

Australia – SCA, Fraud Thresholds & Tokenization



Challenge

To reduce both fraud and mitigate the impact of data breaches, the RBA and AusPayNet introduced new requirements for merchants to adhere to a 20 basis point fraud threshold and use SCA if in excess. AusPay+ was also investigating the mandatory use of tokenization.



Advocacy Approach

The MRC built a strong relationship with both the regulator (RBA), as well as the working groups to ensure there was a process that included the direct voice of the merchant. MRC included many of its merchant members in discussions to provide feedback.



Insights

Merchants reported that 20 basis points of fraud was unrealistic given high rates of friendly fraud. Tokenization also presents challenges for merchants who must rely on PAN for authorization flexibility as well as BAU operations.



Outcomes

The MRC is continuing its consultation with the Australian regulators and working groups, who have cited the effectiveness and value of MRC contributions to the discussion.