



Case Study
Fraud Tools

SOPHISTICATED FRAUD PREVENTION TOOLS

Dynamic fraud prevention tools have consistently been proven to significantly reduce chargebacks and fraud around online payments within ecommerce. Creating an obstacle course if you will for the ever-evolving fraudster is the number one objective, with 3D Secure (Verified by Visa and MasterCard Secure) being the figurative 12-foot wall at the end of the journey. Here at Paycross, we proudly boast of a growing platform, driving multiple-millions of numerous currencies each month, with an overall chargeback ratio of under 0.009%. So, **how do we do it?**

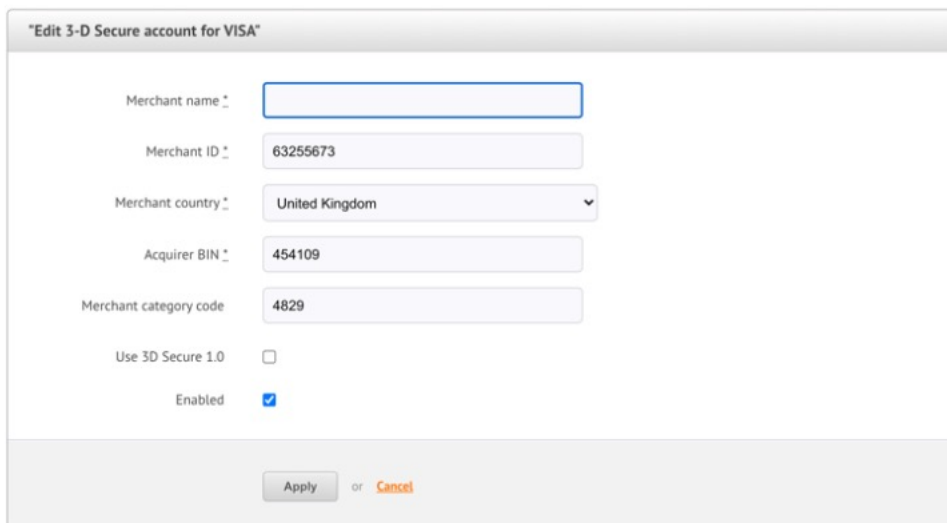
The first point to mention is that, unlike many payment service providers, we are heavily focused on a consultative approach. Globalize payments, localize payments and most importantly, optimize payments.

It is the last bit around optimization that forms the core to our entire strategy as a business. Optimizing payments, within our world means that your business takes more of the payments you want and none of the payments you don't. It also means that we work with you to control the traffic, reducing false positives and increasing your conversions.

Phase 1 – 3D Secure

At Paycross, ALL payments are set to run on the latest 3D Secure. The new directives under PSD2 are in place to try and reduce the friction that customers often experience whilst reducing abandonment at the point of checkout. It also gathers significantly more data than previous versions meaning the issuer who will ultimately approve or decline the transaction will have a better view to determine whether the transaction should pass.

As you can see here, we can enable or disable V1 or V2 –“Use 3Ds V1.0” remains unticked, therefore defaulting to 3Ds V2. 3Ds is the most proven way to shift liability onto the issuer. Within our platform we can set the parameters accordingly:



Edit 3-D Secure account for VISA

Merchant name :

Merchant ID :

Merchant country :

Acquirer BIN :

Merchant category code :

Use 3D Secure 1.0

Enabled

or



Y – Approved 3Ds always goes through (if the issuer doesn't decline for another reason). In this case the liability shifts to the issuer at first point when a chargeback is raised.

A – The cardholder has attempted to complete 3Ds. However, the issuer has not been able to authenticate for whatever internal reasons they have. The liability in the main rests with the issuer here and, at the merchant's discretion, it is recommended to allow A responses to pass. There is debate around this response but normally the issuer will have to take liability.

N – The cardholder has attempted 3Ds verification and the issuer isn't willing to authenticate the transaction. This is a complete decline with no liability shift.

U – The cardholder hasn't attempted 3Ds and the issuer hasn't attempted to authenticate. This must be a full decline otherwise the liability sits completely with the merchant.

We pass all the issuer responses back to you, our merchant within the gateway notifications.

