

UK SCA Implementation Roadmap

November 2020

UK Industry SCA Implementation Plan



Introduction

In the context of the UK rollout of Strong Customer Authentication (SCA), the Financial Conduct Authority (FCA) announced and agreed to a managed rollout for SCA with UK Finance to give the payments and e-commerce industry extra time to implement SCA with minimum customer impact.

In light of the impact of Covid-19 on key stakeholders, and to minimise the impact on both consumers and e-merchants, the FCA has updated its Strong Customer Authentication page to give an additional six months to implement SCA for e-commerce, to a revised date of 14 September 2021. This can be found [here](#).

The FCA statement clearly expects momentum to be maintained but recognises that additional time may be needed due to the impacts of Covid-19.

The UK Finance SCA Programme team has developed this revised detailed implementation plan and the high-level plan. We urge all stakeholders active in e-commerce to take note of the various deadlines and the introduction of a gradual SCA ramp up which will require all parties to be ready by the end of May 2021.

This plan is structured in 3 key phases and focuses on SCA compliance based on scheme-based payments solutions in order to cover the majority of card-based transactions. Therefore the roll out focuses on 3DSecure (as enables issuer authentication and usage of exemptions) and transactions sent directly to authorisations (as enables flagging of exemptions and out of scope 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 and Google Pay.

UK SCA Implementation Plan Approach

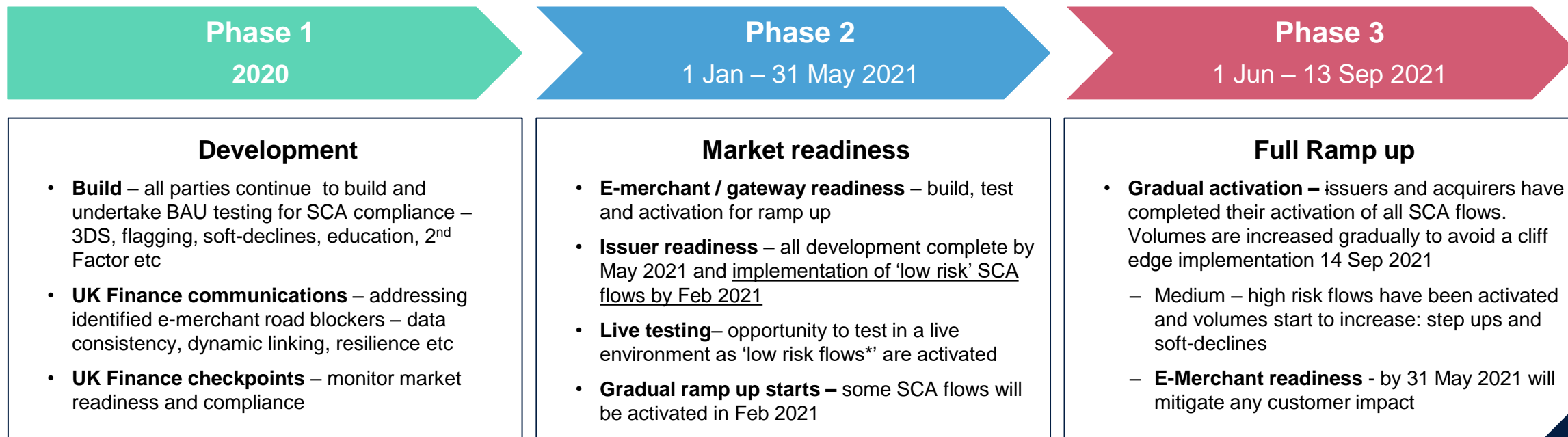
Driving action by raising awareness



Key Objectives

- Ensure issuers understand the key high level milestones and the industry plans for a SCA ramp up
- Ensure issuers continue working towards their SCA readiness by **31 May 2021** (with some elements being delivered in Feb 2021)

