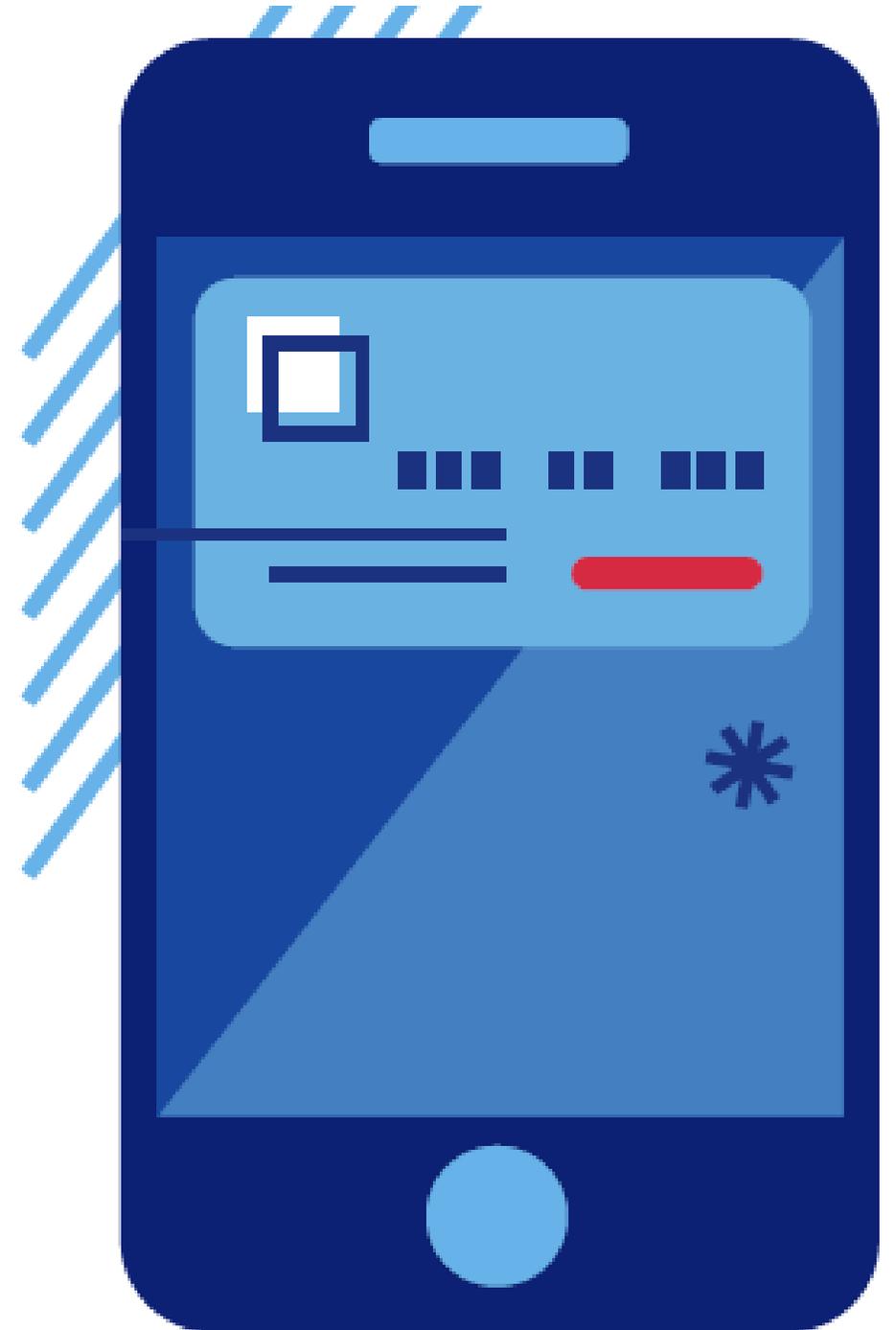
<sup>1</sup> <https://www.pewresearch.org/internet/fact-sheet/mobile/>

<sup>2</sup> <https://www.forbes.com/sites/louiscolombus/2020/04/28/how-covid-19-is-transforming-e-commerce/#625398253544>

<sup>3</sup> <https://blog.globalwebindex.com/chart-of-the-week/future-mobile-payments/#:~:text=Mobile%20payments%20have%20been%20gaining,reaching%20%24457%20billion%20in%202026>

<sup>4</sup> <https://www.statista.com/outlook/331/109/mobile-pos-payments/united-states>

