

Reducing risk while enabling frictionless payments



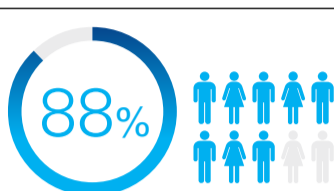
Asian consumers expect a seamless and smooth payment journey when making purchases online – with minimal barriers or delays – making transactions more convenient, quicker and their lives easier.

But it's important not to sacrifice security when meeting these expectations as threat actors are lurking in the shadows to impact customers and reputation.

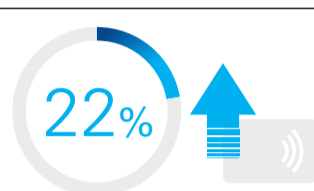
Finding the balance between **frictionless** and **fraud prevention** is crucial.



FRICTIONLESS PAYMENTS AREN'T GOING OUT OF FASHION...



of consumers abandon payments with friction¹



forecasted growth for the Asia Pacific Contactless Payment Market from 2022 to 2028²

BUT IT'S A TARGET FOR FRAUDSTERS...



of Asia Pacific online shoppers cite fear of fraud as a barrier to cross-border shopping³



total amount of eCommerce losses globally to online payment fraud in 2023⁴

COMMON FRAUD RISKS DURING THE PAYMENT JOURNEY



Data breach

Threat actors gain unauthorized access to your information.

E.g. credit card details, personal data.



Identity theft

Stealing your personal information to impersonate you.



False declines

Legitimate transactions wrongly rejected causing a poor user experience and shopping cart abandonment.



Account takeover (ATO)

Access to user accounts exploited for fraudulent transactions.

SOLUTIONS THAT DON'T ADD EXCESSIVE FRICTION



J/Secure

Although 3DSecure for JCB is not mandated in Europe, merchants can adopt this authentication method to prevent false approvals and identity theft. Additionally, this shifts liability to a card issuer when the transaction is authenticated.



PCI DSS

Make sure you are compliant with the latest Payment Card Industry Data Security Standard (PCI DSS) – a requirement for merchants who accept or process payments.



Machine learning

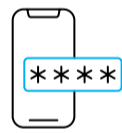
Continuously analyze transaction patterns, identify outliers and adapt with minimal inconvenience.



Biometric authentication

A secure way to verify user identity and provide robust protection.

E.g. fingerprint or facial recognition.



Tokenization

A method to mitigate the risk of fraud exposure caused by data compromise by replacing a primary account number (PAN) with a unique Payment Token.

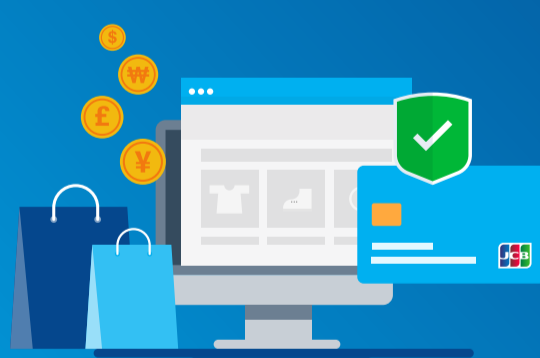


Customer education

Being better informed about security best practices creates a safer digital payment environment and prevents avoidable risks.

As the payments space continues to evolve it is important to consider how this will impact risk across the frictionless payment journey.

Things to keep on your radar in 2024...



01 More purchases on mobile

Mobile transactions increased by nearly 30% from January to September 2023, versus 2022.⁵

02 PSD3

"The industry must begin to pre-empt its impact, specifically around updated rules on access to payment systems and customer account information to protect against fraud and threats."

Ray Shinzawa,
JCB Europe Managing Director

03 Rise of synthetic identities

"Synthetic fraud – where real data is combined with made up information to fool identity checks – is on the rise. Identify data with a short history or poor integrity to catch this activity early is imperative."

Benjamin Zielonkiewicz,
Senior Product Manager,
Commercial Acquiring, Worldline



At JCB, we focus on enabling a **seamless payments journey** specifically for our cardmembers from Asia, while protecting the transactions with the highest standard of security.

JCB is a major global payments brand and a leading credit card issuer and acquirer in Japan. JCB launched its card business in Japan in 1961 and began expanding worldwide in 1981. Its acceptance network includes about 46 million merchants around the world. JCB issues cards across various countries and regions internationally with more than 156 million cardmembers.

As part of its international growth strategy, JCB has formed alliances with hundreds of leading banks and financial institutions globally to increase its merchant coverage and cardmember base. As a comprehensive payment solution provider, JCB commits to providing responsive and high-quality service and products to all customers worldwide. For more information, please visit: www.jcbeurope.eu/en-eu/

Sources
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