



# Delegated Authentication for Merchants

## When smooth check-out meets PSD2 compliance

Merchants across Europe have implemented a variety of innovative digital shopping and payment experiences over recent years, meeting broad consumers' adoption. Along the way millions of shoppers have had a taste of expedited check-out options both in-store and online and are not ready to step back now.

As **PSD2** regulation comes into force on September, 14th 2019 the Retail industry is deeply concerned about the impact Strong Customer Authentication (SCA) may have on the user experience and, consequently, on the conversion rate.

Thales offers Merchants a turnkey Delegated Authentication solution to maintain full control of the user journey and keep it smooth, whilst meeting both regulators and payment networks' requirements.



PAYMENT SERVICES DIRECTIVE (PSD2)

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## Strong Customer Authentication Requirements

With smartphone powered shopping experiences payment has become seamless, nearly transparent. As of now, under PSD2, all electronic transactions not falling under an exemption must be submitted to a two-factor authentication and digital signature.

With the exception of mobile NFC, all digital check-out applications are considered as remote payments. This means they will trigger a 3D-Secure protocol resulting in many cases in a redirection to the issuing bank's interface to perform a Strong Customer Authentication (SCA).

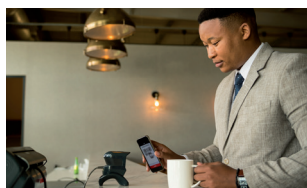
## Digital check-out experiences eligible for SCA



1-click ordering



Scan & Go



QR code



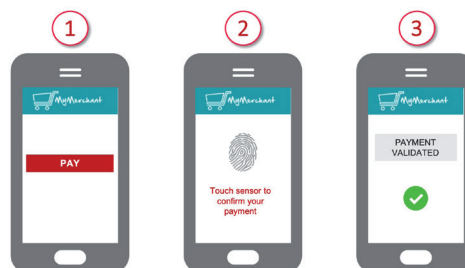
Account Look-up

Merchants rightly fear SCA might create bumps and discrepancies in the customer journey due to redirection and as issuers' hardware tokens and mobile authentication solutions handiness fluctuates. In any case check-out would not likely be straightforward anymore nor under retailers' sole control.

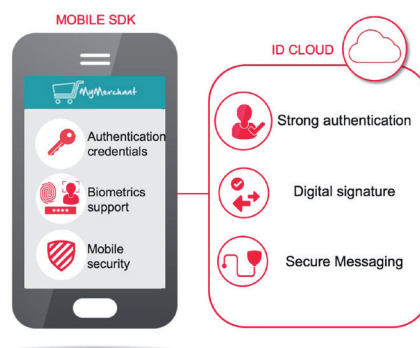
In a move aiming to not compromise the user experience, payment networks (Visa, Mastercard, GIE Cartes Bancaires...) have stepped in to launch Delegated Authentication programs enabling SCA through Merchants' interface. Delegation is instrumental for scenarios where redirection is not an option like Scan & Go. With **Delegated SCA**, Merchants can decide when and how to authenticate their customers and keep their journey frictionless.

## Thales Delegated Authentication Solution for Merchants

From an end-user perspective only a simple touch or selfie is requested in the Merchant App to complete the SCA and ensure no redirection to the issuer's interface.



Thales Strong Customer Authentication solution comes as a Cloud-service and a Mobile SDK based on FIDO UAF standard.



## Key benefits

- > **PSD2 compliance:** Possession factor (device) + Inherence (biometrics) or Knowledge (PIN) combined with state-of-the art cryptography and transaction binding
- > **Certified by payment networks:** under their respective Delegated Authentication programs
- > **Time-to-market:** API-based connection to Thales ID Cloud and streamlined SDK integration
- > **FIDO-based:** leveraging the leading global and interoperable Authentication standard
- > **UX:** built-in biometrics « à-la-carte » and customizable user interface
- > **Omni-channel:** out-of-band Secure Messaging
- > **Unrivalled security:** full protection against threats and malware with Thales Mobile Security Toolkit
- > **Proven:** 70+ Mobile SCA references

Our Strong Customer Authentication solution is part of our **Digital Commerce platform** offering high-end performance, availability and scalability. It can be combined with added-value services like **EMV card-on-file Tokenization** and gives Merchants full flexibility to optimize their payment services by managing critical functions like SCA or Tokenization independently.

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a Thales company