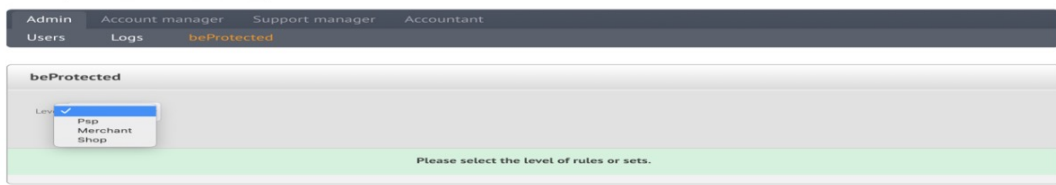
Fraud Prevention Tools

Our fraud prevention tools remain an open book, for you to design according to your own customer behavioral patterns. As I mentioned previously, optimizing payments is our business. Now you may find an approach as a starting point is to select a list of approved countries, thus reducing rogue transactions from regions you want to accept payments. Or you might want to reduce the number of cards a customer can use. It may be that you wish to reduce the number of payments a customer can make in a month, or you might want to put a maximum ticket size on the transaction. These are some examples of where we can help.

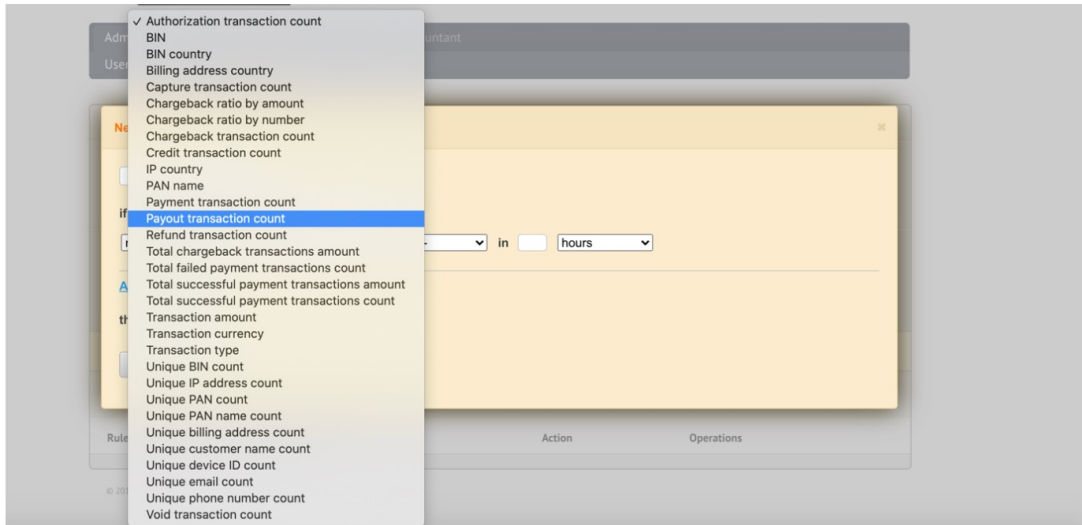
The Basics:

Paycross is configured to allow our clients to process payments via multiple providers. You can, in theory, run transactions into more than 1 acquiring institution depending on your requirements. For example, we could offer domestic Canadian, Australian and European processing off the same technical connection. Within this you might have certain rules applicable to individual processors OR you might want to set universal rules. Again not a problem for us.

Our merchants are set up to run on "Shops." So each merchant ID is connected to a Shop. It is possible to run rules at "Merchant Level" where all rules apply to all shops. Also we can set more localized rules at "Shop Level." This is the first area to select.

