



Outseer 3-D Secure™

Achieve profitable growth with perfect balance
between security and cardholder experience

At a Glance

Mapping to the latest EMV® 3-D Secure protocol, Outseer 3-D Secure is a leading global ACS solution for issuers/issuer processors to fight CNP fraud:

- 95% fraud stopped with only 5% intervention
- 1.5 billion 3DS transactions processed annually
- \$215 billion in CNP Payment Volume protected annually
- Over \$2.2 billion in CNP fraud savings for our customers in 2021

Using our comprehensive CNP 3-D Secure fraud detection and prevention solutions, Outseer customers can benefit from:

- higher transaction authorization rates
- lower fraud losses
- higher interchange revenue

Achieve Profitable Growth with Perfect Balance between Security and Cardholder Experience

Digital transformation has helped mobilize a massive shift toward new commerce and payments models. Global eCommerce is growing at double digit rates and forecasted to reach \$5.5 trillion in 2022.¹

As these new models scale, fraudsters are also evolving their strategies and organizations need to be prepared to address these growing and evolving threats. Nilson estimates that gross payment card fraud losses will reach more than \$34 billion by the end of 2022.² According to [Aite-Novarica](#), card-not-present (CNP) fraud accounts for over two-thirds of gross fraud losses and is estimated to grow 19.4% by 2023.³

Solutions need to provide security without sacrificing the user experience. Outseer 3-D Secure does just that. Outseer 3-D Secure is a leading global Access Control Server (ACS) solution for issuers and processors to fight CNP fraud. Outseer 3-D Secure maps to the latest EMV® 3-D Secure protocol—the global standard for authenticating CNP digital transactions. Outseer 3-D Secure protected ~\$200 billion in payments volume in 2021.⁴

Driving Secure Growth with 3-D Secure

3-D Secure is an effective solution for fighting CNP Fraud. A [study by Aite-Novarica Group](#)³ showed that among available solutions used to protect against CNP fraud, 3-D Secure “leads the pack.” The study found that 100% of issuers and issuer processors interviewed are using 3-D Secure, with 82% stating that 3-D Secure is as effective or more effective when compared to other fraud detection solutions.

The study also surveyed more than 750 mid- to large-sized eCommerce merchants globally and found that 69% of merchants currently use 3-D Secure. They cited lower fraud losses, increase authorization rates and lower chargebacks as the primary reasons for using 3-D Secure. An additional 21% of merchants indicated that they plan to start using 3-D Secure by the end of 2022.

The same study showed that not only is 3-D Secure an effective tool for mitigating CNP fraud, but also found that when 3-D Secure is used, eCommerce transaction authorization rates are significantly higher. Higher authorization rates translate into greater revenue and profit potential for both merchants and issuers.

¹ eMarketer. “Global Ecommerce Forecast & Growth Projections 2022.” Insider Intelligence, February 2022. <https://www.insiderintelligence.com/content/global-ecommerce-forecast-2022/>. (Note: Does not include travel, event tickets, bill pay, taxes, food services, drinks, and other vice services.)

² Nilson Report. “Global Card Fraud Losses,” December 2021. <https://nilsonreport.com/newsletters/1209/>.

³ Aite-Novarica, “Maximizing the Potential of CNP: Collaboration via 3-D Secure Is Key,” October 2021, <https://www.outseer.com/report-aite-novarica/>.

⁴ Outseer Research

Stopping Fraud, but Not Transactions

The EMV® 3DS protocol promotes a seamless shopping experience for cardholders by leveraging risk-based authentication technologies. EMV® 3DS includes transactional attributes that enhance the ability to distinguish genuine transactions from fraudulent ones.

The protocol supports a wide set of devices, with specific attention to mobile applications, as well as IoT devices such as: smart watches, smart TVs, and gaming consoles.

In addition, EMV® 3DS seeks to provide a smooth and intuitive user experience for those transactions still requiring active authentication by integrating it into the consumer shopping experience and giving merchants complete control over the look and feel of the interaction. As an industry pioneer, Outseer participates in EMVCo and provides inputs to the specification.