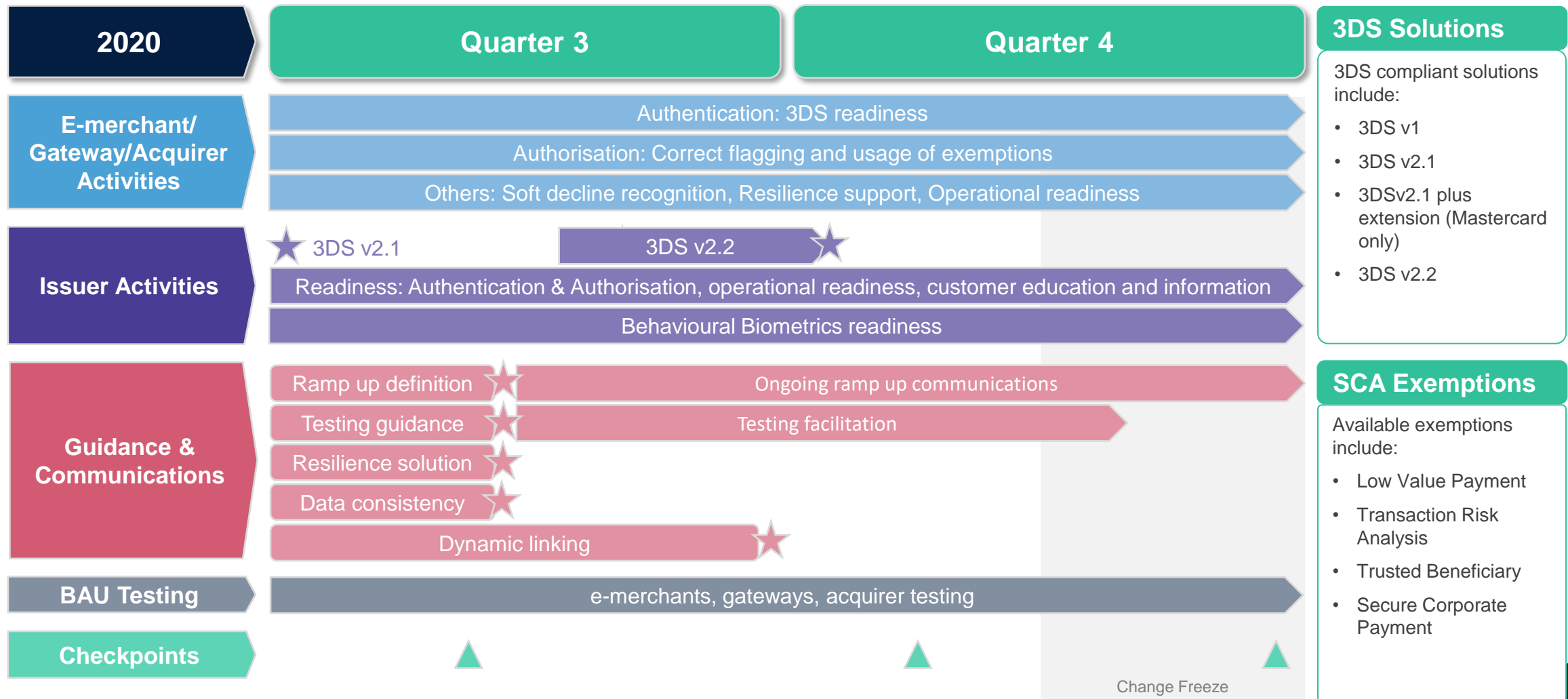
Phased Delivery



* Low risk flows: Issuer recognition of acquirer TRA and e-merchant step up request (via 3DS) and correct flagging (via authorisations)

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UK Only – 2020 activities (the enforcement date is 31 December 2020 across the rest of the EU)

