

MasterCard® SecureCode™

Fact sheet for merchants



Working Together to Make Internet Shopping Safer

Electronic retailers face unique challenges in accepting cards for payment in the e-commerce environment. Unlike the physical world, there's no signed sales receipt and therefore no definitive way for a merchant to dispute a cardholder claim that a purchase wasn't made.

MasterCard SecureCode is designed to take online shopping security to a new level. It is a global e-commerce solution that enables your customers to authenticate themselves to their card issuer through the use of a unique personal password and gives the merchant an indication of a genuine purchaser.

What is MasterCard SecureCode?

Using 3-D Secure protocol, MasterCard SecureCode allows issuers to authenticate participating cardholders when shopping online at participating merchants.

Merchant Benefits

The benefits for online retailers to offer MasterCard® SecureCode™ protection to customers include:

- **Liability shift** – On April 4, 2008, a merchant liability shift was introduced, resulting in an issuer not being able to chargeback transactions for: “no cardholder authorization” (code 4837) or “cardholder does not recognize – potential fraud” (code 4863)
- **Fraud reduction**
- **Secure payments in the e-commerce channel**
- **Potential increase in online business through increased cardholder confidence**

How MasterCard SecureCode Works

Like the familiar ATM authentication process, cardholders must enter their SecureCode before their online transaction can be authorized. In seconds, the issuer confirms it is the true cardholder performing the transaction. Cardholders enjoy peace of mind knowing that no one else has access to their SecureCode.

As of April 4, 2008, issuers are required to use Activation During Shopping, a mechanism for enrolling cardholders in SecureCode. Cardholders are not allowed to bypass this step.

Activating SecureCode – The Cardholder Experience

1. Cardholder shops on merchant website.
2. When an order is submitted, the SecureCode Activation process begins, serving up an activation window. The transaction will not be disrupted.
3. Cardholder is then asked to verify his/her identity by supplying two or three pieces of information, e.g., postal code, CVC2.
4. Cardholder then creates a SecureCode password.

Using SecureCode – The Cardholder Experience

1. Cardholder shops on merchant website.
2. When an order is submitted, the SecureCode authentication process is activated and serves up a window requesting the cardholder's SecureCode password.
3. The SecureCode is validated by the issuer, then the transaction is sent for authorization.

How to Become a SecureCode-Enabled Merchant

Follow these steps to get started:

1. Contact your acquirer/payment processor to ensure MasterCard SecureCode is supported. If it is not, please send an e-mail to securecodemerchant@mastercard.com and a MasterCard representative will contact you directly.
2. Load a SecureCode-compliant merchant plug-in application on your server, available from compliant vendors. Alternatively, you can contract a hosted service to perform the authentication process for you. For a list of SecureCode-compliant vendors, visit www.securecodevendors.com
3. Conduct a simple test with MasterCard to ensure that you're ready to go.
4. Add the MasterCard SecureCode program identifier to your website to let customers know you are working to secure their online shopping experience.

For Program Identifier Usage Guidelines and artwork, visit www.securecodemerchant.com

For more information, please visit www.mastercard.ca