

SCA webinar FAQs

These are answers to the questions asked during the SCA (Strong Customer Authentication) webinar series 'Essential information on SCA' held on 18 and 25 January 2022. You can view recordings of the webinars [here](#).

This webinar seems to be more relevant to businesses who take online payments. My card machine only accepts Chip and PIN payments. Do I need to be compliant with SCA?

SCA (Strong Customer Authentication) applies to Card Present devices, specifically when processing contactless transactions. These may be 'stepped up', and the terminal is required to handle this process by 'falling forward' to a Chip and PIN transaction. Please make sure you have the latest version of your terminal software installed – you can check this with your provider.

We take card payments via telephone (automated and telephone). Do we need to be SCA compliant? Do we need to authenticate when taking card payments over the phone?

No – MOTO (mail order telephone order) transactions are out of scope for SCA as long as they're being flagged in the correct manner – see the webinar slides for more detail. You should always make sure your business has adequate procedures and processes in place to protect against fraud.

I am currently only able to use 3D Secure version 1. What do I do?

3D Secure version 1 is already in decline, as the schemes stopped mandating that issuers support it. As of February 2022, North American issuers appear to be leading on this withdrawal, but with all the major schemes confirming sunset/decommission dates around October 2022, it's important that you move to 3DS2 as soon as possible.

If a merchant isn't on 3DS at all and doesn't have an easy route directly to EMV 3DS, enabling 3D Secure version 1 is certainly better than taking no action and will prolong your eCommerce business for six more months.

Does SCA have any link with the PCI DSS?

No, they're different. The Payment Card Industry Data Security Standard (PCI DSS) is imposed by the card schemes to protect data security as part of payment processing. Payment Services Directive 2 (PSD2)/SCA is a regulation/law which, among other things, addresses identity checks to prevent fraud.

Do merchants really have any control? Shouldn't Barclaycard be responsible for ensuring that cardholders and payment card machines/the online platform are ready and fully 3D Secure?

It's the responsibility of Barclaycard, and the rest of the industry, to ensure that the platforms and devices merchants use are compliant. Not all merchants use a Barclaycard payments gateway, so it's important to communicate awareness of SCA and the requirements of activating 3DS – as well as the importance of updating integrations to take into account the new requirements for 3DS2.

Is 3D Secure different to the Barclaycard Transact security product?

Yes. 3D Secure is an authentication protocol and allows the cardholders bank (issuing) to authenticate the cardholder. This 3D Secure process is separate to and happens in advance of an authorisation (checking that the cardholder has the funds and the issuer is happy to accept the transaction).

Barclaycard Transact is our AI-driven eCommerce growth engine, it could help you transform your customers' payment experience. Transact helps merchants to put low-risk payments on the fast track using Transaction Risk Analysis (TRA) exemption to reduce potential friction from Strong Customer Authentication (SCA) at checkout (subject to issuer acceptance).

I'm concerned as I don't use a Barclaycard gateway for my payments. What should I do?

It's important that you discuss any concerns with your gateway provider. The information provided in our webinar should give you all you need to ask the right questions.

Are there exemptions for charities accepting donations online?

There are no specific exemptions for charities, but charities can use products like Barclaycard Transact to take advantage of TRA exemptions, like any other eComm merchant.

Is there a difference between a 'soft' and a 'hard' decline, and what impact will these have on our consumers?

A hard decline can happen any time a customer attempts to process a payment. This can be for a variety of reasons, including lack of funds or fraud. A soft decline is seen when a cardholder's bank (issuer) requires more authentication for the transaction prior to authorising it. This can be seen for both eComm and via payment terminals. Sometimes your payment service provider (PSP)/terminal device can't handle a soft decline and either re-routes the cardholder through to 3DS or starts a 'fall forward' Chip and PIN process on a terminal. In these cases, the transaction will effectively be cancelled. This cancellation isn't always automatic, so the integration needs to be able to take this flow into account – otherwise, your customers may find they're unable to check out.

Does a TRA exemption transaction still have chargeback protection?

In the case of acquirer TRA, the fraud liability sits with the merchant. In this case, no chargeback protection is applied.

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