SIG Leaders

- Randy Gibbons (Southwest Airlines)
- Robert Goldberg (Universal Orlando)
- Brian Cullen (Sony)
- Report provided by Maria Arminio (Avenue B Consulting)

Action Items

1. Leaders to identify new topics for SIG virtual meeting in June

Notes

Welcome & Introductions

1. Welcome to new attendees
2. Reminder that attendees are bound by the antitrust statement read in the general session

Topics

Autofill Tokens / Virtual Card Numbers (VCN)

Auto-fill is a feature that helps users fill out forms with ease by automatically providing pre-populated suggestions. With this feature, users can enable autofill so that their personal information is stored and accessible on all devices. For consumers, this means that when you fill out your payment information on a merchant's checkout page, your card details will be hidden from that merchant, and thus hidden from digital fraudsters.

Amex has amended the autofill of network tokens so you cannot op-out thus merchants will have to work with the network tokens. There are still opt-in problems with their autofill. Amex can provide the BINs that are used for autofill, but they cannot be received yet. There are many outstanding questions regarding getting access to data, security provisions, support for loyalty programs, and access to the PAN in response to customer inquiries.

Google announced it is bringing virtual card numbers to autofill on Chrome and Android. Chrome is supposed to store the token, but there is no good way to access the token for a face-to-face transaction. This becomes an operations problem, where technological and business changes are necessary to support the authorization request.

Merchant Use of PAR Value

Payment Account Reference (PAR) is a non-financial reference value assigned to each unique PAN to link a payment account represented by PAN and its affiliated tokens. PAN refers to the card number of the cardholder's credit card, debit card, store credit. card, or gift card.

PAR is sent in the authorization message. It provides a consolidated view of transactions associated with a PAN and its affiliated tokens, making it easier to identify customers and their associated transactions across payment channels.

Although the PAR value will help to resolve the many of the card security validation challenges in the card-not-present environment, it is not widely used by merchants today.

8-Digit BIN

There have been some challenges with the conversion from 6-digit to 8-digit BINs in identifying virtual cards uniquely from a normal PAN. While some fraud features are built into virtual cards, merchants want the option to bypass 3D Secure.   Note: Prepaid cards do not support 3D Secure.

Tool for Declining Authorizations for Wallets

Merchants discussed some tools available for declining wallet transactions. Address verification is commonly used, but merchants also mentioned storing card-on-file flags on the wallet and performing zero-dollar authorizations.

AVS Tool for International Addresses

An address verification service (AVS) is a service provided by card processors that authenticates the ownership of a customer's credit or debit card. AVS is not available by all credit card providers and is not available in all countries. The address number varies in length from country to country and may have a combination of alpha and numeric values.

Cardholders trying to add an international card to their wallet have had difficulty with the AVS as there are no known AVS standards for international cards. AVS is being declined in Europe and merchants are being encouraged to use 3D Secure. However, 3D Secure cannot be used to load the wallet.

PayPal and Google have provided some tools and standards for address verification. Google offers a solution for loading, adding a validation for address conversion.

Account Takeover Issue

Information security requires merchants to authenticate the card with CVV and track all of the device IDs for a user that is coming from a new device Examining patterns will help to mitigate account takeover.

Authentication Options

Merchants were queried on their preferred authentication options. Out-of-band authentication or text messages are used for high-risk transactions. Other options cited include multi-factor authentication, step-up process, web authentication, and opt-in processes.

3D Secure Friction

3D Secure 2 allows businesses and their payment provider to send more data elements on each transaction to the cardholder's bank, and thus reduce cardholder friction. Merchants were encouraged to evaluate the benefits of doing a preauthorization fraud check before performing a 3D Secure check.

Merchant should conduct their own internal evaluations to determine how much money they can save vs. the cost for adding the architecture needed to support 3D Secure. One merchant commented about their experiences with 3D Secure, stating that the return on investment has been significant for them.

International Refund Authorization

Many of the merchants force post small dollar transactions if there is a refund. The main form of refund for international clients is a physical check, but gradually the industry is moving to more electronic means.

Merchants also mentioned putting limits on the timeframe for funds and/or limits based on the cardholder.

A couple of merchants mentioned that there are third-party processors that specialize in international refunds. These companies support a wide variety of payment options (e.g., check, card, wire, etc.) and have built-in fraud components.

- Hyperwallet is a PayPal service that sends localized. multi-currency payments to many countries using PayPal's payout capabilities.   Hyperwallet also addresses oddball refunds, like those for lost luggage.
- Onbe is a third-party service provider that delivers on-brand, on-demand consumer and workforce disbursements.

Account Updater Work Tokens

Account Updater is a service that allows a merchant to continuously update the details of tokenized cards. This service is especially useful for stored credentials in support of recurring and subscription-based billing models. Account updater eliminates disruptions to the billing cycle, enabling card details (e.g., expiration date) to be updated without having to contact the cardholder.

The merchants appear to have limited experience using account updater. One merchant said they were using an account update for their recurring business and support for card-on-file, but fixed costs have kept them from moving forward. Another merchant commented that they do not have an account updater, but they do have a wallet, and this functionality has resulted in a significant increase in capture rate. Another merchant said they were using Apple tokens and doing updates in the store.

Account updates can be done as a batch process or as part of the request. When merchants include the card number in response, they will get a message with a new card.

Merchants discussed the trade-offs using account updates vs. network tokens. One merchant commented that account updates cannot be tracked when using network tokens (even format preserving ones) rather PAR is being used to link transactions to an account. Another merchant said no update is needed with network tokens because network tokens are already linked with the card if it is a replacement card.