

Forter's Dynamic Authentication for PSD2 Compliance

Overview

Forter's leading integrated fraud prevention platform maximizes conversions through unmatched accuracy and the removal of unnecessary friction. This platform provides merchants with immediate ROI, while maintaining full PSD2 compliance through the support of dynamic authentication.



KNOWLEDGE

Something the customer knows
(password, PIN)



POSSESSION

Something the customer has/owns
(device proximity, tokens)



INHERENCE

Something the customer is
(fingerprints, facial recognition, iris scan)

SCA introduces additional friction into the purchasing process and user journey, increasing cart abandonment, reducing revenue, and delivering a degraded customer experience. Forter's platform supports dynamic authentication to ensure that businesses don't suffer from lost revenue due to unnecessary friction – all while maintaining full PSD2 compliance.

"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 Strizenec
CFO of [Kiwi.com](https://www.kiwi.com)

How it Works

Forter's integrated fraud prevention platform is tailored for each merchant and provides real-time decisions across the entire customer journey with unmatched accuracy. The platform offers a full suite of fraud prevention solutions – including payment protection, account protection, and policy abuse protection – which allows merchants to secure every touchpoint across the customer journey.

Forter enables merchants to improve the checkout flow, protect their business from fraud, and offer their trusted customers a friction-free customer experience – while maintaining PSD2 compliance.

Core Capabilities

Pre-Authorization Fraud Decisioning

Identifies and flags fraudulent activity before the authorization process begins, enabling the merchant to block malicious actors, and reducing unnecessary authentication/authorization fees. Stopping fraud at early stages of the process also leads to improved user trust by abating security concerns, resulting in higher approval rates and payment volume.

Dynamic Authentication

- **Dynamic Routing:** Assesses whether or not a transaction is required to undergo SCA and suggests exemptions when applicable. Dynamic Routing maximizes flow efficiency for each bank or processor to ensure SCA is triggered only when absolutely necessary, providing the optimal user experience for customers and resulting in higher approval rates.
- **SCA Enablement:** Enables SCA (when required) on the merchant's behalf by facilitating the merchant's 3D-Secure authentication process (both 2.1 and 1.02 versions are supported). Forter is currently researching new SCA methods to improve the customer experience while constantly consulting with EU regulators.

Depending on the outcome of the dynamic authentication process, the bank will proceed to authorization. Forter's gateway-agnostic solution ensures ultimate flexibility for merchants.

Decision Dashboard

Forter's *Decision Dashboard* provides visibility into the broader PSD2 decisioning process, including the capability to view more granular analyses at every touchpoint. Merchants can utilize the Dashboard to gain critical insights into their approval and decline rates; exemptions, exclusions and SCA challenges; transactions that were completed or abandoned, or failed SCA; authorization vs. rejection rates; and detailed information on each transaction. Moreover, merchants can compare bank or processor performance to gain actionable insights into their authorization process.

The visibility gained through Forter's Dashboard is one of the strongest advantages over gateway offerings in the PSD2 landscape. This also offers merchants recovery routes and recommendations on alternative processing methods for legitimate transactions that were abandoned, unauthorized, or failed SCA.

Product Workflow

Step 1: Initiation

Once credit card information is submitted, the merchant sends an initiation API request. The request begins a frictionless data collection process in the background while the information is later processed for authentication as defined in the 3-D Secure protocol. In addition, Forter verifies that the card issuer supports 3-D Secure authentication.

