CLOUD-BASED PAYMENT
LAUNCH SECURED NFC SERVICES
RELYING ON HOST CARD EMULATION

HCE (HOST CARD EMULATION) SIMPLIFIES THE NFC ECOSYSTEM FOR BANKS AND OFFERS THEM A NEW ALTERNATIVE TO QUICKLY DELIVER MOBILE PAYMENT SERVICES. AS A HOLISTIC SUPPLIER OF MOBILITY SOLUTIONS TO FINANCIAL INSTITUTIONS AND AS AN NFC PIONEER, OT NATURALLY SUPPORTS ITS CUSTOMERS WITH THIS NEW TECHNOLOGY.

AN UNPRECENDENT OPPORTUNITY FOR BANKS TO CONTROL THEIR MOBILE PAYMENT SERVICES

HCE is a new standardized protocol endorsed by Android OS platform and Schemes since early 2014. It enables mobile contactless transactions where the payment or other credentials are stored in the Cloud or in a virtual, software-based infrastructure. This new technology answers the demand of banks willing to launch mobile payment services without the need to contract with a Secure Element issuer.

Today, all the elements are in place to allow banks accelerate their go-to-market. The contactless infrastructure is in place in many countries and the recent NFC announcements will boost this acceptance. Through HCE, banks will be able to address Android phones which is by far the largest OS platform (accounting for 85% of worldwide shipments*).

Finally, with the increasing adoption and use of mobile banking (33% of US mobile phone users in 2013 vs. 28% in 2012**), banks have a fantastic vehicle to launch mobile commerce.

A UNIQUE APPROACH FOCUSING ON SECURITY, SIMPLICITY AND STANDARDS

Involved for many years in NFC ecosystems and also in cloud-based mobile financial services, OT has a unique position in the industry to understand the underlying challenges of HCE: security, impact on the payment infrastructure, usability and standardization.

This unique positioning of OT primarily relies on an extensive expertise in secure management of payment credentials whether on a plastic card, in a mobile phone (SIM, embedded SE, software SE, TEE) or in a Cloud server.

To support banks in their HCE initiatives, OT leverages not only its core personalization and issuance assets but also strategic relationships with Schemes to ensure their endorsement as well as a quick go-to-market. OT is committed to deliver a standard solution to ensure its customers a smooth deployment and integration with very limited impact on their back-end.

As a security expert, OT knows that authenticating the customer and protecting cardholder data are two very important pillars in payment. With OT’s solution, this security is achieved for HCE transactions through several mechanisms including tokenisation of the payment data, strong authentication using biometry or passcode, dynamic device data and an encrypted virtual Secure Element.

OT also closely collaborates with its customers to create a seamless mobile payment experience for end-users for enrollment, authentication, device verification, payment and account management.

* Source: IDC (Q4 2014)
** Source: US federal report

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A FORWARD-THINKING OFFERING

In a fast moving mobile payment environment, banks need to make sure that their investments are sustainable.

In its mission to support them with all their mobile financial services needs, OT is investing in R&D and is actively involved in ecosystem discussions.

OT’s Cloud-Based Payment platform is compatible with all the latest technologies (NFC, QR code and Bluetooth) and can also work with either a virtual Secure Element or an embedded Secure Element.

A COMPLETE OFFER WITH FOUR KEY COMPONENTS

CREDENTIAL ISSUER AND MANAGEMENT SERVER

The credential server is connected to OT’s unique Card Personalization System already used by over 2,000 banks worldwide. It manages smart card credentials stored on either a software Secure Element, a TEE or an embedded SE. It also supports the EMVCo tokenisation framework (acting as a token generator and token vault).

MOBILE SOFTWARE SECURITY AND STRONG AUTHENTICATION MODULE

OT’s Cloud-Based Payment solution combines software security and smart risk management approaches. It relies on several mechanisms such as tokenization of the payment credentials, keys encryption in a software vault, dynamic device identification and user authentication.

MOBILE APPLICATION AND USER INTERFACE

OT’s solution can be delivered as an SDK to be integrated within an existing mobile application, allowing banks to leverage their current mobile banking service. Alternatively, OT can provide them with a customized front-end application.

WALLET AND VALUE-ADDED SERVICES

In order to enrich the end-user’s experience and secure usage and adoption, OT can offer additional wallet services to banks such as loyalty, couponing, peer-to-peer or budget monitoring.

ACCELERATE YOUR GO-TO-MARKET

OT can deliver an HCE pilot in less than 3 months. OT’s solution has already been deployed in the field in Asia Pacific for a leading issuing bank. This first pilot supports two options: embedded Secure Element and HCE.

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