



IFSF Securing a Seamless Customer Experience from Pump to Store

November 16th 2016





Who we are

The Smart Payment Association addresses the challenges of today's evolving payment ecosystem. We offer leadership and expert guidance to help members and their financial institution customers realize the opportunities of smart, secure and personalized payment systems and services - both now and in the future.

Since 2004

Members:

















Our Workgroups Program

Business Workgroups

Market Monitoring

Quarterly market monitoring based on members actual volume sales data

Contracts

Addressing issues facing Members and defend their interests from a regulatory perspective

Retail

Addressing the challenges of today's digital retail environment and accelerate the adoption of new retail payments technologies and solutions based on the Secure Element working closely with retailers

Technical Workgroups

Specifications

Providing guidance and acting as the main interface between SPA and regulatory/ standardization bodies ie. EMVCo, ECSG, PCI, ISO etc.

Certification

Supporting the development of effective payment certifications in collaboration with international organizations ie. EMVCo, GSMA

Quality & Manufacturing

Addressing issues facing Members and defend their interests from a regulatory perspective

Security

Addressing issues facing Members and defend their interests from a regulatory perspective



SEPA landscape & SPA

REGULATORY LAYER







BANKS & USERS LAYER

Big Retailers Associations
Corporations
Consumer Associations

ERPB



INDUSTRY LAYER **ECSG**

Innovative Payments Expert Team

Books 2, 3, 4, 5 and 6 Expert Teams

Acquirer -to- Issuer Expert Team

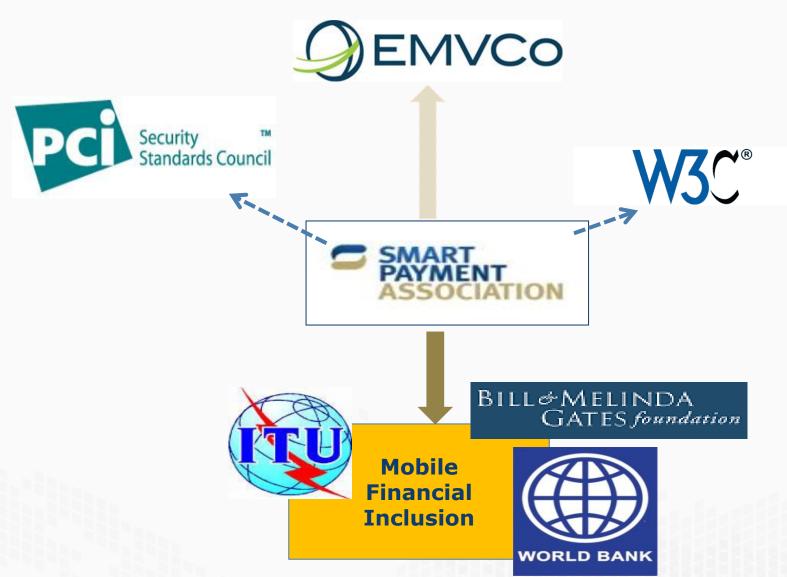
Regulatory Compliance Expert Team

Volume Conformance Management Committee

SPAPARTICIPÄTES



Global standardization landscape





SPA views on petrol retailer objectives

Simplify driver's fueling experience

To eliminate having drivers get out of their cars to pay for fuel

Optimize transaction speed

- Faster EMV Solutions
- Tap and go with a contactless-enabled payment device
- Optimize Checkout
 - for cardholder interaction with the pump and for system processing time

Enhance customer engagement

- Deploy your loyalty programs
- Issue and process private petrol cards

Optimize payment costs

- Aggregate payment transactions for lower acquisition costs
- Implement a single payment infrastructure for conveniences and for pumps





SPA perception of petrol retail industry: a complex payment context

- Deferred payments widely used
 - Lack of standardized management so far
- Both attended and unattended payment environments
 - Unattended payment modules are subject to vandalism
- Often combining 24/7 self-pay pumps and F2F pay in convenience stores
 - Both require specific payment solutions.
 - Managing payment (pre-auth) at pump for oil + payment at convenience store
- Extensive use of loyalty program
 - Terminals to support private and loyalty cards as we as debit and credit cards
- Having developed specific protocols for card processing



