

# 2018 PAYMENTS IN REVIEW

## Talk About Payments Webinar

December 20, 2018

Retail Payments Risk Forum

Federal Reserve Bank of Atlanta

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# CONNECTION INFORMATION

## ➤ Webinar Link:

<https://www.webcaster4.com/Webcast/Page/577/28517>

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# WEBINAR PARTICIPANTS



Jessica  
Washington



Doug  
King



Dave  
Lott

# RETAIL PAYMENTS RISK FORUM MISSION

Detect and identify, assist and encourage...

## ➤ Identify...what?

- Risk, in existing and emerging retail payments

## ➤ Help how?

- Contribute to mitigating payment risks by:
  - Researching products, services, and systems
  - Collaborating with industry
  - Convening

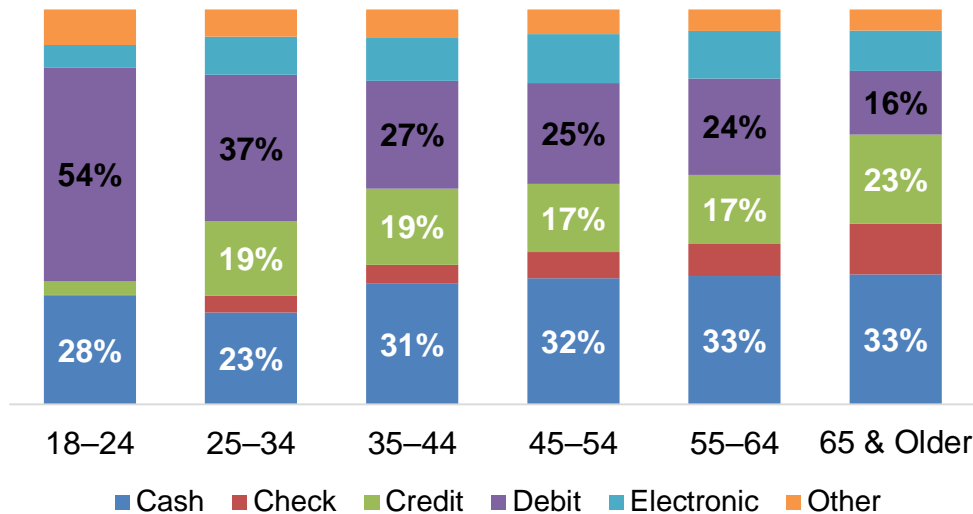


## ➤ [Take On Payments weekly blog](#)

## ➤ [Retail Payments Risk Forum website](#)



# CASH STILL GOING STRONG



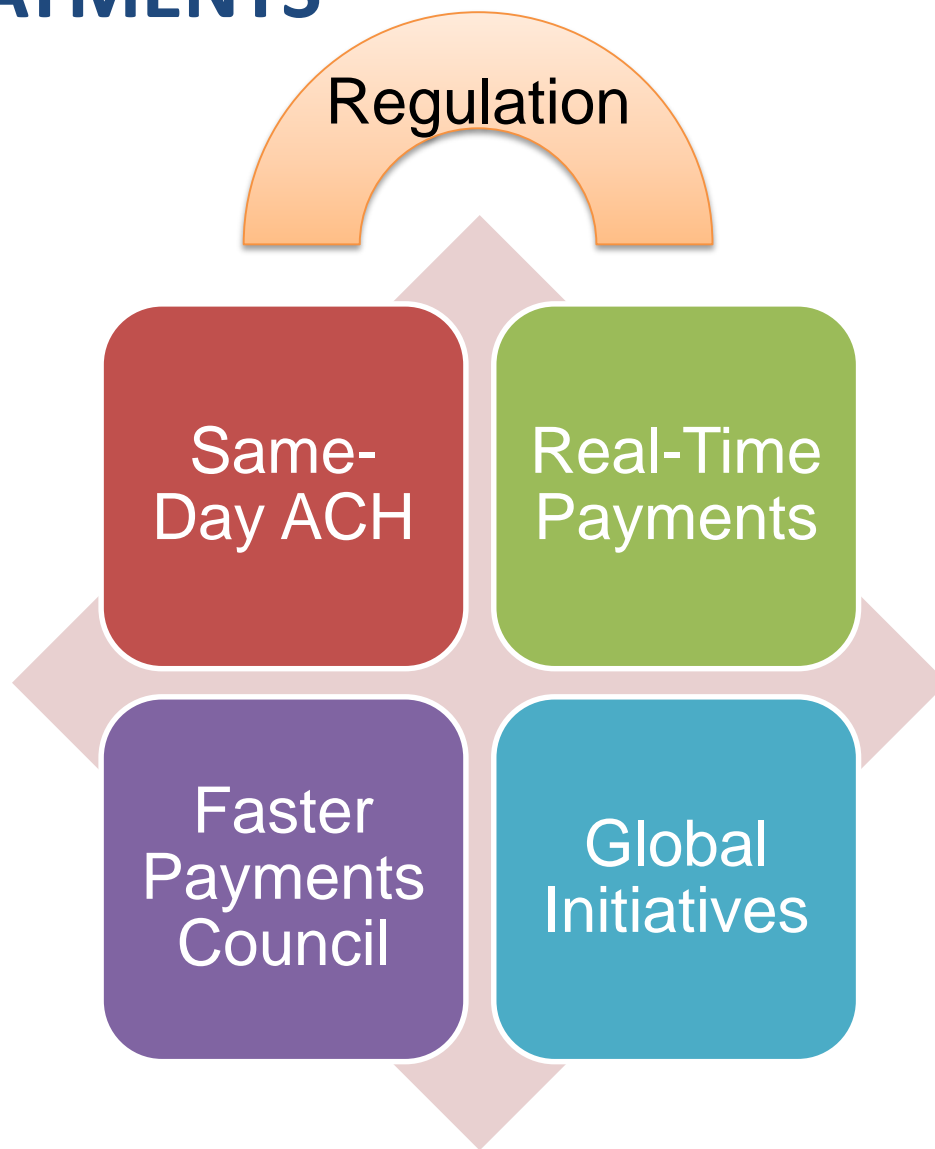
Source: 2016 DCPC

## ➤ ATMs under attack

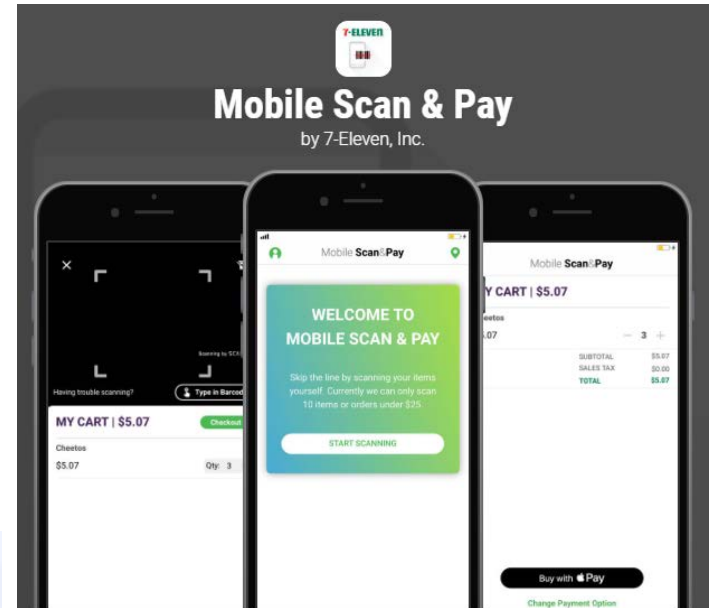
- Jackpotting
- Cash-outs
- Explosives



# FAST-ER PAYMENTS

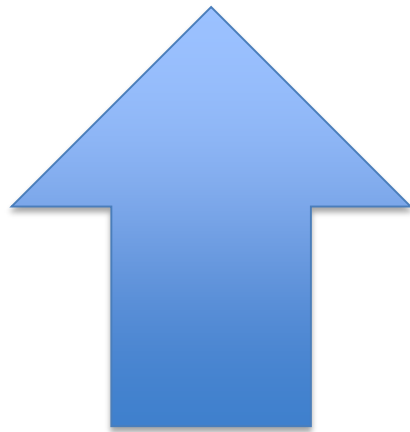


# CHANGING RETAIL LANDSCAPE



# CARD-NOT-PRESENT (CNP) FRAUD

Change in value of  
CNP payments



**11%**

**2015 - 2016**



Change in value of  
CNP payments fraud



**35%**

Source: *Changes in U.S. Payments Fraud from 2012 to 2016*, Federal Reserve Board of Governors, October 2018.



# AUTHENTICATION

Are you who you say you are?