<sup>5</sup> [https://www.researchandmarkets.com/reports/2883902/m-commerce-global-market-trajectory-and?utm\\_source=dynamic&utm\\_medium=CI&utm\\_code=jqx94k&utm\\_campaign=1394517+++M-Commerce+Industry+Projected+to+Grow+by+%245.1+Trillion+During+2020-2027+\(COVID-19+Adjusted\)&utm\\_exec=joca220cid](https://www.researchandmarkets.com/reports/2883902/m-commerce-global-market-trajectory-and?utm_source=dynamic&utm_medium=CI&utm_code=jqx94k&utm_campaign=1394517+++M-Commerce+Industry+Projected+to+Grow+by+%245.1+Trillion+During+2020-2027+(COVID-19+Adjusted)&utm_exec=joca220cid)



# Considerations for a Reduced Touch Experience

EMV-enabled devices



Disable signature capture



Bypass PIN prompt



Payment Limits



Mobile & Prepaid Transactions



Terminal stands



Customer adoption



# Safeguarding Customers

There is a major shift with how consumers choose to engage with businesses. Customers and employees want a **touchless** payment environment for peace of mind.

Cleaner than  
cash/easier than  
a check

No touching the  
payment terminal

Fast &  
Convenient

Safe, secure  
transactions

# Safe & Secure Payments

## Contactless Cards

Uses the same security as EMV.  
Generates a transaction-specific, one-time-use code.

## Mobile Wallets

The merchant never receives the card information so there is nothing for a hacker to steal.

## Mobile in-app Purchases

Choose a PCI DSS compliant gateway provider that delivers end-to-end encryption and tokenization.

## Mobile/Online Order

Apply two-step authentication, HTTPS protocol, and tokenization for more secure payments.

# Beyond the transaction

Expand touchless to the entire customer experience

Loyalty/R  
ewards  
Program



Checkout  
Charity



Curbside  
Pickup



Delivery



# Secure Remote Commerce (SRC)



**Secure Remote Commerce (SRC)** is an easy and secure way to pay online and is powered by the global payments industry to protect users' payment information. Users can add cards from participating networks and enable click to pay simply and securely.

It's the new standardized symbol created by The EMVCo for **Secure Remote Commerce (SRC)** Specifications which enable a common consumer e-checkout that promotes simplicity, convenience and trust. SRC can be described as Click to Pay. This universal description enables ease of recognition for consumers, and signals that a consumer can confidently transact through an easy e-checkout, regardless of the payment card, digital channel or device they use.

# A Growing Problem That EMV 3D Secure Can Help Solve



**32%**  
of falsely declined  
consumers stop  
shopping with that  
retailer

False positive  
decline rate is over  
**3 times the rate**  
of existing card  
fraud

False declines for  
payment card  
transactions totaled  
**\$331 billion** in 2018

Online fraud to rise  
to **USD 7.2 billion**  
by 2020

MasterCard's Authentication Series Presentation Deck titled, "New Method for Increasing Approvals with Enhanced Data Sharing"

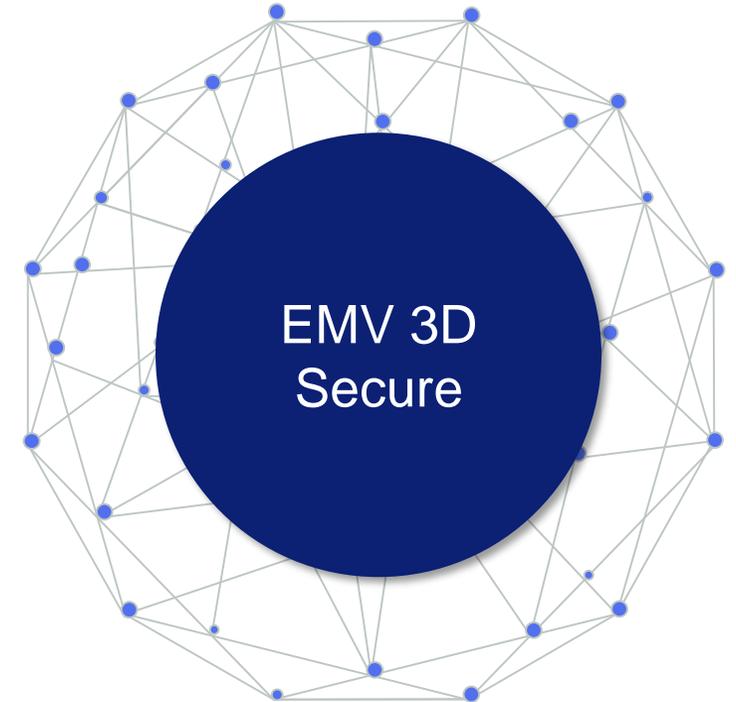
# EMV 3D Secure – Product Description

**EMV 3D Secure** provides an additional authentication layer that helps prevent unauthorized eCommerce transactions and protects customers from card not present, eCommerce-related fraud. In doing so, the fraudulent liability shifts from the customer to the card issuing bank.

