

How SCA impacts travel payment transactions

Strong Customer Authentication (SCA) is a UK and EEA regulatory requirement¹ designed to make paying online more secure. Issuers, through the support of merchants using EMV® 3DS technology², must authenticate the cardholder at the time of booking for all in-scope and non-exempted transactions. It is currently enforced in the EEA, whilst in the UK, implementation will begin gradually in June 2021 until full enforcement by 14th March 2022.



Travel merchants need to act now to minimise disruption to payments

To ensure transactions are not declined, merchants need to provide proof of authentication for all payments they process, unless the transaction is out of scope (OOS) or qualifies for an exemption



Payments via eCommerce bookings

Merchants should no longer process transactions by simply keying card details into their POS system as they will not contain proof of authentication



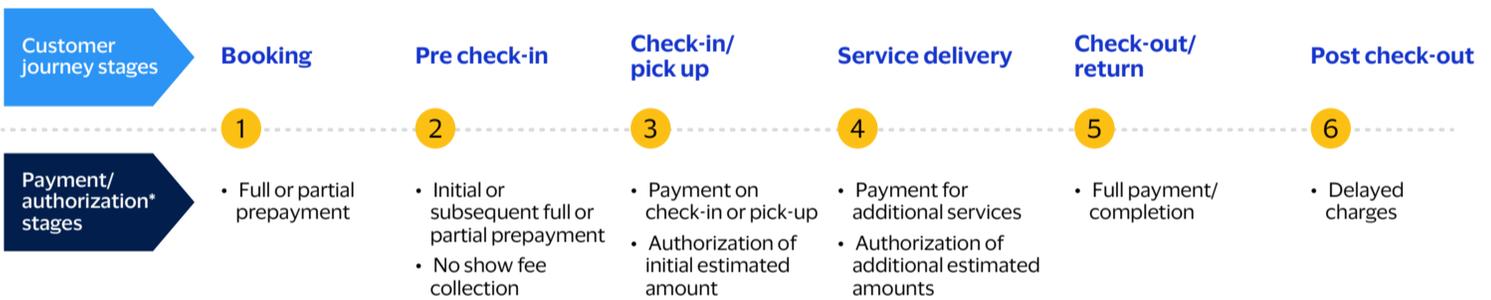
Payments via telephone bookings

Manual key entry may continue for telephone bookings provided an out of scope indicator is present in the transaction

POS systems need to be upgraded to process transactions in an SCA compliant way. Merchants should speak with their provider to ensure upgrades can be implemented. Until then an interim solution³ can be put in place.

This affects Card Not Present payments throughout the customer journey

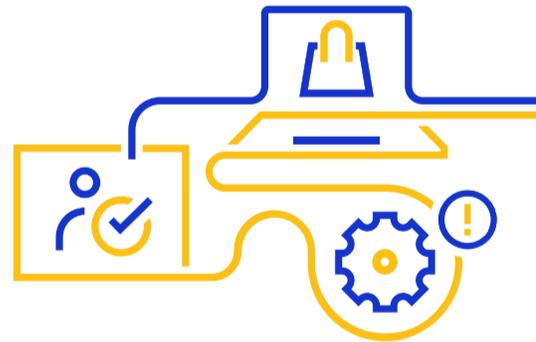
- ✓ SCA can only be done when the customer is available, usually at booking and check-in/check-out
- ✓ However in travel & hospitality, many payments are typically processed when the cardholder is not available



This means:

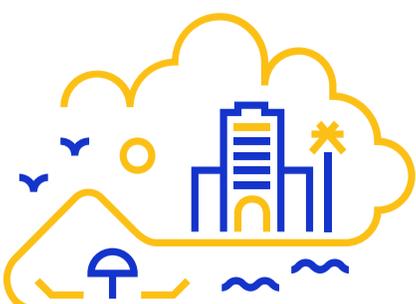
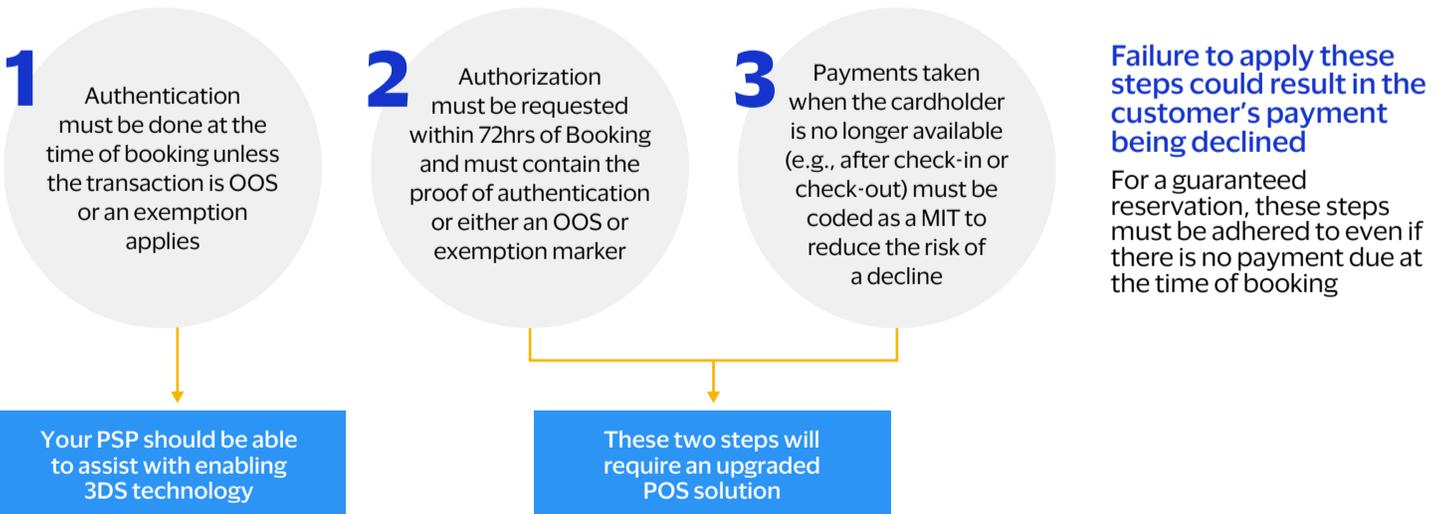
- ✓ When the cardholder is available merchants must collect proof of authentication when displaying the T&Cs for future Merchant Initiated Transactions (MITs)
- ✓ When they are not, the payment must be processed with an MIT indicator
This will require changes to your POS solution

**"Authorization" of estimated amounts is sometimes also colloquially referred to as "pre-authorization"



Travel merchants can comply with SCA in 3 steps

Merchants must ensure their business is supported with the capabilities to do these 3 steps to continue to process transactions smoothly and avoid declines



Get in touch with your PSP or acquirer to learn more about SCA and to ensure that you continue to get paid even when a card is not present

You also need to discuss options for authentication handling with any agents that takes bookings on your behalf

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1. This is enforced in the EEA since January 2022 whilst implementation began gradually in the UK since 1 June 2021 for full enforcement by 14 March 2022.
2. Get in touch with your payment service provider (PSP)/acquirer to learn more about EMV® 3DS.
3. Merchants must contact their PSP/acquirer to discuss possible interim solutions.