2025 Merchant "A" Performance Review
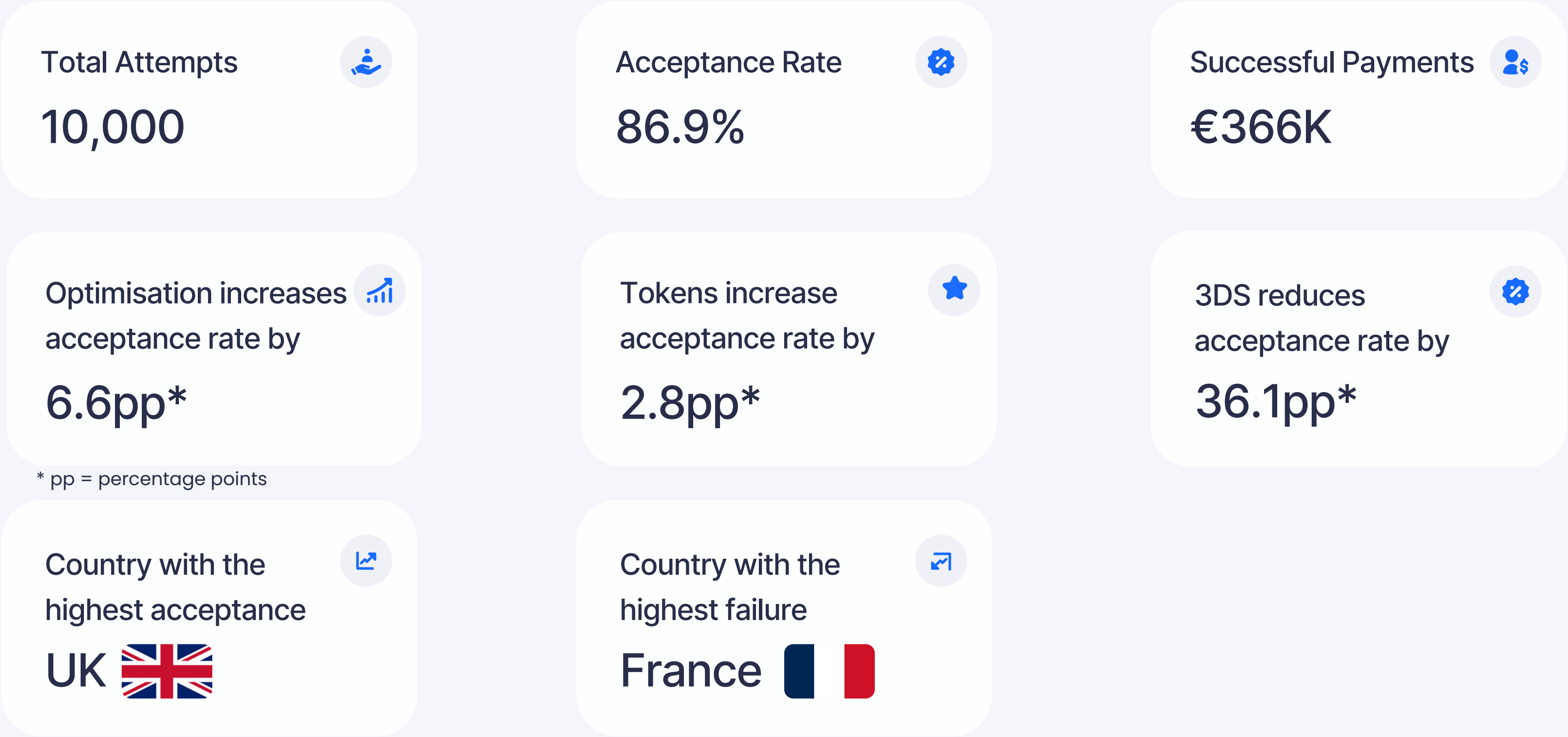
Payments Team | Stella Sim

High Level Findings

The Payments team performed a 2025 year end audit for Merchant "A" to identify insights or issues related to payment performance with the purpose of providing solutions to improve Merchant "A"'s payment performance for 2026.