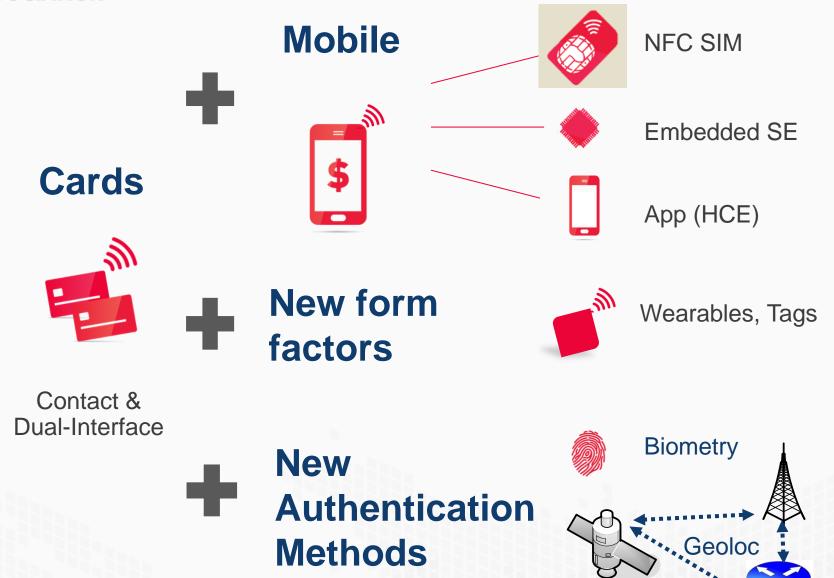


Payment Innovation Areas of Collaboration

Area	Potential interest by IFSF
Mobile Payments	Payment at pump tap and go under 50 Euros?NFC payment contactlessCase for Tokenization
Internet of Things	- « Smart » experience at pump- Creating Value from IoT automative applications
PSD2 implementation	Multi-factor authenticationGPS/Geolocalization
Instant Payments	Interest by IFSFIntermediated by TPP or not
3-DS SDK implementations	Wallet issued by IFSF ?Risk-Based authentication by IFSF members?Management of loyalty programs
TPP intermediated payments	- Is TPP a case for petrol industry?
Loyalty Programs Management	- Combine payment and loyalty applications



Offer new and innovative ways to pay





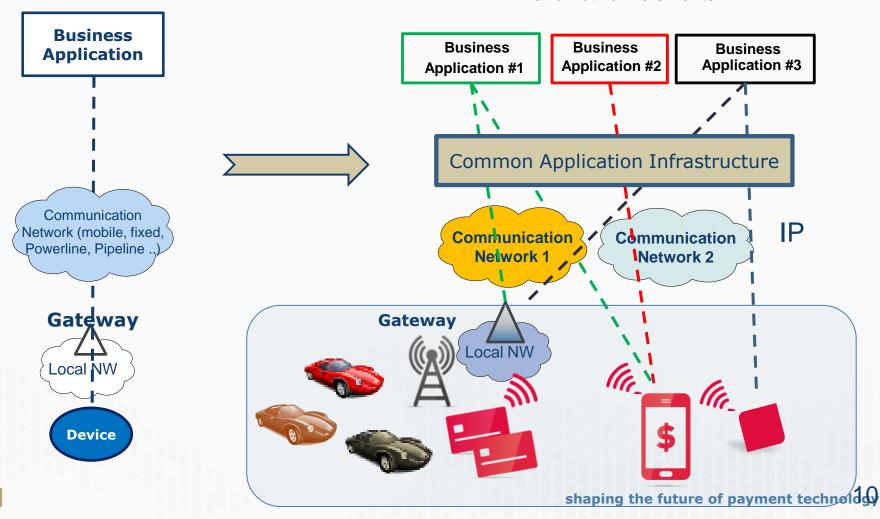
Migration to horizontal platforms

Pipe (vertical):

1 Application, 1 NW, 1 (or few) type of Device

Horizontal (based on common Layer)

Applications share common infrastructure, environments and network elements





IoT: new ways to interact with the driver

- Building the Trusted Connected Car to connect to a trusted Petrol Station
 - **Explote the multiplicity of Internet connected devices resident in future cars**
- Petrol retailers to boost sales of their stations and convenience stores by partnering with connected-car prototypes
 - Identification of partner cars and tailored offer of services
- Use of mobile wallets for payments, loyalty and personalized offers
 - Add more appeal to their traditional loyalty and reward programs
- Today Internet data acquired about our environment to adapt our behaviour
 - Indirect privacy threat but security does not directly affect our personal safety
- In short IoT Data acquired about our behaviour to adapt our environment
 - Privacy directly impacted + Security breaches directly impact our personal safety
- ▶ There are security issues intrinsic to the IoT
 - They add to vulnerabilities of payment systems that SPA members fight



In the end security and data protection

- Mobile attacks to grow in number and sophistication in 2017
 - Black-Hat 2016 highlighted how hackers can manipulate every gadget and he Internet of Things to launch attacks
- <u>Distributed-denial-of-service (DDoS) attacks</u> to become more frequent.
 - capable of halting business operations
 - to attack cloud-based data centers.
 - target a single organization but would disrupt many
 - countermeasures include multiple prevention strategies
- ▶ Security enhanced with the PSD2 + RTS on Strong Customer Authentication
 - **Timeline implementation issues + investments**
- ▶ IoT raises a lot of privacy issues
 - Inevitably will give rise to new laws on data protection
- ISO 12812-2 on Security of Mobile Financial Services under publication
 - First try to provide a complete overview of vulnerabilities & countermeasures
 - Strong investment by SPA member



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ABOUT THE SMART PAYMENT ASSOCIATION

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