



# Future Proofing Card Authorization

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Fraud remains a serious danger in the U.S., but transactions wrongly declined due to suspected fraud — known as a “false positive” — may represent just as big a threat. Javelin estimates that 15% of all cardholders have experienced a false decline in the past year, representing an annual decline amount of almost \$118 billion. Unfortunately for issuers, a false-positive decline can seriously erode customer loyalty and pushes many consumers to abandon the issuer or merchant connected with the erroneous decline. Luckily, new technology such as EMV and mobile can help improve card authorization practices and reduce false-positive rates. This report will analyze the prevalence of false-positive declines in the U.S., discuss the impact of such declines, and explore solutions — particularly EMV and mobile — that can help improve authorization analytics.

## Primary Questions:

- What is the total amount of money at stake in the U.S. in regard to declined transactions?
- What channels are typically seeing the most declined transactions today?
- What are issuers doing to improve card authorization practices?
- How does mobile affect established authorization practices?
- How will the upcoming EMV transition affect card authorization and related fraud trends?

## Companies Mentioned:

3D Secure	Citibank	Payfone
American Express	Discover	Samsung
Apple	Early Warning	Visa
Bank of America	Google	Zumigo Corp.
BBVA Compass	MasterCard	
Chase	MCX	

- A random-sample panel of 3,200 consumers in a November 2014 online survey.

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