Total Attempts

10,000

Acceptance Rate

86.9%

Successful Payments

€366K

Optimisation increases acceptance rate by

6.6pp*

Tokens increase acceptance rate by

2.8pp*

3DS reduces acceptance rate by

36.1pp*

* pp = percentage points

Country with the highest acceptance

UK

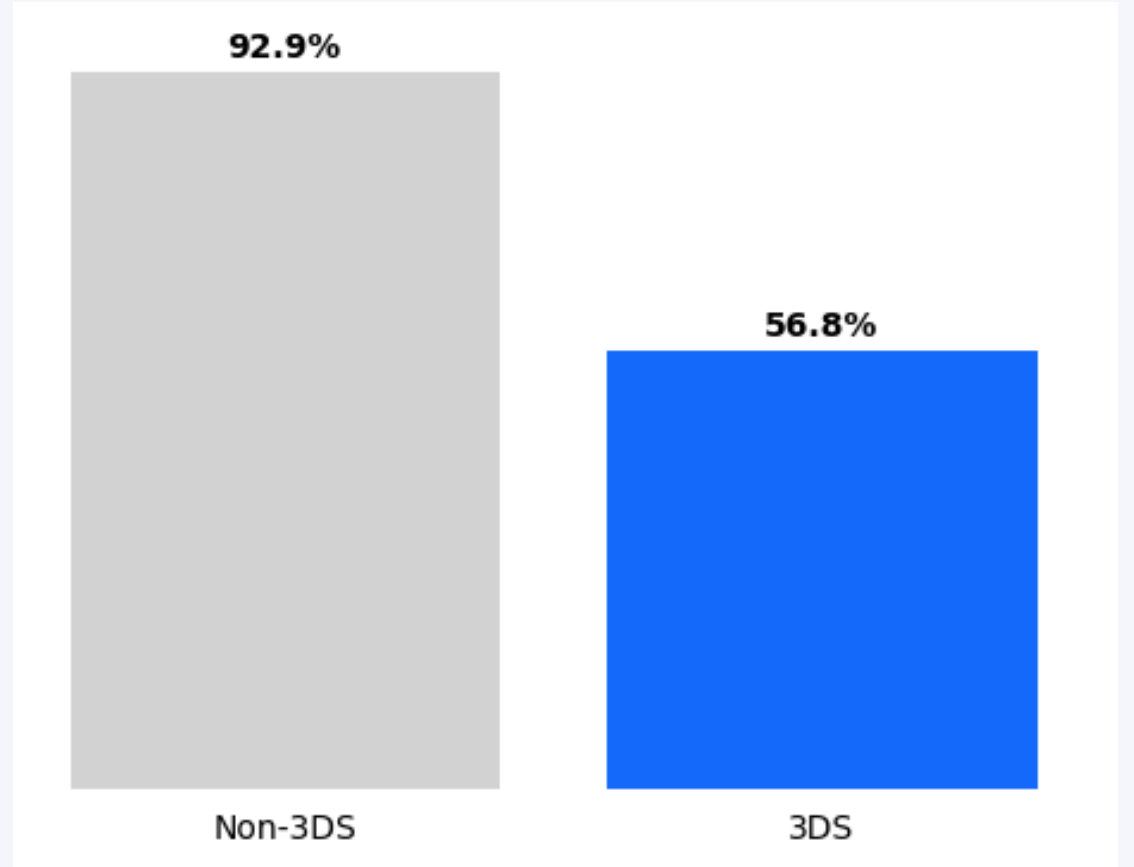**Country with the highest failure**

