



Transaction Network Services

[Merchant]

TNS adds 3-D Secure™ capability to tackle rising card-not-present fraud

Online merchants can now use Transaction Network Services (TNS) UK Ltd as a single source for their anti-card fraud requirements, with the addition of 3-D Secure™ capability to the TNS card services offering. Merchants who use TNS for their card transaction handling will be able to ensure their existing infrastructure is 3-D Secure compliant.

Since the introduction of Chip and PIN, card fraud has migrated to card-not-present (CNP) transactions. Figures from APACS show that CNP fraud has risen by 17% over the 12 months to March 2006 and now accounts for 43% of total card fraud, making CNP the single largest source of card fraud in the UK.

3-D Secure is an authentication protocol jointly developed by Visa and Arcot Systems, Inc. It is used by Visa, MasterCard and JCB to provide a secondary layer of security to card users, merchants and card issuers. Card holders register a secondary password with their card issuers, which they are then prompted for whenever they shop on a 3-D Secure enabled website. Merchants benefit from substantially reduced levels of fraud and its associated costs in chargebacks. In addition, research by industry analysts has already shown that shoppers prefer to shop at 3-D Secure websites and that websites operating two levels of authentication tend to generate larger basket sizes.

TNS' 3-D Secure solution uses the Arcot TransFort™ solution from Arcot Systems, Inc., a world-leader in multi-factor authentication and e-payment software and services. Arcot worked with Visa to write the original specifications for 3-D Secure and has also customised the protocol for MasterCard and JCB. TransFort is fully compliant with Visa's Verified by Visa, MasterCard's SecureCode and JCB's J/Secure programmes.

"Rising levels of CNP fraud are a serious concern for online retailers, especially with the shift in liability that has occurred since the introduction of Chip and PIN", says