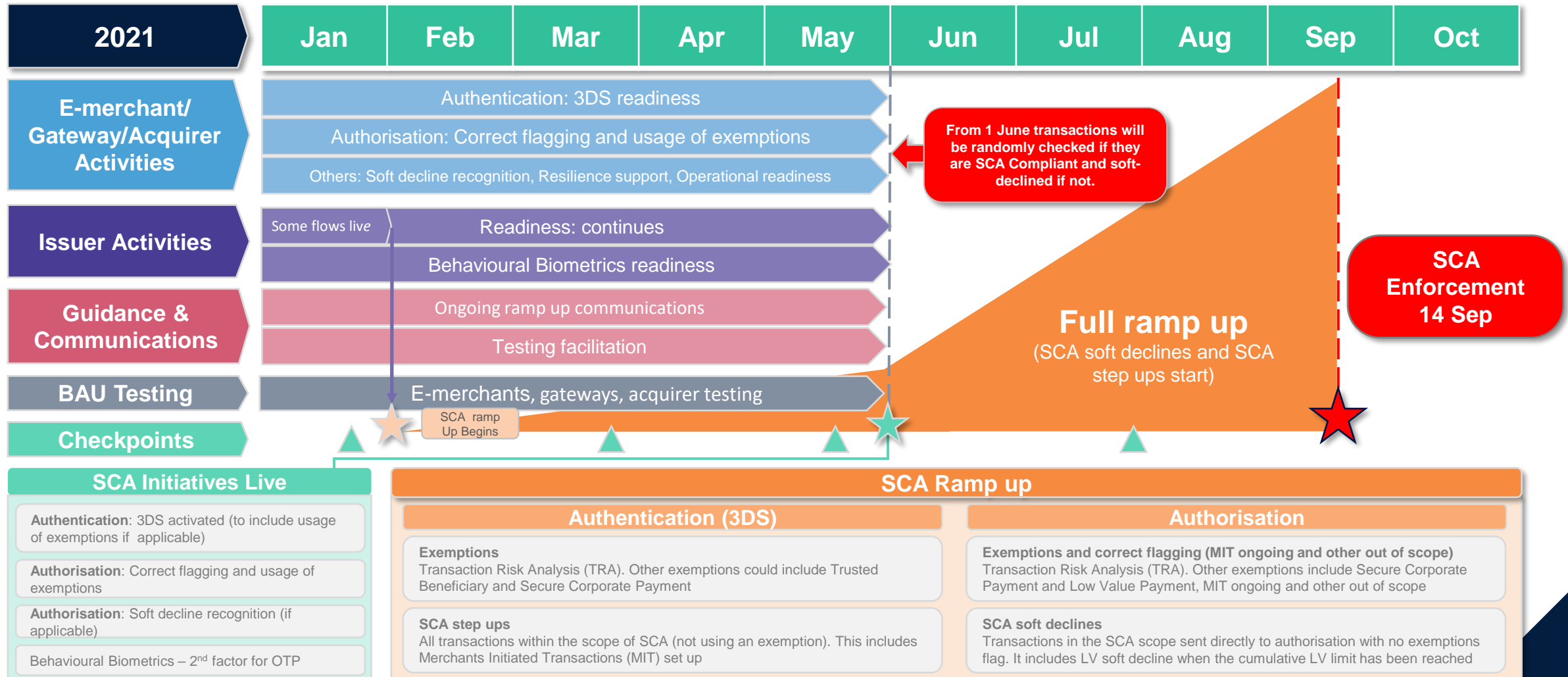


★ Denotes Delivery Milestone

Through out the period, Issuers will continue challenging transactions as per their decisioning strategies

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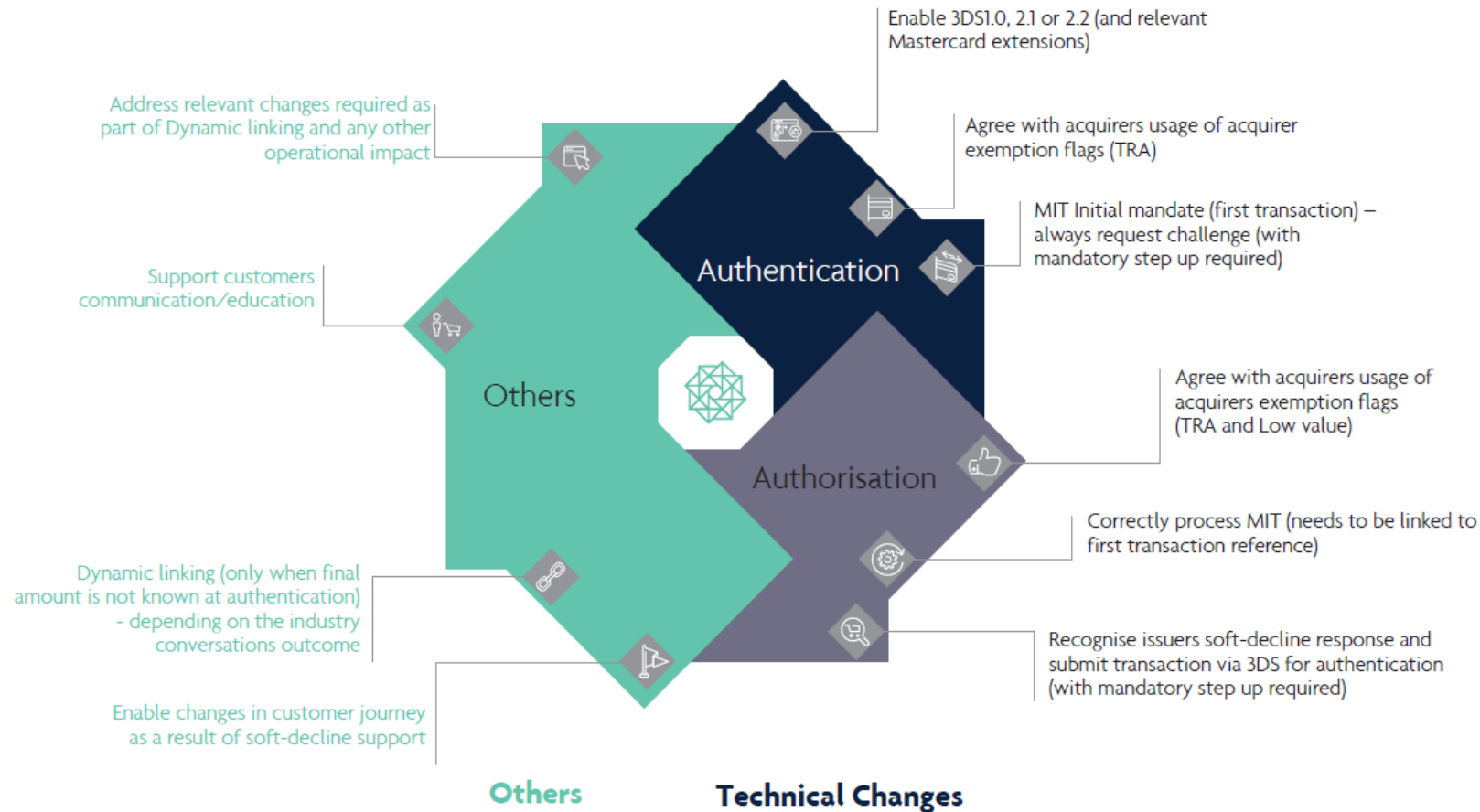
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UK SCA Readiness: e-Merchants