**EMV 3D Secure** promotes frictionless cardholder authentication during the online checkout process.

Elavon has received **EMVCo 3D Secure** certification across for its global payment processing solutions.

Elavon's **EMV 3D Secure** offering enables savings on qualified Visa & MasterCard transactions.



# The card brands actions regarding 3DS1

Effective October 17<sup>th</sup>, 2021 fraud liability protection for merchants submitting transactions using Visa Secure with 3ds1 will no longer apply.

Effective Oct 14<sup>th</sup>, 2022 3DS 1.0 transactions no longer supported on the MasterCard network. Another important date to consider is Oct 1<sup>st</sup>, 2021 which is when MasterCard will be decommissioning their 3DS 1.0 attempts server. Issuers that still want to support Attempts must generate from their own Authentication Solution (ACS).

# Global Approach to EMV 3D Secure



## North America

- Neither Canada nor the United States have implemented an overarching legislation which requires the implementation of tools which support customer authentication to date.
- In North America, businesses have the option to apply SCA requirements unless they are serving European Economic Area (EEA) data, then they are required to comply.
- Therefore, market share is dependent on who properly implements EMV 3D Secure first.

## Europe

- The EU Payment Services Directive 2 (PSD2) requires that Strong Customer Authentication (SCA) be applied for all eCommerce transactions.
- PSD2 affects all businesses within or serving the European Economic Area (EEA) that accept cards for payment.
- SCA requires two-factor authentication.
- To do this across the board, EMV 3D Secure is one of the recommended methodologies to meet SCA requirements and the one that Elavon supports.

# You can't lose with implementing the latest version of EMV 3D Secure...



3D Secure 1.0.2	EMV 3D Secure 2.1	EMV 3D Secure 2.2
Inflexible implementation and consumer experience	All of the benefits of 3D Secure 1.0.2	All of the benefits of EMV 3D Secure 2.1
No SCA support nor in-app and IoT devices	Enhanced consumer experience	SCA exemption flag and optimization support
Does not support biometrics	Supports 10x more consumer data points for verification	Decoupled authentication
Approaching end of life	Meets SCA requirements	3RI channel and cryptogram support for non-payment authentication (NPA) requests
	Merchants can ask for “no step-up”	Out of Band improvement in place of silent authentication
		Supports mobile in-app and IoT device implementations

# Conclusion

While it's impossible to predict the future, current data suggest that consumer demand for touchless payments will only grow. Businesses that choose to adapt and meet customer expectations stand to reap many advantages, including faster, safer and more secure and convenient transactions. They can also gain valuable customer insights and future-proof their operations for long-term payment acceptance.

If your business is ready to embrace reduced-touch payments, there are many factors to consider for both in-person and digital transactions. Some of the suggestions discussed in this paper may not be suitable to businesses that have implemented payment optimization to lower processing costs. However, in many cases, the benefits to your customer and your business could be of greater overall value.

While shifting consumer behaviors and present-day health concerns are driving a preference for contactless, it is important to remember that despite your best efforts, not all transactions can be touchless. In this event, you will need to be prepared with sanitization options for your payment terminals, such as UV lights and disinfectant wipes. As another alternative, your business could invest in antimicrobial devices.

**THANK YOU**



# Fraud Prevention Rules

## IP Address Whitelist

A list of IP Addresses from which transactions are allowed. Transactions will be declined if they originate from an IP Address that is not in the list.

## Mobile ID Number Whitelist

A list of Mobile Identification Numbers from which transactions are allowed. Transactions will be declined if they are from a mobile device that is not in the list.

## IP Address Blacklist

A list of IP Addresses from which transactions are not allowed. Transactions will be declined if they originate from an IP Address that is in the list.

## IP Country Blacklist

A list of countries from which transactions are not allowed if the IP Address supplied in a transaction belongs to one of the countries in the list.

## Billing Country Blacklist

A list of billing countries from which transactions are not allowed. Transactions will be declined if they originate from a billing country that is in the list.

## Shipping Country Blacklist

A list of shipping countries from which transactions are not allowed. Transactions will be declined if they originate from a shipping country that is in the list.

## IP Address & Billing Country Mismatch

A list of billing countries from which transactions are not allowed if the IP Address does not belong to the billing country.

## IP Address & Shipping Country Mismatch

A list of shipping countries from which transactions are not allowed if the IP Address does not belong to the shipping country.

## Email Address Blacklist

A list of cardholder email addresses from which transactions are not allowed. Transactions will be declined if the cardholder email address is in the list.

## Card Number Blacklist

A list of card numbers from which transactions are not allowed. Transactions will be declined if the card number is in the list.

