

Introduction to Implementation plan

In the context of rollout of Strong Customer Authentication for e-commerce transactions, which is a new set of rules that will change how consumers confirm their identity when making purchases online. The original revised UK deadline for SCA enforcement was 14 March 2021, but, considering the impact Covid-19 is having on the UK economy, the FCA recently announced that the date for enforcement would be extended by six months to 14 September 2021. As part of this announcement, the FCA signposted the need for the industry to present a clear implementation plan to mitigate the risks posed by this complex implementation.

The UK Finance SCA Programme has been working to develop an industry plan to ensure that the rollout of SCA for e-commerce transactions, which requires a number of technical changes for merchants and the UK payments industry, including the activation of 3D Secure capability and correct flagging of transactions sent directly to authorisation, is completed in a controlled way. This approach will help protect the interests of customers and all parties involved in the Payments ecosystem.

The focus of this plan is 3D Secure which will help to facilitate the authentication of the majority of card-based transactions. However, there are other SCA compliant solutions available in the market, such as those provided by Payment Initiation Services (e.g. through Open Banking), Apple Pay or Google Pay as well as other potential solutions.

Today UK Finance is publishing the initial details of this plan to provide guidance and support for card issuing banks, e-merchants and card acquirers and other relevant parties in order to progress their work in [readiness for SCA for e-commerce transactions](#).

The plan below outlines the high-level plan across three key phases of activity, with the aim of all parties being ready to support a UK SCA Ramp up period commencing on 1 June 2021.



Key milestones in the UK plan

- **From 1 February 2021** - Gradual activation of various transactions and SCA step ups commence.
 - Low risk SCA transactions such as recognition of Acquirer Transaction Risk Analysis (TRA) exemption, e-merchant request for step up and correct flagging of transactions sent directly to authorisation will be initiated.
 - This approach will provide an opportunity for e-commerce merchants and UK issuers to ‘test’ some SCA flows with limited to no friction to the checkout journey

- **Commencing 1st June 2021 until 14 September 2021** - Full ramp up to SCA, meaning **all parties need to be ready to comply with every aspect of SCA by 31 May 2021.**
 - From June 2021 transactions will be randomly checked by issuers on an increasing basis to determine whether they are SCA compliant and may be soft declined if they are not.
- **From 14 September 2021** – Full SCA enforcement will be in place

What does this mean for e-merchants?

To avoid disruption to customers and business, e-merchants need to ensure that they complete the following by **31 May 2021**:

1. Implement 3DSecure for online checkout journeys, including the usage of exemptions if applicable.
2. Ensure correct flagging of all transactions are applied via authorisation.

From 1 February 2021 - Gradual activation of SCA flows will commence in order to support live BAU testing with minimum friction and impact to e-merchants and customer journeys.

The SCA enforcement date is 31 December 2020 across the rest of the EU. Therefore e-merchants need to check the specific plans in the each of the relevant jurisdictions.

What does this mean for issuers?

The key activities issuers must focus on are:

1. **From 1 February 2021** - 3DSecure should had been activated as per the scheme mandates and activating 'low risk' SCA flows start (more information will be provided to issuers shortly).
2. **By 31 May 2021** - Ensuring second factor for OTP transactions is implemented (behavioural biometric or knowledge) – if applicable only.
3. **From 1 June 2021** - To randomly start checking if e-commerce transactions are SCA compliant and soft decline them if not.

Where issuers have capability available earlier, they should ideally choose to test some of these flows ahead of time or step up transactions in line with their own risk appetite. The plan therefore represents the **minimum position in terms of readiness**.

What's next?

Further lower level detail around phase 3 of the plan will be made available in the coming weeks once it has been agreed with the Programme and endorsed by the FCA.

Please contact SCAPMO@UKFINANCE.ORG.UK if you have any questions about this initial publication.