



PaySquare Reduces UCAF Fraud Losses by 98% with the Arcot Solution

Key to success: Fast implementation of the Arcot solution for Verified by Visa and MasterCard SecureCode

SUCCESS STORY

Overview

- Arcot recommended to PaySquare by TSYS.
- Allows PaySquare to save money by reducing UCAF fraud losses by 98%.
- PaySquare impressed by how quickly they were able to implement A-OK for eCommerce.



“Without Arcot’s expertise and assistance with the practicalities associated with the implementation, our rollout might have been delayed. As a result, we were up and running in full production within the scheduled project plan.”

Nico van Maarseveen
Project Manager
PaySquare

Background on PaySquare

PaySquare, a leading credit card company in the Netherlands, is both a credit card issuer and Acquirer for Benelux countries. The company provides VISA and MasterCard.

Business Problem

PaySquare was concerned with a growing level of fraud in its credit card business. They decided that the best solution for combating this problem would be to implement authentication for Card Not Present (CNP) transactions based on the 3-D Secure Protocol –better known as Verified by Visa and MasterCard SecureCode. They wanted to address this problem quickly and efficiently. If they waited, unacceptable financial losses from fraud would continue to grow.

PaySquare also wanted to make it easy for cardholders to enroll in and easily use the program without interrupting their online shopping experience. They wanted to protect their users from fraudulent transactions, keep out fraudsters, and protect online processes such as Forgot Your Password (FYP).

Arcot Solution – A-OK for eCommerce Service

PaySquare implemented the A-OK for eCommerce service to protect cardholders when conducting Card Not Present (CNP) online transactions. The Arcot service prevents online fraud by combining both the Arcot TransFort 3-D Secure and the RiskFort Web Fraud Detection products.

Results – Immediate Reduction in Fraud

Based on their initial analysis and discussions with Visa, PaySquare anticipated that they would be able to reduce fraud by 70-80% by implementing the Verified by Visa and MasterCard SecureCode programs. The result far exceeded their expectation. With the Arcot solution, PaySquare has actually achieved a reduction in UCAF fraud losses by an impressive 98% across their credit card portfolio.

Reason for Choosing Arcot

PaySquare asked their partner TSYS for advice on which vendors to consider for a 3-D Secure solution. TSYS already had success working with Arcot and recognized that the advanced features and capabilities of the Arcot solution would be appropriate for PaySquare. As a result, they recommended that PaySquare look at the Arcot solution.

PaySquare established the following key business requirements for suppliers:

- Must go live in a very short timeframe
- Must include best practise advice and guidance
- Must have a proven implementation approach
- Must facilitate the process with minimal impact on resources

PaySquare chose the Arcot A-OK for eCommerce cloud-based authentication service to protect cardholders from fraud. A-OK for eCommerce includes Arcot TransFort, the de facto standard for card

authentication and fraud reduction, and Arcot RiskFort Web fraud detection. The combination of the TransFort and RiskFort components provides a comprehensive online fraud prevention solution for e-commerce transactions. By choosing this solution, cardholders can safely shop online with strong protection from online fraud without being bothered by overly onerous authentication requirements. With RiskFort Web fraud detection, only suspicious transactions are challenged so as not to interrupt the customer online shopping experience.

The need to implement the solution as quickly as possible was a key factor in PaySquare's choice of Arcot. Arcot's cloud-based service, which Arcot launched in 2000, hosts over 30 million users and 13 thousand financial institutions with a stellar track record of service, performance and scalability.

Benefits Seen from Deploying Arcot

PaySquare was impressed by the instant 98% reduction in UCAF fraud losses that they witnessed when they activated the TransFort component of the Arcot service. They were equally impressed with the speed with which they were able to complete the rollout.