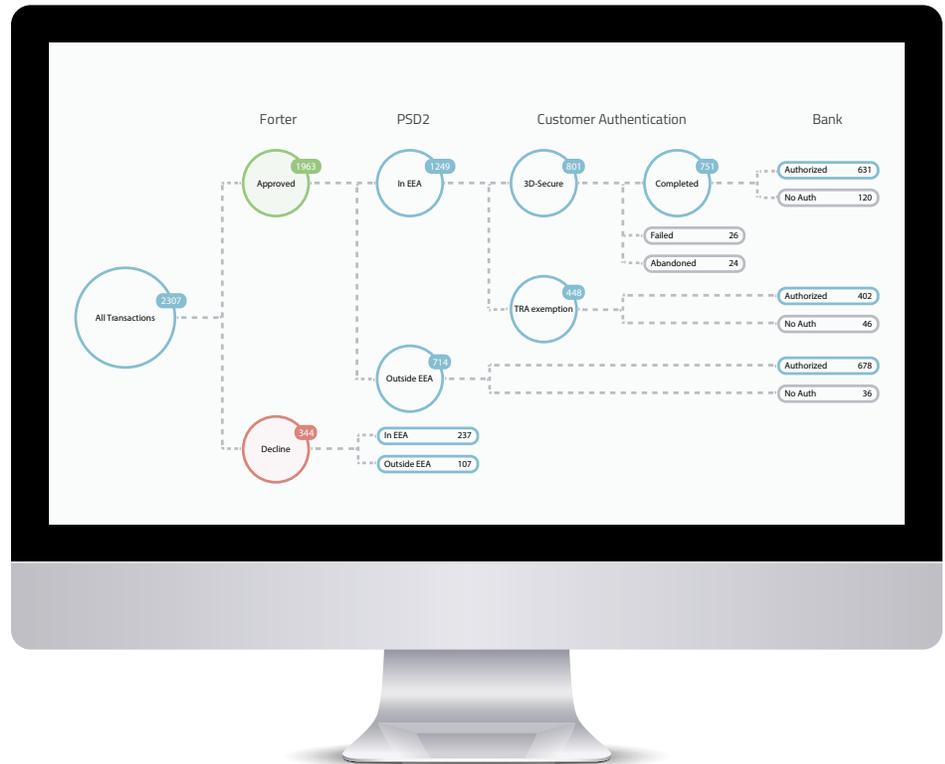
Step 2: Fraud Assessment and Decision

Once the customer checks out, before conducting the transaction authorization call via the payment gateway, the merchant sends a request via the API. At this point, Forter will determine the trustworthiness of the consumer, based on a fraud assessment, and provide the merchant with an Approve or Decline decision. If approved, the next step will be dynamic authentication. If declined, the transaction will be rejected.

Step 3: Dynamic Authentication

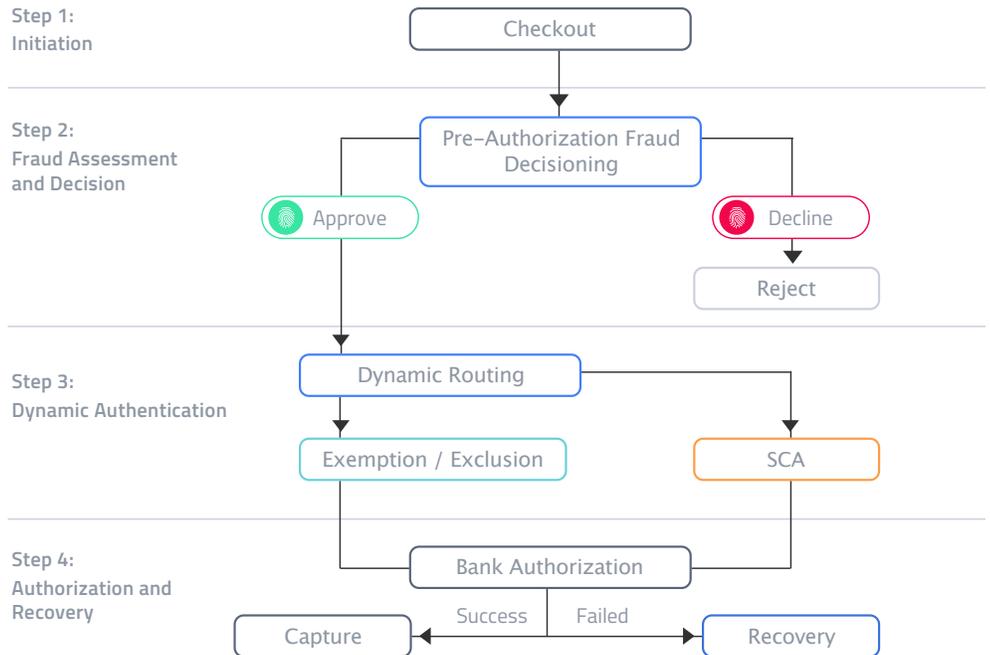
Based on Forter's assessment and transaction characteristics, the dynamic authentication mechanism will recommend one of the following courses of action: (1) trigger and enable SCA via 3-D Secure; (2) request an exemption; or (3) request an exclusion.

If SCA is mandated, Forter will facilitate the merchant's connection to the 3D-Secure authentication process (versions 2.1 and 1.02).



Step 4: Authorization and Recovery

Based on the results of the dynamic authentication process, the bank will proceed to authorize the transaction. If the authorization process is successful, the customer will receive a “Thank You” notification. If the transaction was not authorized or abandoned, or failed the SCA challenge, then an advisory note will be sent to the merchant (e.g, contact the issuing bank immediately).



Benefits



Integrated Fraud Solution

Forter’s fraud prevention platform provides a comprehensive solution that protects your business across the entire customer journey, so your business is protected at every touchpoint and interaction.



Maintain Full PSD2 Compliance

Ensure full compliance with PSD2 regulations, while increasing approval rates and optimizing user experience through more effective transaction routing.



Focus On Business Growth

Execute your core business initiatives without letting fraud and risk concerns constrain your business. Additionally, remove unnecessary friction due to fraud prevention and optimize the overall customer experience for your users.



Increase Your Top and Bottom Line

Boost approval rates, while simultaneously cutting fraud costs and related operational costs. Merchants can also avoid unnecessary authorization and authentication costs by blocking fraudulent users during early stages of their sessions.



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