# History of 3-D Secure (3DS)

**17 years ago, Visa introduced 3DS as the internet was first emerging to give issuers and merchants a means for validating the identity of online shoppers**

1999

- Visa **introduces 3DS protocol** and offers a 3DS service through the Verified by Visa (VbV) program

Verified by  
**VISA**

2002

- Visa began **licensing the 3DS protocol** to other major card schemes and vendors in 2002 and it has since become the de facto global standard for online authentication

**MasterCard.**  
**SecureCode.**

AMERICAN EXPRESS  
**SafeKey**<sup>®</sup>

**JCB**  
**J/Secure**



**ProtectBuy**

2014

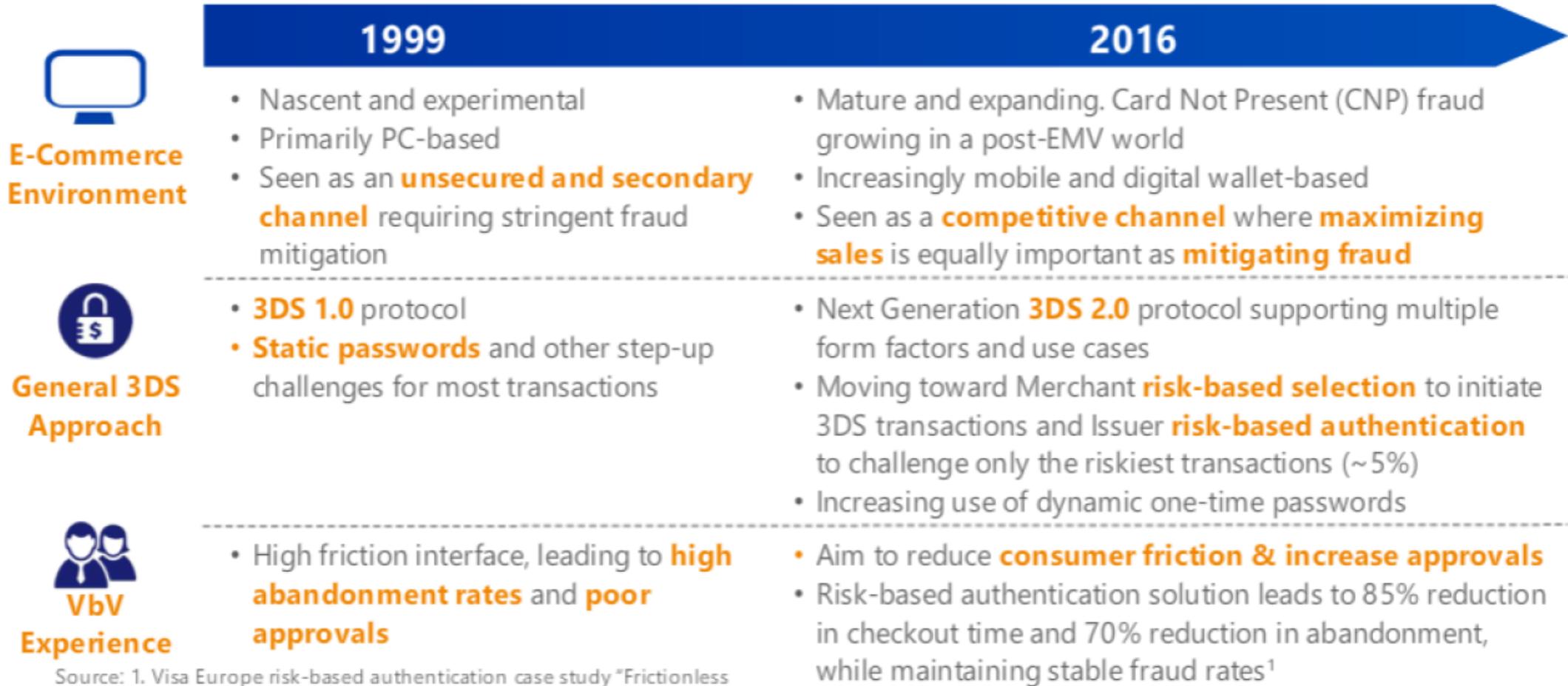
- Visa and MasterCard developed and contributed a draft of the 3DS 2.0 specification **to EMVCo** for the benefit of the entire industry to collaboratively develop the **next generation 3-D Secure 2.0 protocol**
- Visa will maintain sole ownership and management of 3DS version 1.0, while **EMVCo will own the 3DS version 2.0 specifications**. Like other EMV specifications, 3DS 2.0 will be provided to industry stakeholders royalty-free.

 **EMVCO**

*Note: All brand names and logos are the property of their respective owners, are used for identification purposes only, and do not imply product endorsement or affiliation with Visa.*

# 3-D Secure Evolution

The e-commerce environment has evolved significantly over the last decade, prompting a refocus to reduce friction in the 3DS transaction experience



Source: 1. Visa Europe risk-based authentication case study "Frictionless"

Source: Visa Business School