- FIDO
- Secure Remote Commerce
- 3DS 2.0
- W3C



## ➤ NEW Developments

- Synthetic IDs
- Digital identity
- Account takeover
- Continuous authentication

# ARTIFICIAL INTELLIGENCE

## ➤ Separating marketing hype from true advancements

- Neural networks
- Machine learning
- Deep learning



Turing Test  
Gold Medal



*A computer would deserve to be called intelligent if it could deceive a human into believing that it was human. – Alan Turing*

# CYBERSECURITY

- **DDoS**
- **Ransomware**
- **Data breaches**
- **Social engineering**
- **Business email compromise**



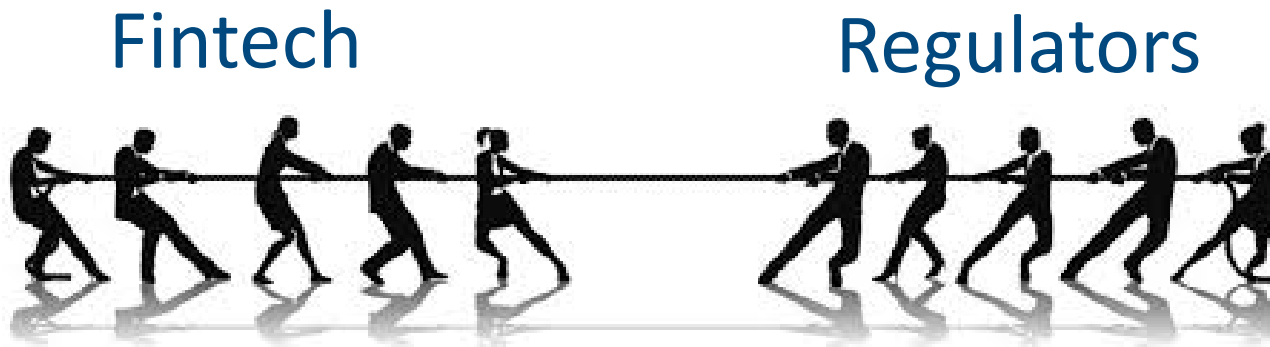
# FINTECH / REGTECH

## ➤ Fintech

- Slowing down innovation at FIs?
- Regulation has always lagged technology.