France

Optimisation and 3DS Usage

Optimisation and 3DS usage are the strongest drivers of Acceptance Rate (AR). Optimisation positively impacts AR, while 3DS Usage negatively impacts AR.
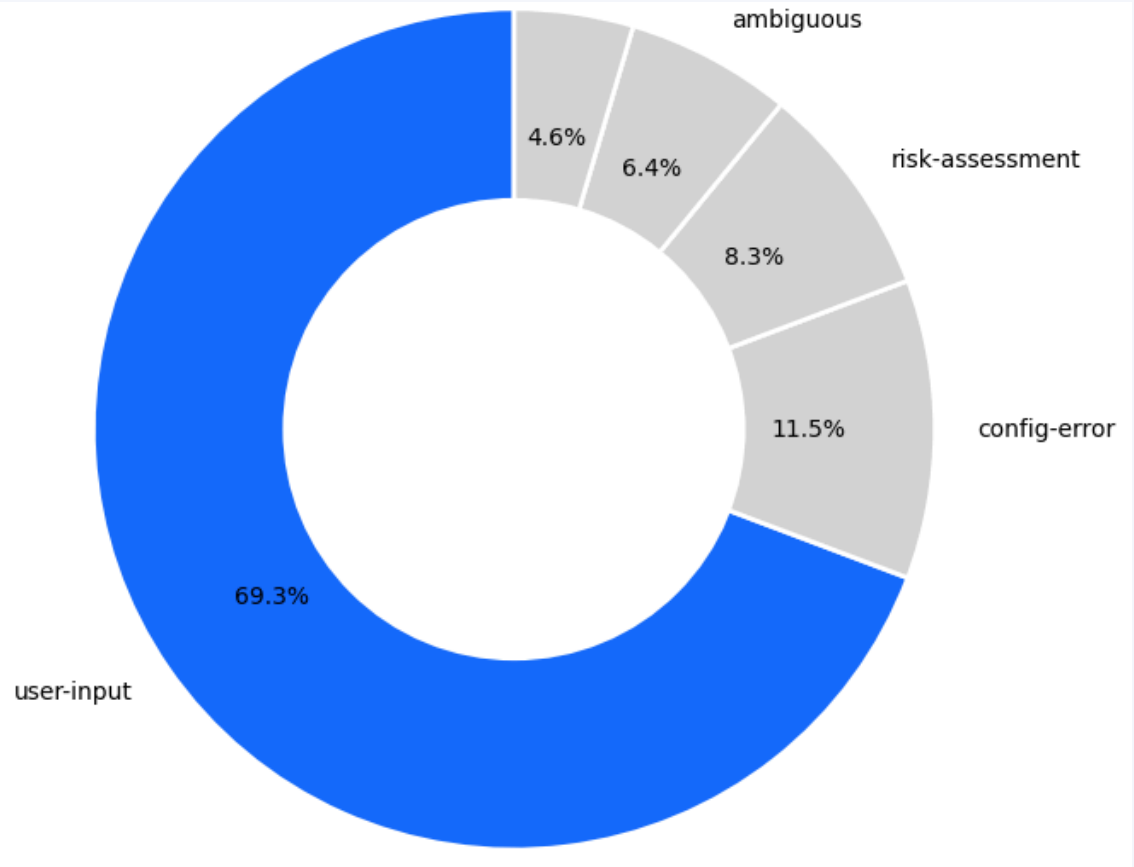
Optimisation vs None
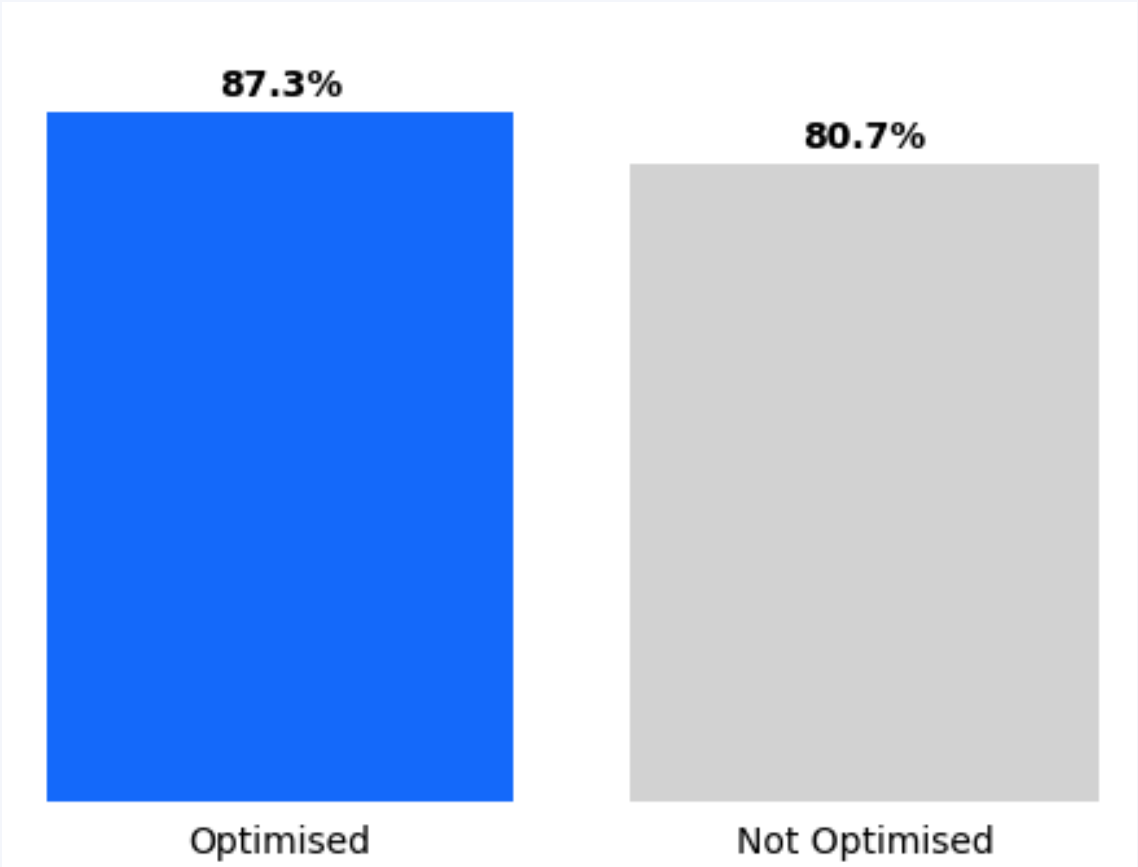
Non-3DS vs 3DS
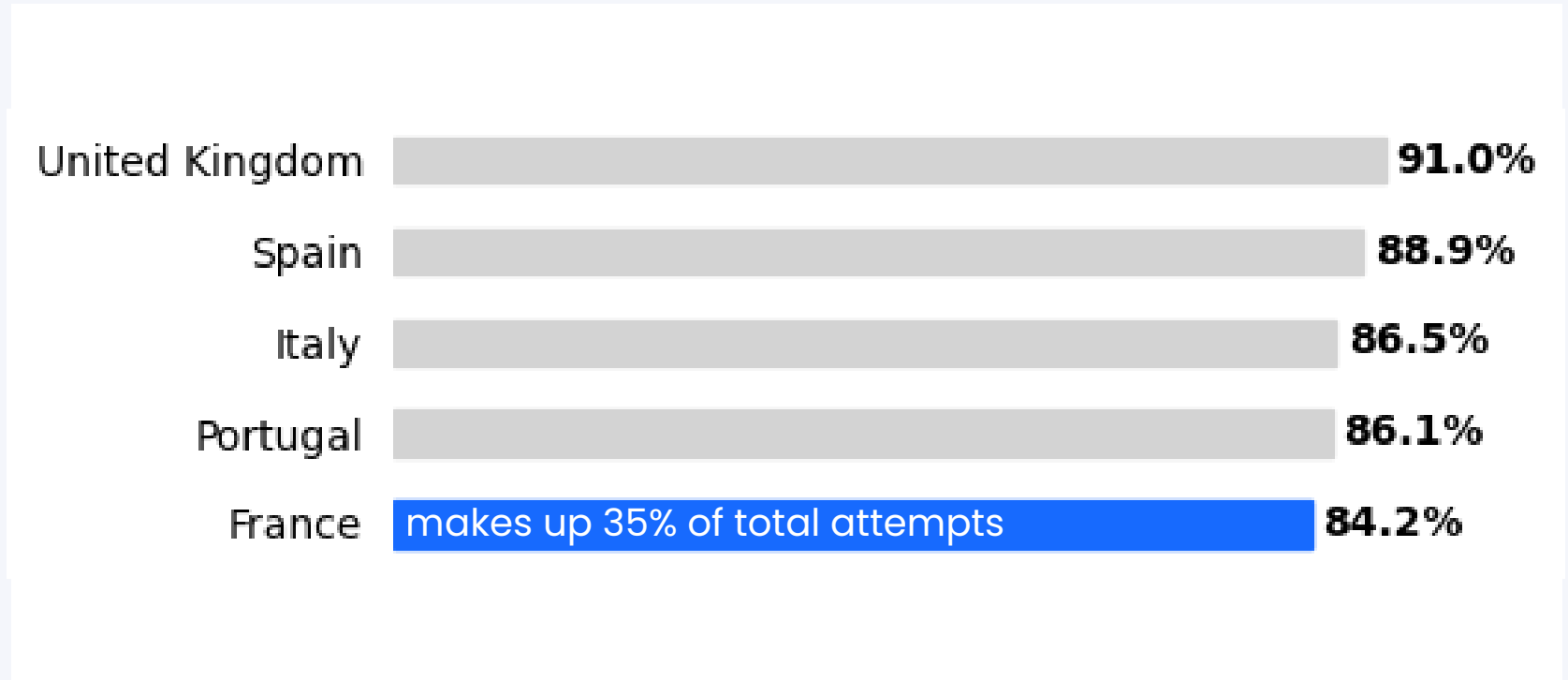

