

PSD2 SECTOR GUIDE: GAMING

Act now, get ahead

How will PSD2 impact gaming payments

PSD2 is fast approaching. From December 2020, electronic transactions in the European Economic Area (EEA) will require Strong Customer Authentication (SCA). This will have significant effects on payments across the gaming sector, including the way that deposits work within the EEA.

The two main areas to think about are:

1 Alternative Payment Methods (APMs)

Some of these methods are already compliant with SCA, as they have a built in two-factor authentication process, so their payment flow won't change once PSD2 arrives. Other payment methods that don't have two-factor authentication will need to have their payment flow changed so they are compliant.

2 Deposits made by card

Most gaming deposits are now made on mobile, where players make a payment using their Card on File. SCA must be applied for Card on File transactions in the same way as one-off payments. SCA will also be required when a player is funding their gaming wallet from a card or any other payment method.

Our take



Mobile wallets on the rise

We've seen a lot of growth in mobile wallets like Apple Pay, Google Pay and Samsung Pay in the gaming world. Post-PSD2, we expect these to continue to go from strength to strength, as they're already fully compliant with SCA (they contain two-factor authentication as standard) and have a frictionless, optimised checkout flow. That's great for both you and your customers.



A shift towards APMs

As extra friction begins to occur in card payments in Europe due to PSD2 rules, you could see a preference for easy-to-use, already-compliant Alternative Payment Methods, such as bank transfers. Bear this in mind when looking at the payment mix you offer customers beyond September 2019.



Keep an eye on your fraud rate

To make the most of SCA exemptions, your acquirer will be asking you to pay much closer attention to your fraud rate than ever before. As gaming is a high-risk industry, taking steps to lower your fraud rate ahead of September will make sure you can take advantage of exemptions where possible – something we can help you with.

How can you get ahead?

Worldpay has a full suite of data-powered tools to help you manage SCA and make payments as frictionless and secure as possible, while staying compliant. We also have a team of dedicated PSD2 experts on hand to discuss your options.

To get started:

- ✓ Talk to your Worldpay Relationship Manager about SCA exemptions and how you can maximise them from September. The most relevant exemptions for the gaming space are:
 - a. **Low-risk exemption:** for use across low-risk Card on File traffic
 - b. **Low-value exemption:** any deposits less than €30
 - c. **Whitelist exemption:** for repeat players who know and trust your brand
- ✓ **No exemption?** Then SCA must be performed. For card payments, this will typically be via 3DS, or preferably 3DS2 (which has a much better user experience). Make sure you have 3DS2 on your roadmap for 2019.
- ✓ If your current European fraud rates are looking high, speak to us about what we can do to bring them down. This will allow you to use the maximum number of exemptions possible.

Ready to make PSD2 pay?

Get in touch with your Worldpay Relationship Manager to find out more.