The speedy implementation was the result of several key factors:

- Following Arcot's setup guide for implementation
- Relying on Arcot's extensive project management experience gained from similar deployments completed in the last nine years
- Using Arcot's market-proven A-OK cloud based authentication solution
- Leveraging the existing relationship between PaySquare processing partner TSYS and Arcot

PaySquare praised Arcot for the thoroughness of its setup guide. "The Arcot setup guide was very detailed in its explanation of the implementation steps as well as the standard options that PaySquare could choose," said Nico van Maarseveen, Project Manager, PaySquare.

By following this well documented guide and choosing what they needed from the full array of standard options, PaySquare was able to avoid the

incremental time that would result from customization. They were able to go from initial order to a live rollout in under three months.

PaySquare also took full advantage of Arcot's ability to support the overall project. "Arcot was a true partner who didn't just tell us what to do," said Nico van Maarseveen, Project Manager, PaySquare. "They actually helped us fill out all of the forms that had to be sent to Visa to activate the Verified by Visa Program. Without Arcot's expertise and assistance with the practicalities associated with the implementation, our rollout might have been delayed. As a result, we were up and running in full production within the scheduled project plan."

By choosing the Arcot A-OK, a cloud-based authentication solution, PaySquare was able to significantly reduce the time needed to rollout the service. Because Arcot provides all the components necessary to deliver online fraud prevention and strong authentication in their SAS 70 certified, PCI DSS-compliant data center, PaySquare was able to avoid the time consuming steps needed to install, manage, or maintain any hardware or software on their own local servers. Once the software was configured for their needs, they could just "flip the on switch" and go live with the service.

The final factor that helped facilitate a very fast implementation and rollout of the solution was the existing relationship between Arcot and TSYS. Because Arcot and TSYS were already working together, PaySquare was able to take advantage of all the standard interfaces that were already in place with the processor.

PaySquare expects to see a very fast return on their investment from deploying Arcot A-OK for eCommerce. They estimate that the ROI on their entire investment from fraud reduction cost savings alone will be less than 6 months. That return will be even higher when they include the increased interchange fee for using the MasterCard SecureCode program, and the enhanced offering to their customers which would account for an even quicker payback.



“Arcot was a true partner who didn’t just tell us what to do,”
—Nico van Maarseveen

About PaySquare

PaySquare is the Dutch specialist partner for the acceptance and issue of international means of payment. On the acceptance market PaySquare is the market leader in the Netherlands, offering MasterCard, Visa, JCB, China UnionPay, Maestro and - thanks to a unique alliance — American Express. This means that businesses have to deal with only one organization for acceptance of all these

products, making PaySquare the first credit card organization in the Benelux to offer such variety in international means of payment. PaySquare also issues both MasterCard and Visa credit cards, on its own account and in partnership with other organizations. More information about PaySquare can be found on <http://www.paysquare.nl>.

About Arcot

Arcot is the cloud authentication leader. Our fraud prevention, strong authentication, and e-Document security solutions make Web transactions and online access safe for millions of consumer, enterprise, and e-Commerce users. Organizations can transparently deploy stronger authentication and allow users to conveniently authenticate from any computer or mobile device. Arcot solutions deliver the right balance of cost, convenience and strength.

For more information, please visit www.Arcot.com, email sales@arcot.com, or contact your nearest sales office:

 <p>ARCOT®</p>	<p>Corporate Headquarters, U.S. Arcot Systems, Inc. Ph: +1 408 969 6100</p>	<p>United Kingdom Arcot International Ph: +44 118 965 7998</p>	<p>Germany Arcot Deutschland GmbH Ph: +49 8157 997793</p>	<p>India Arcot R&D Software Private Ltd Ph: +91 80 6660 2745</p>
--	--	---	--	---

www.arcot.com

Copyright © 2009 Arcot Systems, Inc. All rights reserved. Arcot, Arcot WebFort and ArcotID are registered trademarks of Arcot Systems, Inc. All other trademarks are the property of Arcot Systems, Inc. or their respective owners.

09-309