

Mastercard's Data Only Flow

Increase approvals with no cardholder friction through EMV 3DS

16%

Global approval rates are 16% lower for digital than physical transactions (82% for digital and 98% for physical)¹

\$331B

billion in false declines for payment card transactions in 2018²

32%

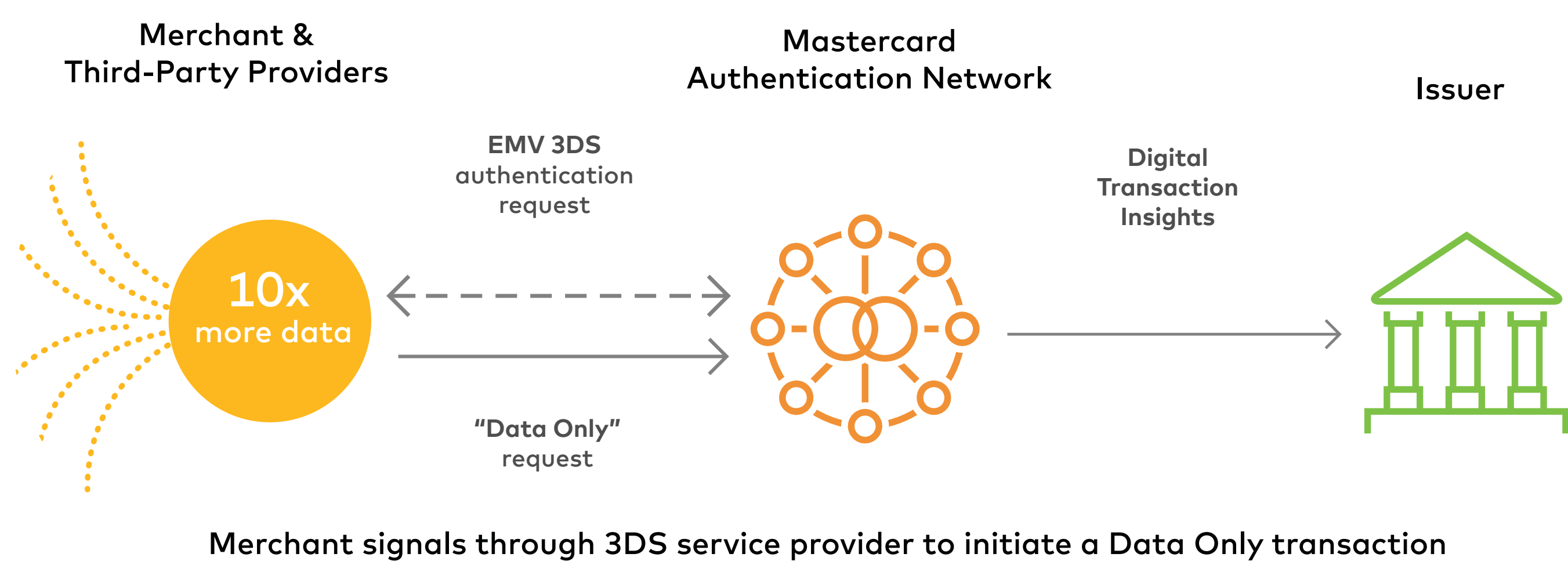
of falsely declined consumers stop shopping with that retailer³



1. Mastercard, October 2017 through September 2018 Data, Across All Card Types, 2018
2. Aite Group Chargebacks & False Declines Study 2018
3. Fraud & Payment Trends Javelin Study 2018

What is Data Only?

Data Only is a transaction flow through which the merchant can share data with the issuer via EMV 3DS to influence approvals on Mastercard branded transactions while **guaranteeing a frictionless experience** for the cardholder



What are the benefits?



Leverages existing EMV 3DS implementation



Guarantees a frictionless experience for cardholders















Reduces latency compared to a full 3DS authentication cycle



Enhances authorization message to improve decisioning, increase approvals & reduce false declines

What is the difference between EMV 3DS & Data Only?

	 Always frictionless experience	 Influence issuer approval decision	 No transaction latency	 Liability shift	 Real-time Mastercard Risk Assessment
Data Only					
EMV 3-D Secure full authentication	Potential for step-up challenge				

What are the outputs of Data Only to the issuer?

Data is shared with the issuer through **Digital Transaction Insights**, three bytes of data placed in the authorization message from Mastercard's Smart Authentication engine to improve the issuer's decisioning on that transaction

Digital Transaction Insights

3 bytes of data to issuer



Risk Assessment from Mastercard (0-9)

A-Z

Reason Code from Mastercard (defined letters A to Z)



Reason Code from Merchant

Code Mastercard Reason Code Description (byte 2)

Code	Mastercard Reason Code Description (byte 2)
A	Risk Event - Suspicious Account Activity
B	Risk Event - Unknown Device/Account Relationship
C	Risk Event - Device or Profile Information associated with fraud event
D	Risk Event - Recent High Risk change to Device or Profile Information
E	Risk Event - Recent change to Device or Profile Information
F	Risk Event - PAN associated with fraud event
G	New Account or Insufficient Data
H	Merchant/ Acquirer: Merchant (fraud) risk high (assessed by Mastercard)
I	Merchant/ Acquirer: Merchant (fraud) risk low (assessed by Mastercard)
J	Environment: Good/ Known IP
K	Cardholder: Billing address - prior history established
L	Cardholder: Email address - prior history established
M	Cardholder: Phone number - prior history established
N	Cardholder: Shipping address - prior history established
O	Cardholder: PAN behavior established high trust in the current transaction
P	Environment: Device known
Q	Environment: Account established on Device
R	Environment: Session - Trusted/normal/ innocent session
S	More than one Cardholder category established
T	More than one Merchant/ Acquirer category established
U	More than one Environment category established
V	Co-occurring: established link between Cardholder and Merchant/ Acquirer
W	Co-occurring: established link between Cardholder and Environment
X	Co-occurring: established link between Merchant/ Acquirer and Environment
Y	All three categories established
Z	Most Trusted (future use)

Leverage EMV 3DS implementation to send Data Only transactions



Merchant

- All merchants enabled for EMV 3DS can initiate Data Only transactions through their 3DS service provider
- Once configured, the merchant must register with the Mastercard Identity Check program



Issuer

- All issuers in North America are enabled to receive Data Only insights known as Digital Transaction Insights in the existing authorization message
- Mastercard has also enabled 1000+ issuers globally to act on Digital Transaction Insights