

# Strong Customer Authentication

A PSD2 Requirement



# What is it?

Strong Customer Authentication (SCA) is a regulatory requirement to reduce fraud and further secure online, contactless payments.

This requirement is put forth and made mandatory by the EU Revised Directive on Payment Services (PSD2).



# What is it?

For merchants and financial institutions in Europe to accept and adhere to SCA, they must incorporate additional authentication methods into the checkout flow using 3DS solutions.



# Requirements

SCA requires authentication to include at least two of the below three elements.

## Password/PIN



**User inserts a password, OTP, or a PIN related to their account or credit card to prove ownership.**

## Phone/Hardware Token



**User uses a phone or hardware token to confirm legitimate use of the account or card.**

## Biometrics



**User scans their fingerprint or face identification on their device (phone) to confirm payment.**

# Location

Most card payments and all bank transfers within Europe require SCA, they are considered customer-initiated transactions.

For online payments, mandated SCA applies to transactions involving businesses and cardholders with issuing banks located in the European Economic Area (EEA).