## ➤ Regtech

- Improving efficiency

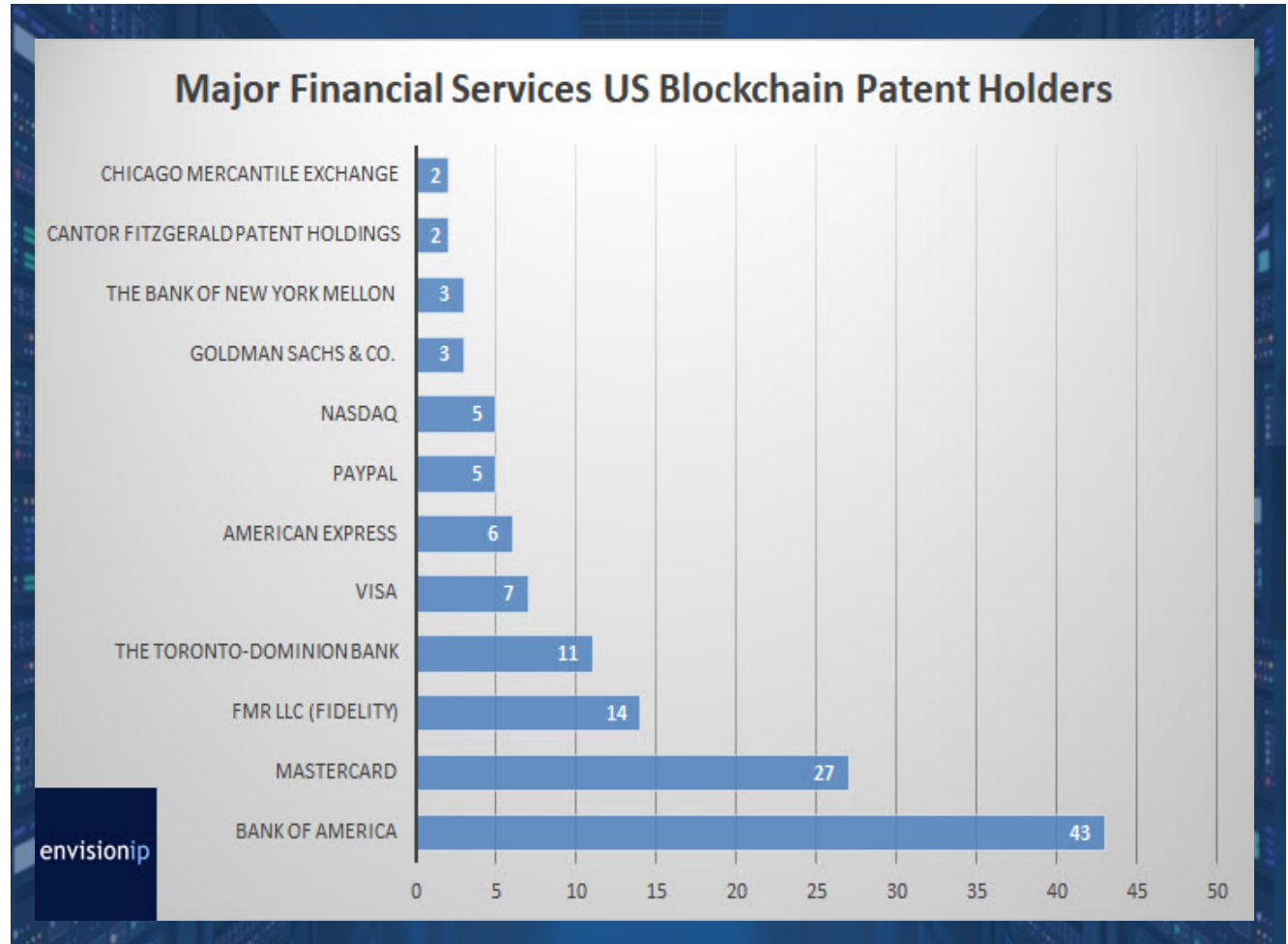


# DISTRIBUTED LEDGER TECHNOLOGY

ALL



NO



Source: *EnvisionIP*.



