

Intelligent CIO, UK: Three Ways to Make the Most of the PSD2 Deadline Extension



“The 18-month deadline extension in the UK is considerable but as with anything, it will come around soon enough and the timetable that businesses which aren’t yet prepared to meet the directive will need to stick to will be tight,” writes **Ramesh Ramani**, Head of Banking and Financial Services, Europe. “Merchants should therefore seize the opportunity offered by the extension and ensure they are offering customers a seamless experience as they make the transition to being PSD2-compliant.”

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The UK’s Financial Conduct Authority (FCA) has confirmed an 18-month deadline extension for the introduction of Secure Customer Authentication (SCA) regulations, in an attempt to give firms more time to prepare for the impending Second European Payment Services Directive (PSD2) deadline. With the new rules for cashless payments originally due to have come into force on September 14, 2019, this has given cause for a temporary sigh of relief among many in the e-commerce industry.

This extension may now be in place, but it is not a time for retailers to rest on their laurels. It is time for them to act and take advantage of the increased time they have been given to prepare for PSD2. But how should they best use the time? Here are three of the most important considerations merchants should take into account:

- Start (or continue) with 3DSv2 and create a migration plan: Select a service provider for payment processes and pay particular attention to the extent to which it will enable the smoothest possible shopping experience with strong authentication.
- Include exceptions to improve the customer experience: Small transactions could be exempt from a two-factor authentication.
- Become familiar with the opportunities brought by PSD2: The new directive aims to create benefits for all involved. This includes more security, lower costs, increased flexibility and more innovation.”

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