3DS: Top Decline Reasons

Expand optimisation globally.

3DS Usage makes a significant difference in successful payments. Explore reducing 3DS usage or updating 3DS settings to reduce user input errors.
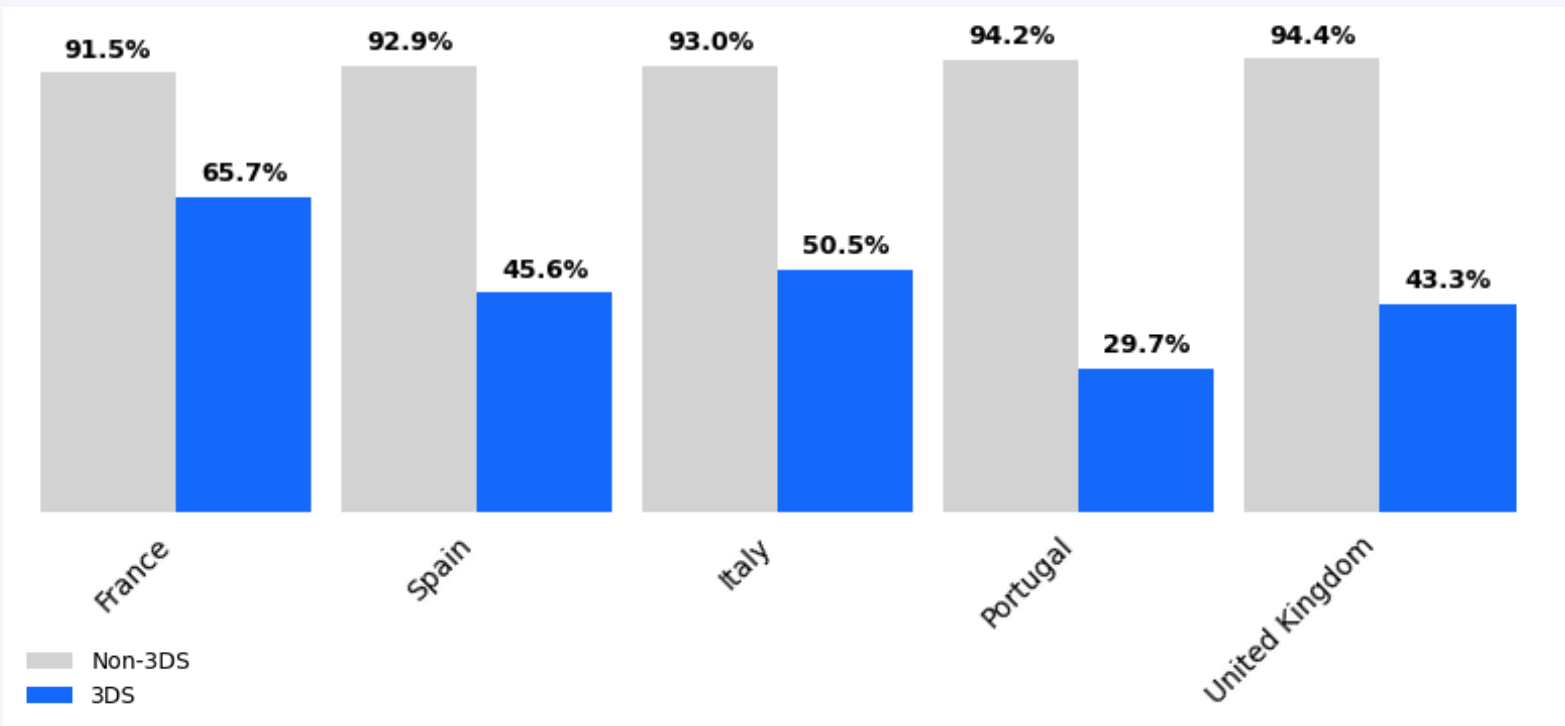
How 3DS Usage Impacts France

France has the largest opportunity to improve their Acceptance Rate (AR). Almost 30% of attempts for France have 3DS, with an AR of 65.7%, which is the largest 3DS volume vs the other countries.

Acceptance Rate by Country

Country	Acceptance Rate
United Kingdom	91.0%
Spain	88.9%
Italy	86.5%
Portugal	86.1%
France (makes up 35% of total attempts)	84.2%