e-Merchants target position to ensure SCA compliance and support of exemptions



Merchants high level target SCA position is comprised of mandated and optional activities. Merchants should speak with their gateways and acquirers to define and agree their specific SCA readiness requirements.

UK SCA Readiness: Issuers Target State

Issuers target position is comprised of mandated and optional activities. Parties are encouraged to define the optional elements they want to support

01

SCA Authentication

- enable 3DS1.0, 2.1 and 2.2 (and relevant Mastercard extensions)
- recognise acquirer's exemption flags (TRA)
- apply issuer exemptions flags (TRA, trusted beneficiaries)
- step up/challenge/authenticate transactions based on SCA rules
- enable dynamic linking requirements

02

SCA Authorisation

- recognise acquirer's exemption flags (TRA and Low value)
- apply issuer low value exemption flag
- identify SCA out of scope transactions
- soft-decline transactions reaching the cumulative low value e-commerce exemption limit
- soft-decline/hard decline non-SCA-complaint transactions or transactions not meeting issuer's criteria

03

Authentication Methods

- authentication via the issuer's mobile app
- second factor for OTP (if applicable)
- authentication solutions for vulnerable customers and customers with no phones/network reception

04

Others

- customer communication and education
- gather relevant customer information to enable authentication
- operational impact assessment and plans in place (i.e. call centre impact, SCA reporting requirements)

UK SCA Ramp Up: Summary



UK Issuer Led SCA Ramp up Approach

- Issuers to activate low risk SCA transaction flows (recognition of acquirer TRA and e-merchant step up request via 3DS and correct flagging via authorisations) by February 2021
- Issuers to start activating gradually medium (SCA step ups) and high (soft-declines) risk flows by June 2021. This is to give time for e-merchants to be ready with SCA and minimise any impact to customers
- Issuers to enable the 2nd factor for OTP (if applicable) by May 2021

UK Acquirer Role

- Drive e-merchants awareness of SCA implementation and ramp up plan: 3DS and correct flagging by May 2021
 - If e-merchants are ready for SCA, impact of soft declines will be limited

UK Finance Role

- To facilitate and coordinate the delivery of SCA in the UK
 - Bringing stakeholders together to enable and support the wider UK market implementation
- Communications: ongoing communication to ensure understanding of SCA Implementation and ramp up plan. Supported via 2 Task Force Groups:
 - Engagement & Readiness Task Force: Gateways and e-merchants
 - Engagement & Readiness Task Force: Issuers and Acquirers
- Monitoring and controlling: to understand readiness and potential impact
 - Industry readiness: define the metrics to monitor issuers and e-merchant readiness towards the implementation plan
 - Ramp up performance: define the metrics to monitor SCA ramp up