Network Tokenisation

2022

mastercard

Network Tokenisation:
Card on file merchant benefits

Benefits for merchants

Increased sales

Customers enjoy a quicker checkout and faster mobile experience leading to increased sales

Reduced checkout abandonment

Reduce cart abandonment rates and increase conversion opportunities with an enhanced and simpler checkout process for customers

Enhanced security for saved cards

Details of saved cards are transmitted in a tokenised form, making them highly secure

Fewer declines, more revenue

Network tokenisation can reduce false and preventable declines by keeping payment information up to date

Lower customer attrition

By reducing the overall likelihood of preventable card lifecycle declines, customer payment experience is improved resulting in lowered attrition.

Confidence for you

Rich and encrypted transaction data acts as an enabler to offer a strong consumer payment experience

Non-Network

With Network Tokenisation

For more information, please contact your acquirer or payment provider

Network Tokenisation:
Card on file customer benefits

How network tokenisation provides additional benefits to customers who save their card details:

Faster checkout

By saving your card details with a merchant, it enables future payment checkout to be faster, by avoiding the need to re-enter your card details

Frictionless

Payment experience becomes frictionless, allowing you to select your saved card details without having to re-enter every time you shop with the merchant online

Convenience

You don't need to memorise your card number or pull out your card during checkout, so you can enjoy easier checkouts and peace of mind

Enhanced security for saved cards

Saved card details are exchanged for unique digital surrogate (token). The tokens are unique to the specific merchants making them unusable in the event data is compromised

Reduce instances of false declines

You can enjoy reduced instances of false card declines when paying on e-commerce websites

Improved payment convenience

Your saved card details are automatically updated (e.g. expired, lost, stolen). This provides the convenience of not having to update all your saved cards across many merchants, ensuring payments and services remain up to date

Improved user experience

You can enjoy a richer consumer payment experience with merchant displays of issuer card art

Non-Network

Network Tokenisation

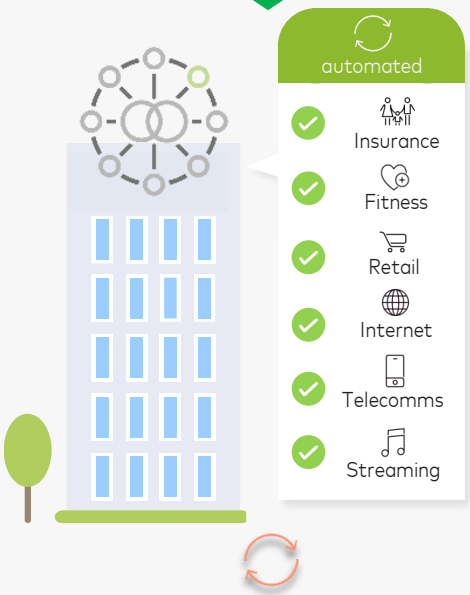
For more information, please contact your acquirer or payment provider

Network Tokenisation:
Card Lifecycle Management

Card Lifecycle Management by Network Tokenisation

Received my new card

Oh no! I now need to update all my merchants



Great news, network tokenisation updates automatically

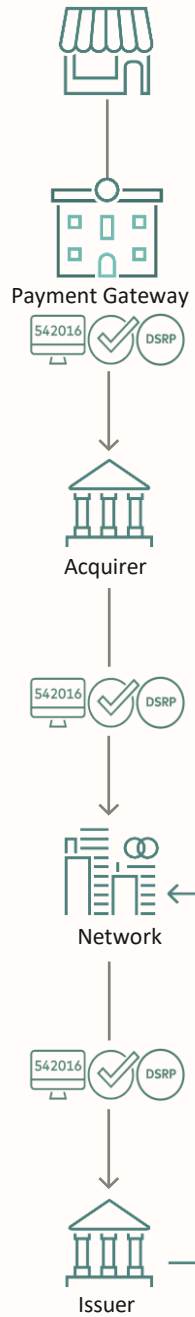
Sources: 1. Mastercard research

For more information, please contact your acquirer or payment provider

Network Tokenisation:
How does it work?

Tokenisation:
Network tokenisation replaces customers' sensitive primary account number (PAN) with a unique surrogate identifier called a token. This token is specific to a merchant and transaction, meaning it is only useful for that specific transaction and cannot be used if compromised, providing a more secure payment experience.

Network Tokenisation



Payment Service Providers:

Payment service providers request a token in exchange for a customers primary account number (PAN)

Acquirer:

The acquirer passes through a token and dynamic cryptogram which are both validated on each original purchase transaction to help improve security

Issuer:

Issuer now has the ability to recognise network-level tokens which helps improve approval rates

The Issuer can also provide account updates which allows tokens to be remapped to updated cards

Non-Network Tokenisation

Payment Service Providers:

Payment Service Providers provide a merchant with a non-network token in exchange for the PAN

Acquirer:

Customers' sensitive account details are passed to the acquirer and through the network

Issuer:

Issuer handles the transaction as standard and declines payments where card details are not up to date (eg expired, lost cards)

Benefits of Network Tokenisation

- Enhanced security
- Seamless customer experience
- Higher approval rate
- Increased sales
- Reduced fraud

For more information, please contact your acquirer or payment provider

Network Tokenisation:
Network vs Non-Network Tokens

Benefits of Network Tokens over Non-Network Tokens

Key Challenges	Token Benefits	Network Tokens	Non-Network Tokens
Fraud & Security	Follows EMVCo standards, recognised across the payments ecosystem and updated to ensure future compatibility	✓	⊘
	Credentials are tokenised end to end, securing card data throughout the entire payment transaction	✓	⊘
Approval Rates	Card details are automatically kept current, reducing false declines, increasing approval rates, and enhancing the user experience	✓	⊘
	Issuers treat tokenised payments as more secure than credit card numbers leading to increased approvals	✓	⊘
Consumer Experience + Trust	Mitigates exposure to data breaches and loss of consumer confidence	✓	⊘
	Automatic card lifecycle management reduces customer friction, improving payment experience	✓	⊘
	Enhanced consumer capability to view and control their card on file, empowering consumers to set spending controls and ability to push tokens.	✓	⊘

For more information, please contact your acquirer or payment provider

Network Tokenisation
Roles and Responsibilities

A. Merchant

Development:

- ❑ No development is required for merchants who use a Payment Service Provider to manage card on file

Communication:

- ❑ Awareness that tokenisation will assist in generating more sales, higher approval rates, lower false declines and extra security

B. PSP

Development:

- ❑ Enrol by reviewing and completing on-boarding documents
- ❑ Review key documentation: technical and implementation
- ❑ Development, sandbox/ testing and launch

Communication:

- ❑ Explain benefits to merchants
- ❑ Create risk profiles/GTM
- ❑ On-board merchants

C. Acquirer

Development:

- ❑ Host platform work to process DSRP transactions

Communication:

- ❑ Address Business Bank holders and PSPs that connect in, that DSRP tokenised is available
- ❑ Penalties may apply for not adhering to DSRP
- ❑ Non-compliance fees may apply for not adhering to DSRP

D. Issuer

Development:

- ❑ Enable Tokenisation on host platform

Communication:

- ❑ Educate their customers that they don't need to update new card details at certain merchants
- ❑ Token Connect & Control in conjunction with Tokenisation shows customers at which merchants their card is saved

For more information, please contact your acquirer or payment provider