SSH uses public-key cryptography to authenticate the remote computer and allow it to authenticate the user, if necessary. There are several ways to use SSH; one is to use automatically generated public-private key pairs to simply encrypt a network connection, and then use password authentication to log on.

Another is to use a manually generated public-private key pair to perform the authentication, allowing users or programs to log in without having to specify a password. In this scenario, anyone can produce a matching pair of different keys (public and private). The public key is placed on all computers that must allow access to the owner of the matching private key (the owner keeps the private key secret). While authentication is based on the private key, the key itself is never transferred through the network during authentication. SSH only verifies whether the same person offering the public key also owns the matching private key. In all versions of SSH it is important to verify unknown public keys, i.e. associate the public keys with identities, before accepting them as valid. Accepting an attacker's public key without validation will authorize an unauthorized attacker as a valid user.