# CRYPTOCURRENCY RETURNS: A TALE OF TWO YEARS



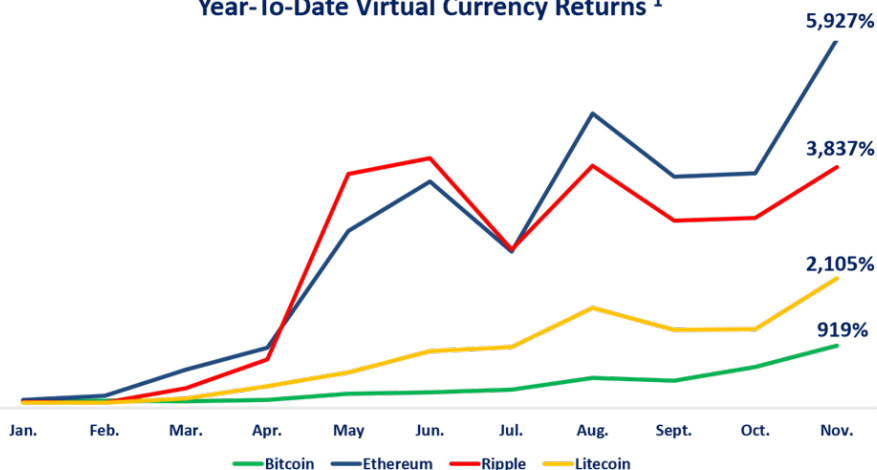
Wonkblog • Perspective

The only currency worse than bitcoin is  
Venezuela's

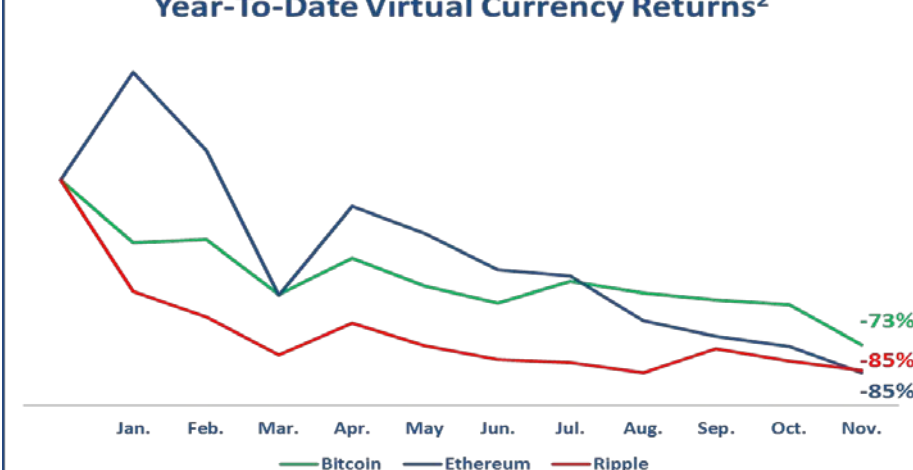
## 2017

## 2018

Year-To-Date Virtual Currency Returns <sup>1</sup>



Year-To-Date Virtual Currency Returns <sup>2</sup>



1. Through Nov. 27, 2017. Source: <http://coinmarketcap.com>.

2. Through Nov. 27, 2018. Source: <http://coinmarketcap.com>.

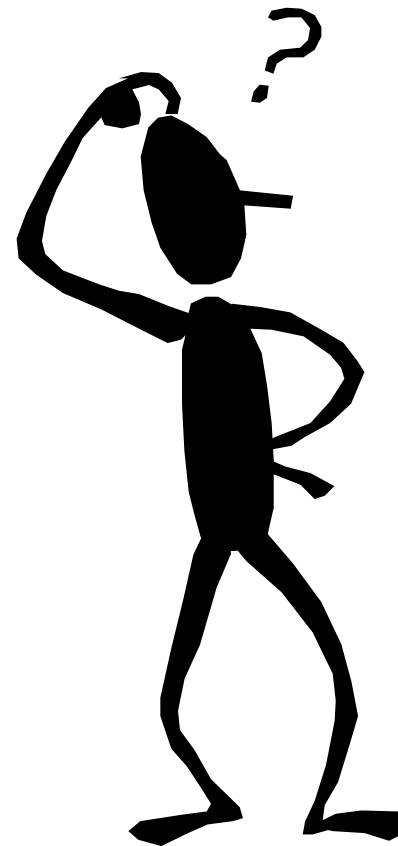
# QUESTIONS OR COMMENTS

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## ➤ Additional Resources

- [Diary of Consumer Payment Choice](#)
- [Changes in U.S. Payments Fraud](#)



# THANK YOU

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