

Reducing digital payment fraud with innovation and personalization

The leading German card issuer PLUSCARD continually delivers cutting-edge solutions, such as their S-ID-Check app, that reduces the customer gap between security and convenience, and brings fraud to an all-time low.

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PLUS CARD

The need

On a global scale, e-commerce losses due to online payment fraud are predicted to reach **\$48 billion in 2023**. Moreover, recent fraud statistics in Germany reveal that **losses due to credit card fraud amounted to EUR 119.4 million**, creating a need for robust, real-time fraud prevention solutions.

The solution

PLUSCARD's ongoing focus on advancing its authentication solutions continually puts its customers first. As a result, their partnership with Entersekt and Netcetera delivered a solution – their S-ID-Check app – that safeguards the issuer's customers from these digital fraud vectors.

Entersekt's software development kit (SDK) formed the foundation for the S-ID-Check app that the Netcetera and PLUSCARD teams used to develop a secure, user-friendly, customized authentication solution. One that suited the needs of the issuer's customers and reduced unnecessary friction.

It enabled multi-factor authentication (MFA) for their end users (using biometrics or PIN as the knowledge factor and their device as the possession factor), putting them in control of their finances and purchases and preventing fraudulent access or transactions.

Along with supporting the smooth implementation of MFA, the SDK provides built-in support for biometrics and PINs, a strong device ID that uniquely identifies the user's device and never changes, and a secure channel to authenticate the end user. This was especially useful for customers using older mobile phone models that don't support biometrics and eliminated the unnecessary friction created by PINs.



Creating a customer-friendly journey

With the SDK as a foundation, the issuer's S-ID-Checks app flags issues such as unsuccessful transactions and provides clients with actionable steps on how to fix the problem. As a result, the app helps PLUSCARD stay close to its customers and better identify fraud patterns.

PLUSCARD's Head of Department: Fraud Prevention/Dispute Management, Petra Silsbee explains that *"Not only do we tell our cardholders 'Sorry but your transaction has been declined', but we use the authentication with the S-ID-Check – so if you can authenticate, it sends a message back to the prevention system, and you can repeat the transaction. And you can continue with your shopping. We created a customer-friendly journey, made seamless with the trusted reliability and expertise from our partnership with Netcetera."*



Remaining front-of-wallet

Transparency is key for financial service providers (FSPs) if they want to remain front-of-wallet. FSPs that don't provide feedback or options to their customers when a transaction is declined risk losing the trust of that customer, and them shifting the card to the back of their wallet.

"This is powerful. It's quite a big difference when a transaction has been declined and the cardholder has been left out in the open. He does not trust that card anymore. And he puts it back of the wallet and tries another one. And we will lose this cardholder. By giving him the opportunity to react and being very transparent about why we're intervening, we give him another chance to complete the transaction. And it takes that pain away," Petra adds.

The results

1c per 100€

PLUSCARD has achieved a net contribution of less than 1 cent per 100 Euros in sales in the current year, a top value in the European market environment.



In the first half of 2022 alone, more than 23,000 cardholders could react promptly to suspicious activities and prevent fraud due to real-time data received from the S-ID-Check app.



In 2022, PLUSCARD experienced their lowest net fraud in the company's history due to the innovative fraud prevention solutions adopted, including the S-ID-Check app.

"It makes sense to keep e-commerce shopping as frictionless as possible by ensuring it's secure. We take that security as our duty as the processor to take care of the cardholder. Don't put it in the hands of the cardholder by challenging them every single time. That can make it difficult for them. We were asked whether it's possible to keep security up and convenience for the cardholder at the same time, and the S-ID-Check app is proof of that, yes." – Petra Silsbee, PLUSCARD.