ARCOT 3DS PROGRAM MANAGEMENT

Arcot
by Broadcom

Enables issuer to derive maximum value from the Arcot Network.

OVERVIEW

Arcot is offering 3-D Secure (3DS) Program Management, a subscription service designed to help an issuer extract maximum value from the Arcot Network. Issuers that sign up for 3DS Program Management are assigned a dedicated 3DS consultant working with them to drive the following benefits:

1. Increased authentication success rates (ASR) via implementation of the Arcot Fortress ruleset

2. Reduced challenge rates (CR) via extensive use of exemptions

3. Increased fraud mitigation via real-time fraud alerts

PROBLEM STATEMENT

Regulators and schemes in parts of the world have mandated the use of 3DS authentication for various types of payments, including card-not-present (CNP). This in turn has promoted 3DS authentication to a mission-critical service for card issuers, introducing the following challenges:

1. **Lack of expertise** - EMV 3DS is massively more complex than 3DS 1.0.2. Effective use requires deep subject matter expertise to get maximum value.

2. **Lack of resources** - Fraud teams are often asked to operate with a small number of people. A small team doesn't have the time to build 3DS expertise while continuously managing the ruleset.

To do 3DS well, issuers need one or more subject matter experts (SMEs) to manage the day-to-day operations of authentication. We can help by providing a 3DS consultant that will work as an integrated member of an issuer's fraud team.

Benefits of 3DS Program Management

→ **Increased authentication success rates (ASR) via implementation of the Arcot Fortress ruleset**

→ **Reduced challenge rates (CR) via extensive use of exemptions**

→ **Increased fraud mitigation via real-time fraud alerts**
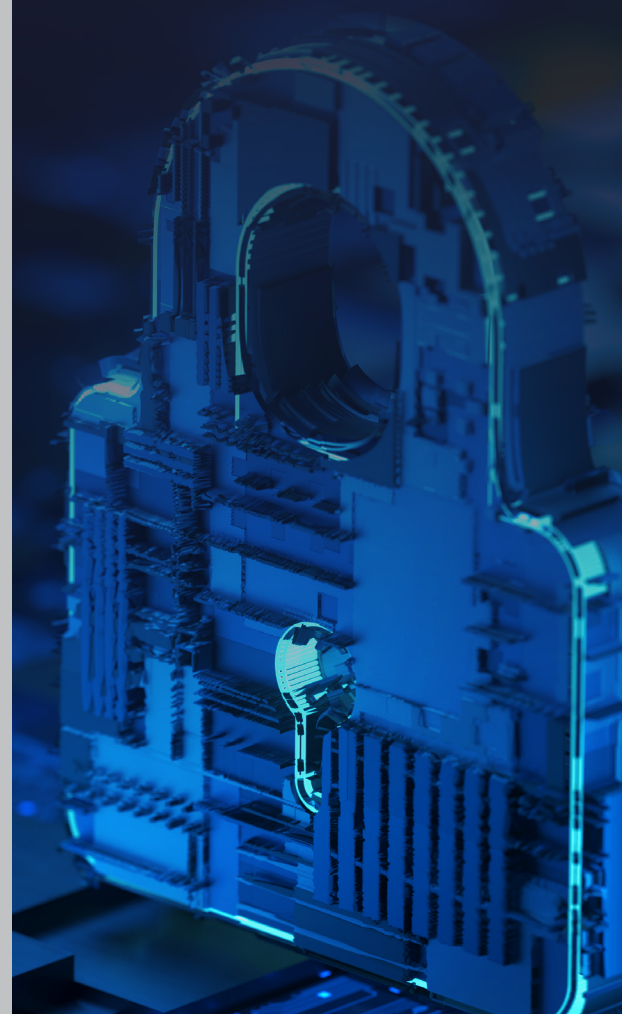
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HOW 3DS PROGRAM MANAGEMENT WORKS

Upon commencement of the service, Arcot assigns a 3DS consultant to the issuer. 3DS consultants have deep expertise in both the 3DS protocol and the Arcot payment authentication service. 3DS consultants will continuously assess an issuer's active ruleset, monitor transactions for fraud, and make real-time changes to the Arcot service as needed.

3DS consultants become an extension of an issuer's fraud team, acting as an embedded 3DS subject-matter-expert (SME). They spend all day, every day using the Arcot Network to optimize an issuer's authentication strategy - using data to measure results, identify trends, and implement changes.

Key deliverables of the service include:

- **Ruleset management** - The 3DS consultant will perform continuous assessments and management of the issuer's ruleset. The ruleset will be optimized using the Arcot score to drive compliance while reducing friction and fraud. If an issuer wishes to maintain control of the ruleset, the 3DS consultant will stage the recommended changes for approval.

- **Fraud alerting** - The 3DS consultant is notified of potential fraud in real-time and then works with an issuer to make any needed changes to the ruleset.

- **Reporting** - Arcot will provide operational reporting and regulatory reporting on a regular basis.

  — **Operational Monitoring & Reporting** - a weekly report that shows the current performance of the payments program compared to the issuer's defined operating points for ASR, CR, and CSR as well as a performance at fraud detection.

  — **Regulatory Reporting** - a bespoke dataset provided for inclusion with the issuer's existing regulatory reporting framework. Issuers can opt to have this provided on either a monthly or quarterly basis to align with the current schedule for submissions.

- **BONUS: Services credit of $150K USD** - Issuers that subscribe to 3DS Program Management will receive $150K USD of services credits to be used at the discretion of the issuer. Examples include: Biometric/device id integrations, trusted beneficiary, and in-app authentication (OOB).

LEARN **MORE**

Contact your Customer Success Manager to learn more about Arcot Program Management.

Summary

- 3DS authentication has quickly become an integral part of the value an issuer delivers to its cardholders.

- The goal should be to use authentication in a way that satisfies compliance mandates with minimal friction and low levels of fraud.

- An Arcot 3DS consultant can help an issuer achieve these objectives.