3DS vs Non-3DS by Country

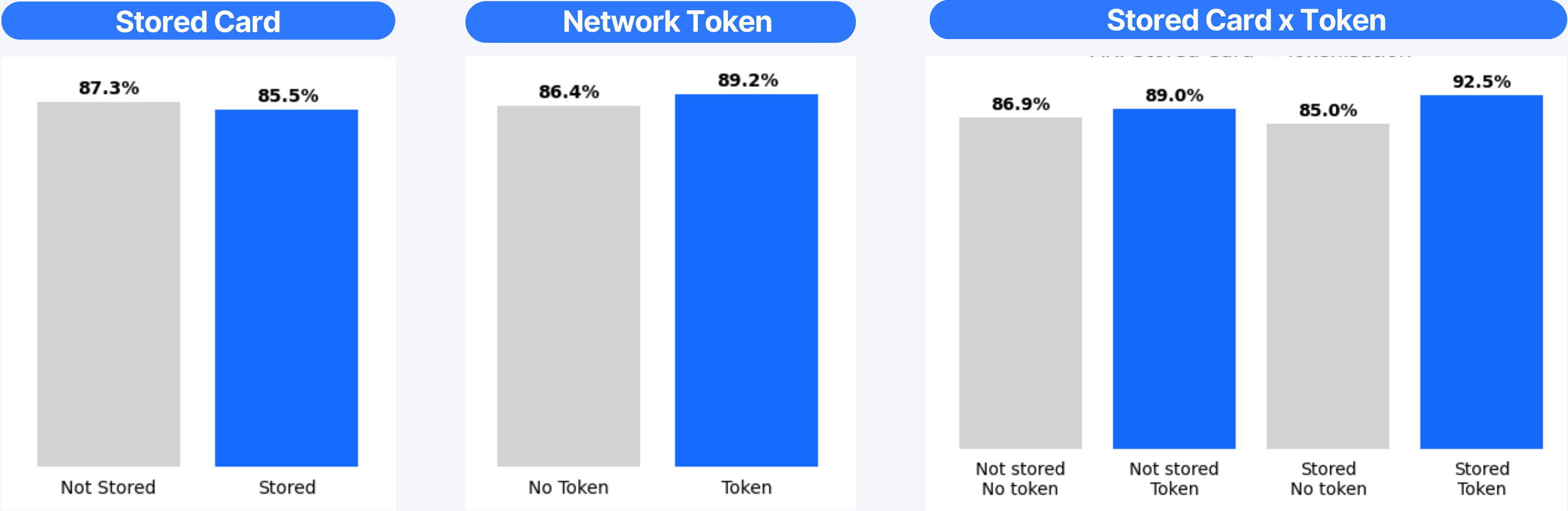| Country	Non-3DS	3DS
France	91.5%	65.7%
Spain	92.9%	45.6%
Italy	93.0%	50.5%
Portugal	94.2%	29.7%
United Kingdom	94.4%	43.3%

Merchant A is over-challenging low-risk traffic, especially stored cards and repeat customers due to current 3DS settings.

Audit 3DS settings starting with France to reduce unnecessary 3DS challenges due to user input error. In the future, we can focus on improving 3DS settings and optimisation globally.

Tokenisation and Stored Cards

Tokenisation increases the Acceptance Rate (AR) overall. When looking at stored cards, tokenisation increased the by 7.5pp.

Stored Card

87.3%	85.5%
Not Stored	Stored

Network Token

86.4%	89.2%
No Token	Token

Stored Card x Token

86.9%	89.0%	85.0%	92.5%
Not stored No token	Not stored Token	Stored No token	Stored Token

Expand tokenisation for Stored Cards globally.

Deployment Roadmap

* pp = percentage points

Phase 1
(0-3 months)

Run a controlled A/B test in France exempting low-risk transactions from 3DS

Why
- France represents 35% of total attempts and has the largest 3DS volume
- 3DS transactions show a −36.1pp acceptance gap
- User-input errors dominate 3DS declines, indicating avoidable friction

Impact
- Acceptance rate uplift of up to +25.8pp on affected cohorts
- Immediate recovered revenue with minimal engineering complexity

Phase 2
(3-6 months)

Expand optimisation routing to additional high-volume issuers and markets
- Prioritise routes with high declines
- Roll out network tokenisation for stored cards
- Improve issuer trust signals for repeat transactions

Why
- Optimisation shows a +6.6pp acceptance uplift
- Tokenised stored cards achieve up to 92.5% acceptance

Impact
- Incremental acceptance uplift of +6−8pp on targeted traffic
- Increased customer lifetime value through higher repeat-purchase success

Phase 3
(6-12 months)

Extend proven 3DS exemption logic to other EU markets where applicable
- Fine-tune risk-based authentication thresholds using transaction-level insights
- Embed optimisation and tokenisation as default best practices across regions

Why
- Balances regulatory compliance with customer experience
- Enables sustainable acceptance gains without compromising risk controls

Impact
- Durable acceptance-rate improvements