Finally, EMV® 3DS also includes extensions to support European Payments Services Directive 2 (PSD2) Strong Consumer Authentication (SCA) requirements for e-commerce transactions—critically important in today's payments environment.



EMV 3-D Secure Enhancements

- Support for mobile apps, IoT devices and advanced digital payments flows
- Risk Based Authentication approach, using additional data elements to drive more accurate results
- Increased merchant control over the shopping experience
- EU PSD2 SCA extensions

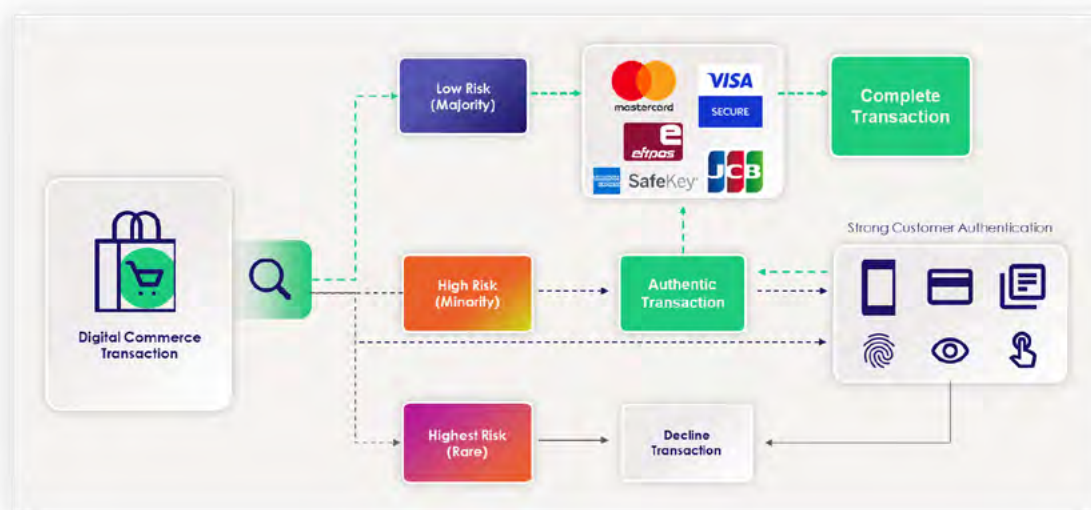
Source: EMVCO.com

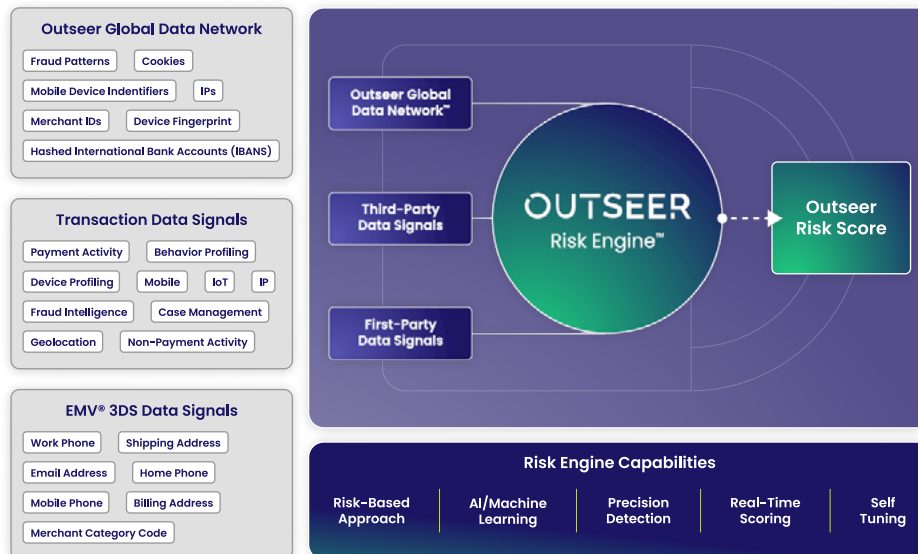
How It Works

Outseer 3-D Secure is an Access Control Server (ACS) for credit and debit card issuers and payments processors. With the Outseer Risk Engine™ at its core, Outseer 3-D Secure transparently evaluates each transaction in real time to determine the probability of fraud vs. genuine transactions.

