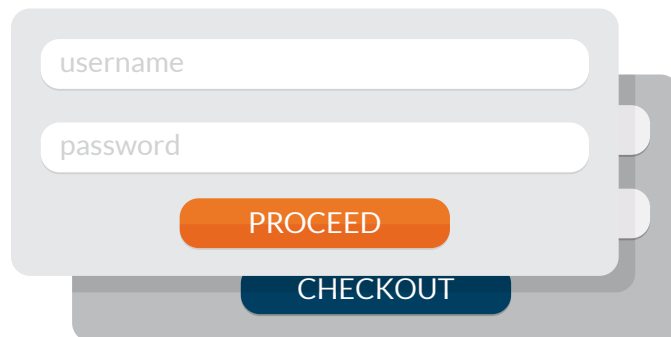# 3-D Secure

EMV isn't the only innovative payments technology making its debut in the United States. There is a huge push for 3-D Secure, an XML-based protocol that delivers additional security for e-commerce transactions.

Consumers enroll in 3-D Secure through their card issuer by creating a username and password for an individual card. When consumers check out online, a pop-up box prompts them to enter their user name and password before continuing with the transaction. This serves to authenticate consumers.

VMS includes 3-D Secure as an automated feature of the VMS Gateway, offering merchants complete control over the verification process. This means that merchants can choose if they would like to implement the password pop-up box for their card-not-present sales.

Enhanced Security

As the EMV deadline approaches for card-present transactions, fraud will increase in the card-not-present world. Using a password to authenticate a payment card during an e-commerce transaction reduces online fraud.

No More Merchant Liability

3-D Secure alleviates merchant liability for 'I did not do it' transactions by placing the responsibility on the issuing bank and consumer.

Reduced Interchange Rates

The additional effort to verify a consumer online doesn't go unnoticed – merchants that implement 3-D Secure see reduced interchange costs, saving between 5 and 55 basis points per e-commerce transaction.

November 2014 Interchange Optimization Analysis: 3-D Secure

Interchange Category	Volume	Current Fee	Optimized Fee	Savings
Visa E-Commerce Debit	$50,000	1.65%	1.60%	$25.00
Visa Rewards	$50,000	1.95%	1.80%	$75.00
MasterCard Merit	$50,000	1.89%	1.58%	$155.00
MasterCard Merit Debit	$50,000	1.60%	1.05%	$275.00
MasterCard Enhanced	$50,000	2.04%	1.73%	$155.00
MasterCard World Elite	$50,000	2.50%	2.20%	$150.00
MasterCard Merit World	$50,000	2.05%	1.77%	$140.00

Total Monthly Savings of $975 + Fraud Liability Shift

Why Choose VMS for 3-D Secure?

Unlike any other 3-D Secure solution, **VMS** offers **real-time insight** into how a Card Issuing Bank will respond to card-not-present authentication requests.

Not only that, CardConnect lets merchants control the authentication route of **every** transaction based on particular criteria they - **the merchants** - establish (i.e. transaction total, country, SKU). Merchants using other 3-D Secure MPI must elect to either 'turn on 3-D Secure' or 'turn off 3-D Secure' for all e-commerce transactions:

> *Other providers use fraud tools to score each transaction as either high risk or low risk*
> *All high risk transactions are 'turned on,' and all low risk transactions are 'turned off'*
> *This means these providers cannot modify the 3-D Secure route of individual transactions*

VMS allows the merchant to control **how** and **when** it authenticates through a patented rules engine.

Merchants that first send their online transaction volume to **VMS** for 3-D Secure and then to a fraud tool actually improve their order conversion and increase the amount of authorized transactions by up to 7%!

3-D Secure Technology Overview