EXEMPTION ENGINE FOR SCA

Drive more exemptions while reducing customer friction at checkout
From authentication services to dynamic checkout experiences, how do you meet the demands of your customers as well as regulators?

As a merchant selling online, you want to reduce the amount of steps it takes for your customers to check out.

New regulatory initiatives like the Payment Services Directive 2 (PSD2) drive more innovation and competition, increase security and reduce fraud. But they could deeply impact the overall experience of your customers, increasing friction and drop-offs. Your development costs could increase. You also need to take into consideration the rise in scheme fees for authentications.

The deadline is quickly approaching to meet the requirements associated with PSD2 and Strong Customer Authentication (SCA).

What is SCA?

PSD2 mandates that all electronic transactions will require Strong Customer Authentication from September 2021 in the UK and December 2020 in the European Economic Area (EEA). Payments will be authenticated after the consumer has provided two of three authentication factors – but there are exemptions to avoid it.
INTRODUCING WORLDPAY’S EXEMPTION ENGINE:
Maximizing a frictionless checkout and reducing authentication costs

Our Exemption Engine uses our transactional data to predict issuer behavior. It performs a real-time risk analysis of transactions to exempt as many as possible from SCA.

With our large acquiring reach, knowledge, and links to issuers, we have the most data to select the best strategy for you to drive more exemptions, rather than drop-offs.

What transactions can be exempt from authentication?

Low-value transactions:
Payments less than €30

Low-risk transactions:
Payments assessed as low-risk in real-time

Additional exemption types, such as whitelisting, corporate payments and delegated authentication, will be added to the Exemption Engine when available from issuers.

PSD2, Exemption Engine and 3DS2... how does it work?

1. FraudSight
   Reduces fraud and maximizes SCA exemption rate

2. Exemption Engine
   Exempts as many authorization or authentication requests from SCA/3DS2 as possible, cutting costs and reducing friction

3. 3DS Flex
   Merchant plug-in performs SCA where required

Exemption applied or SCA

Exemption applied

Merchant

Worldpay Gateway

Acquirer

Issuer

Protect your Revenue

Keep more revenue with leading-edge security, fraud, compliance, and loss mitigation solutions.
Exemption Engine benefits, at a glance:

**Improved user experience**
Maximising exemptions to avoid stepping up to 3DS2 where possible

**Reduced cost**
Utilising exemptions to avoid additional authentication processing costs

**Simplicity**
End-to-end service through a single integration

**Data**
Our access to significant data drives better SCA risk decisions

**Fraud reduction**
Keep fraud rates to a minimum, reduce false positives

With Worldpay as your payment partner, you choose from a fully-managed service or specifying the exemptions you’d like to apply.

**Fully managed service:** Let us do the hard work, so you don’t have to. Our predictive model analyses and profiles each issuer based on millions of transactions, allowing us to make the best exemption decisions.

**Specifying your exemptions:** Tell us exactly which kind of exemption you would like to attempt on each payment, using your own logic. The engine will then perform its usual checks, and send your preferred exemption request to the issuer where possible.

To get a full integration overview, visit [https://beta.developer.worldpay.com/docs/wpg/scaexemptionservices/exemptionengine](https://beta.developer.worldpay.com/docs/wpg/scaexemptionservices/exemptionengine)

It pays to be prepared. Visit our webpage to see if your business is ready for PSD2: [fisglobal.com/merchant-solutions-worldpay/psd2](fisglobal.com/merchant-solutions-worldpay/psd2)
Strong customer authentication (SCA) is an authentication based the consumer using two or more factors categorized as knowledge (something only the consumer knows), possession (something only the consumer possesses) and inherence (something the consumer is).