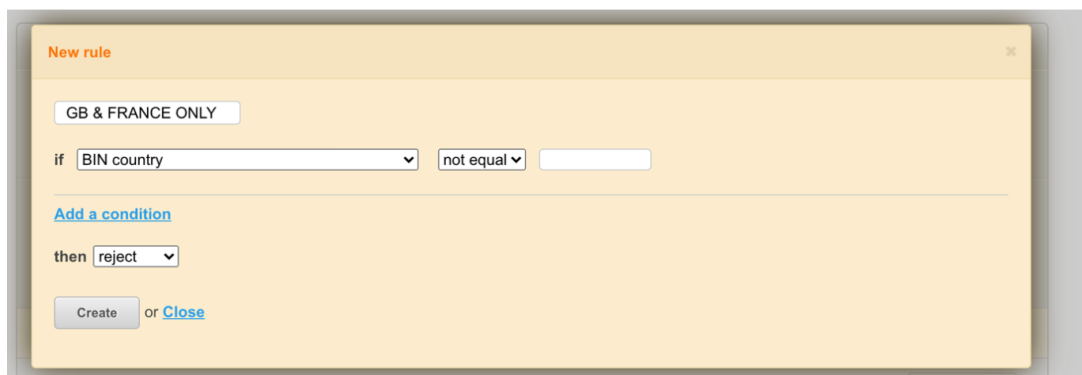


So we've determined that the rules will apply in this case to "Shop Level." Now we need to create the rule set combinations.



Above you will see a host of options. Let's assume you only want to take payments from e.g. the UK and France. As a point of note, country codes run off the ISO two letter code when implementing.

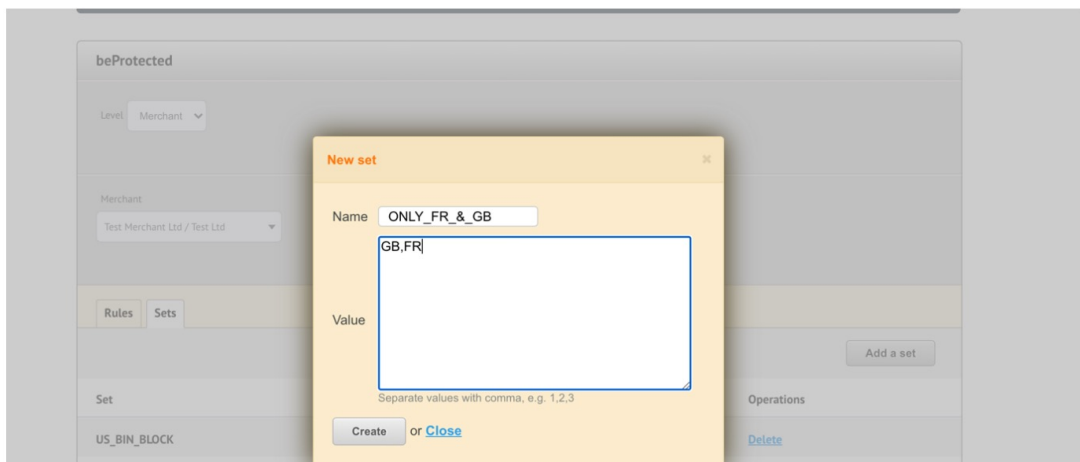
So we select Bin Country from the list and title the rule GB AND FRANCE ONLY.



However, we need to input the country list on what we call a “Set.” So we need to set up the “Set” and we do it like this: (scroll down:)

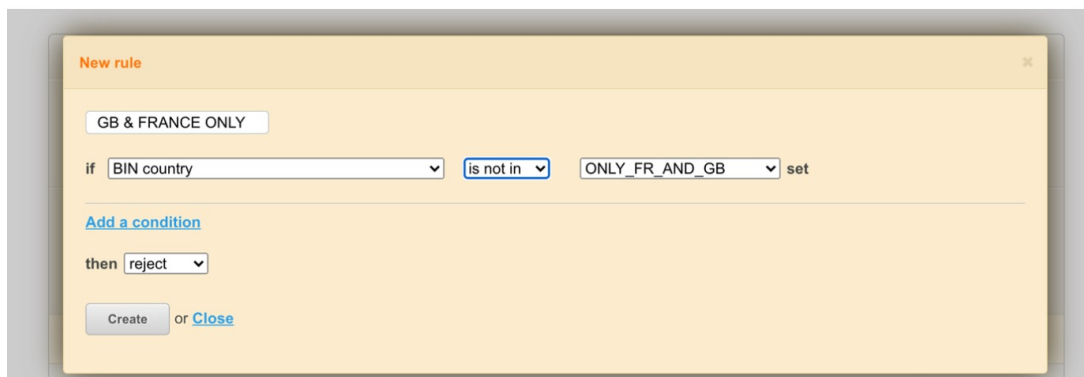


Now we add the country set:

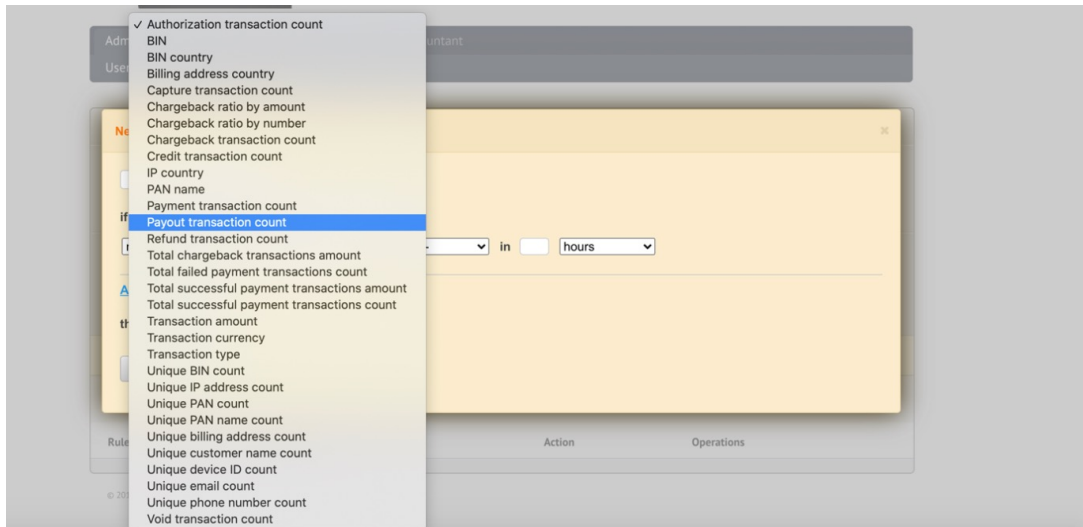


Each word in the name of the set must be separated by underscores. SO_THE_NAME_LOOKS_LIKE_THIS.

Now we look to combine the set to the rule. So if the Bin Country is NOT IN ONLY_FR_AND_GB then reject..



Once created, the rule is applied to the shop and you'll only accept payments from GB and France and the 3Ds is version 2. Returning to this page again:

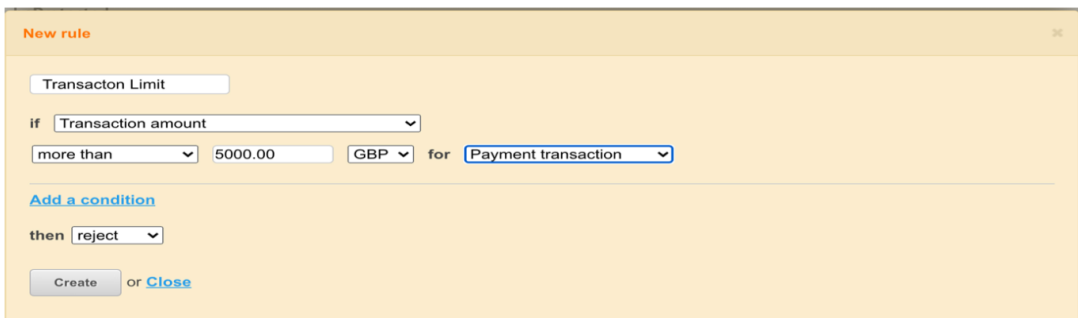


All of the rules pivot around rules and sets. So looking down the list:

If the Transaction currency is NOT GBP, then reject. Or if you create a set called "PERMITTED_CURRENCIES" with GBP, USD, EUR in the set, then you can create a rule on Transaction Currency saying If the Transaction Currency is not in the set "PERMITTED CURRENCIES" then reject.

Transaction limits.

Here is another example where you can limit the size of the transaction. This time we select "Transaction Amount" and create a rule called Transaction Limit. Here we limit the ticket size to 5000 GBP. No sets are needed for this type of rule as it is specific without variables:



You'll also see within the framework above "Add a condition." So we may say as an example, 5000 GBP but we can go higher if the customer is whitelisted. And we create the whitelisted set and then add the conditional rule saying "if the bin is in the following set" then approve.

The rules are free for you to experiment and play around with. We will obviously provide full support for you with our dedicated team. Please feel free to reach out if you have further questions support@pay-cross.com.