Outseer 3-D Secure allows issuers to provide Visa Secure, Mastercard Identity Check, American Express SafeKey, JCB J/Secure™2.0, and eftpos support. Outseer 3-D Secure delivers a fraud detection rate of 95%, and a low genuine-to-fraud ratio (number of genuine transactions challenged for each confirmed instance of fraud), translating into higher approval rates bottom line growth. Step-up authentications are reserved for instances that truly warrant closer scrutiny, with a global average of approximately 5% requiring intervention. This leaves the vast majority of transactions unimpeded by a verification process.

Outseer 3-D Secure Workflow





Outseer Risk Engine

While other providers may offer an ACS, Outseer 3-D Secure is supported by decades of fraud management expertise and deep machine learning capabilities of the Outseer Risk Engine. The Risk Engine, which is at the core of the Outseer platform, is built for precision detection. It enables payment card issuers and processors to leverage the latest functionality as specified by the protocol—and then goes even further.

The Outseer Risk Engine analyzes hundreds of data elements including signals coming from the Outseer Global Data Network™, our Partners and our Customers, and uses predictive algorithms to detect and prevent fraud in real-time. It uses an advanced machine learning statistical approach to calculating the risk score. This approach looks at the conditional probability of each event to evaluate if its most likely genuine or fraudulent given the known facts or predictors.

All available factors are taken into consideration but weighted according to relevance; the most predictive factors contribute more heavily to the score. The predictive weighting calculations are updated daily based on authentication results, case management feedback, and chargeback data.

Outseer Global Data Network

Outseer 3-D Secure uniquely benefits from data signals contributed by the Outseer Global Data Network—a globally shared, fraud intelligence consortium that gathers data from transactions spanning thousands of companies in numerous industries around the world. When a member of the network marks an activity as “Confirmed Fraud”/“Confirmed Genuine” in the case management application the associated signals are shared across the network. When an activity is attempted and includes one of the signals from the Outseer Global Data Network the risk is automatically adjusted, delivering smarter risk decisions.



Step-Up Authentication Options

For the small percentage of transactions that are high risk or in violation of your policies, a step-up authentication will be triggered. Outseer 3-D Secure offers out-of-the-box step-up authentication options as well as a flexible interface to integrate with your organization's own authentication methods.

Policy Manager

The Outseer policy management application translates risk intelligence into action. Using our fine-grained policy controls, you can set specific actions to different risk score thresholds based on your risk tolerance and your business objectives.

Configuration Manager

This tool allows customers to view, edit and delete parameters impacting the look & feel of the challenge flow via easy-to-use UI tool, this helps customers to roll out changes to their challenge screens rapidly and effectively, reducing their operational costs.

Case Manager

The Case Manager application enables you to track activities that trigger rules and determine if they are fraudulent. You can also use the application to research cases and analyze fraud patterns when revising or developing policy rules. When cases are resolved, you can use the case management UI to provide feedback to the Outseer Risk Engine to help enhance the accuracy of future risk decisions. An available API can be used to extract cases and activities to third party case management systems, and to update case resolution.

Advanced Analytics

Outseer solution includes an analytics tool that exposes a dashboard with key metrics such as Fraud Detection Rates, Intervention rates, Transaction volumes and value and much more.

By achieving a balance between risk and a seamless user experience, Outseer 3-D Secure can help you:

**Increase
Transaction
Approval**

**Increase
Transaction
Approval**

**Increase
Transaction
Approval**

About Outseer

At Outseer, we are empowering our customers to liberate the world from digital fraud by providing solutions that stop fraud, not customers. Our market-leading fraud and authentication platform is used by thousands of financial institutions around the world to protect millions of customer accounts and billions of transactions annually. Leveraging proven data science, including our proprietary consortium data, our customers use our risk-based, machine learning platform to deliver the highest fraud detection rates, lowest false positive rates, and lowest customer intervention in the industry. See what others can't at outseer.com.