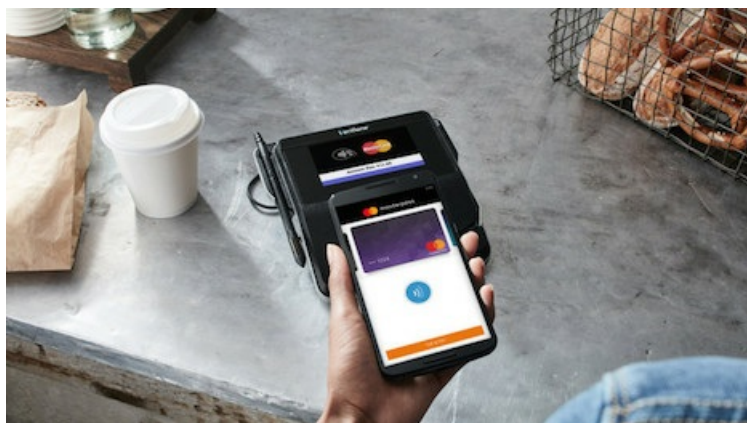


FINANCIAL SERVICES

Mastercard, Visa work to make mobile pay safer

December 23, 2016



Mastercard's Masterpass system comes with a number of integrated brands and banks

By BRIELLE JAEKEL

Financial institutions Mastercard and Visa have banded together to make mobile and digital payments safer on either of their mobile pay platforms in an effort for wide spread adoption.

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While mobile pay is starting to flourish, fraud is still a major point of concern for consumers. Visa and Mastercard, both of which have their own mobile pay platforms, will now allow requested tokenized credentials from each other to be used in their respective platforms instead of credit card information.

"Mastercard has signed a reciprocal tokenization agreement with Visa that will accelerate the adoption of tokens in Masterpass and Visa Checkout," said James Anderson, executive vice president of digital payments products at **Mastercard**. "The agreement allows Visa to request tokenized Mastercard payment credentials from Mastercard for provisioning into Visa Checkout and for Mastercard to request tokenized Visa credentials from Visa for provisioning into Masterpass.

"By allowing each network to request tokenized payment credentials from the other, both Masterpass and Visa Checkout add the extra security of using tokens in place of real Mastercard and Visa card numbers," he said.

Mobile pay

Mastercard and Visa will now be trading tokenized numbers in regards to customer's credit cards to be used in their respective mobile pay platforms. For instance, customers with Mastercard credit cards who would like to use Visa Checkout will be able to do so without the platform keeping their credit card number and vice versa.

masterpass



Masterpass

The partnership further prevents against fraud. If a hacker were to compromise either Masterpass or Visa Checkout, the customer's payment information would be safe as it will be replaced with a tokenized number.

While the two platforms are somewhat competitors, the initiative is a part of the two's effort to widen the spread of consumer adoption for mobile pay as well as make digital pay safer. The more comfortable consumers are with online pay, the more they will become accustomed to it and hopefully close the conversion gap.

Retailers and financial institutions

Retailers are getting in on the mobile pay platform surge. For instance, online ticket marketplace StubHub, which has been pursuing many a partnership this year, is collaborating with online payments Visa Checkout as the holidays come to a close.



Sign In to Visa Checkout

Username (Email or Mobile Number)

|

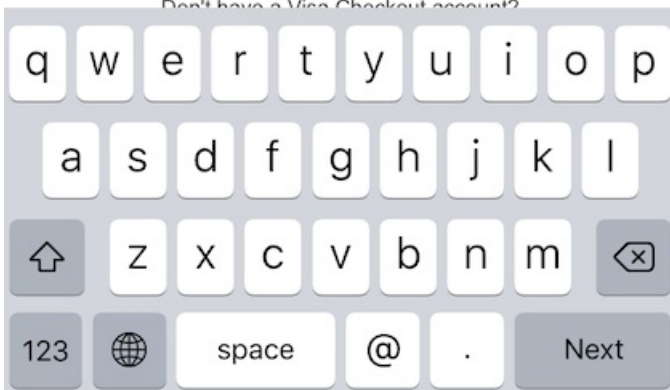
Password

Remember Username and Preferences

[Sign In](#)

[Forgot Password?](#)

Don't have a Visa Checkout account?



Visa Checkout

News of the partnership comes during what is predicted to be the busiest online shopping season ever, with 47 percent of shoppers planning to complete their shopping online, according to a report from Visa. Its Visa Checkout service, which touts a quick, convenience transaction experience, will help StubHub achieve cleaner transactions during the final days of the holiday season, when last-minute gifts in crunch time will make a smooth retail offering of paramount importance ([see more](#)).

Mastercard's digital payment service Masterpass recently expanded its global coverage and highlighting its many features designed to give users comprehensive financial control in their smartphones.

The service, which powers a large number of banking applications from places such as Bank of America, Capital One and Sun Trust in North America, is continuing to roll out in the rest of the world. Similarly, the platform began supporting contactless mobile payments last month and will expand coverage in that area as well ([see more](#)).

"Masterpass uniquely empowers issuers to deliver a customized, branded payment solution," Mr. Anderson said. "Now, Mastercard can assist them with tokenizing both their Visa and Mastercard card portfolios for provisioning into their Masterpass-supported wallets.

"By layering services such as tokenization with bank identification and verification of cardholders, Masterpass uses the most advanced security methods today to protect consumers from fraud," he said.

This article was originally published on [Mobile Commerce Daily](#), Luxury Daily's sister publication.

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