

Minutes in EMT - FISMA/6885 – Meeting with Apple Pay 20.09.2018

Apple explained that they offer Apple Pay in 11 European countries.

When using Apple Pay the user's debit or credit card is added to the (digital) wallet. The card issuer verifies the card information and decides whether the card can be used with Apple Pay. The card issuer also has the final decision regarding the authentication process. The costs for the merchants when using Apple Pay are the same as when the user is presenting the card. The added value for the user is that an authentication using biometrics is possible via the iPhone. This authentication process is not accessible to third parties.

Apple voiced concerns in regards to the requirements set out in PSD2 and the RTS on SCA&CSC to apply strong customer authentication including dynamic linking. The latter requires that the authentication elements link the transaction to a specific amount and a specific payee. Apple explained that in certain cases SCA is applied in the beginning of a "session" (e.g. when using iTunes). In these cases the amount to be paid is not known at the time when SCA is applied as the user subsequently buys products/services that are later paid in one sum (aggregate billing) and the requirement of dynamic linking cannot be met. In other cases the amount to be paid is changed by the payee after SCA including dynamic linking has been applied and the respective payment transaction might therefore be declined by the issuer.