



MIDs and TRIDs – Navigating the Complexities of a Multi-Processor Strategy



John Noltensmeyer

CISO/DPO

- Payments and data security professional with over 25 years of experience in information technology
- jnoltensmeyer@tokenex.com
- <https://www.linkedin.com/in/johnnoltensmeyer/>

Agenda



Overview of the e-commerce payment landscape



Benefits of a multi-PSP strategy



Multi-PSP considerations



Current state of payment landscape:

16.8%

E-commerce retail rates
are on the rise.

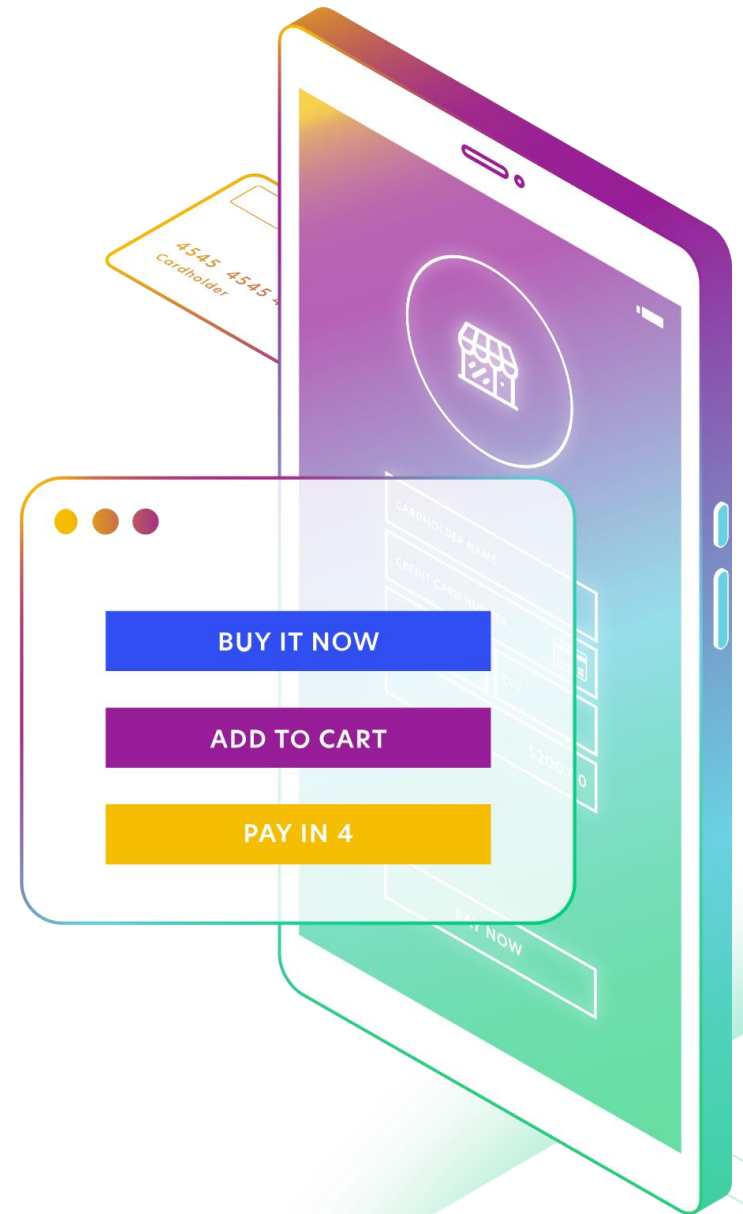
\$4.921

Trillion dollars in retail
e-commerce



Payments should be strategic.

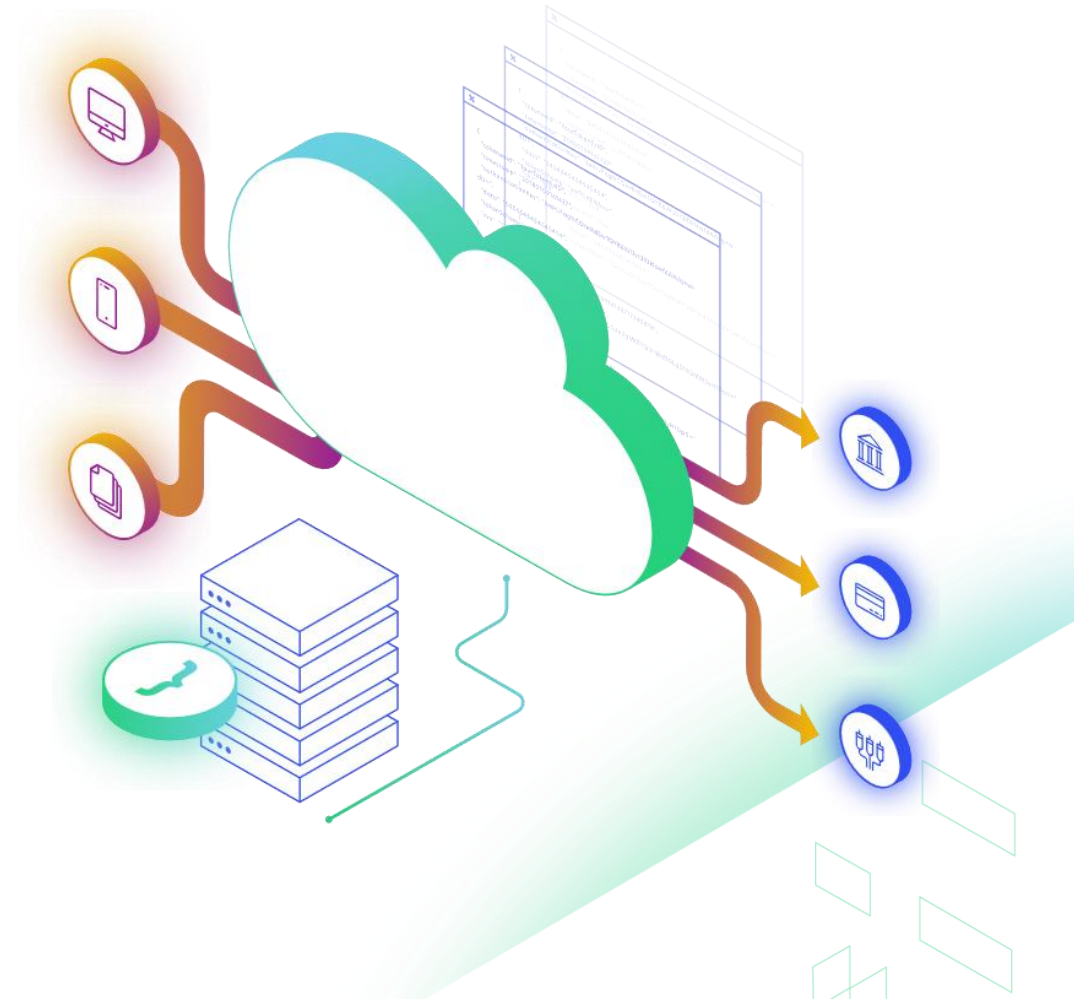
- Make payments a differentiator
- Refine your global payment strategy
- Manage fraud effectively
- Strategically outsource payment services





Benefits of a multi-PSP strategy:

- Redundancy and reliability
- Improved authorization rates
- Cost optimization and rate/fee negotiation leverage
- Market expansion
- Wider range of payment options





Growing businesses need multiple payment processors...

3.9

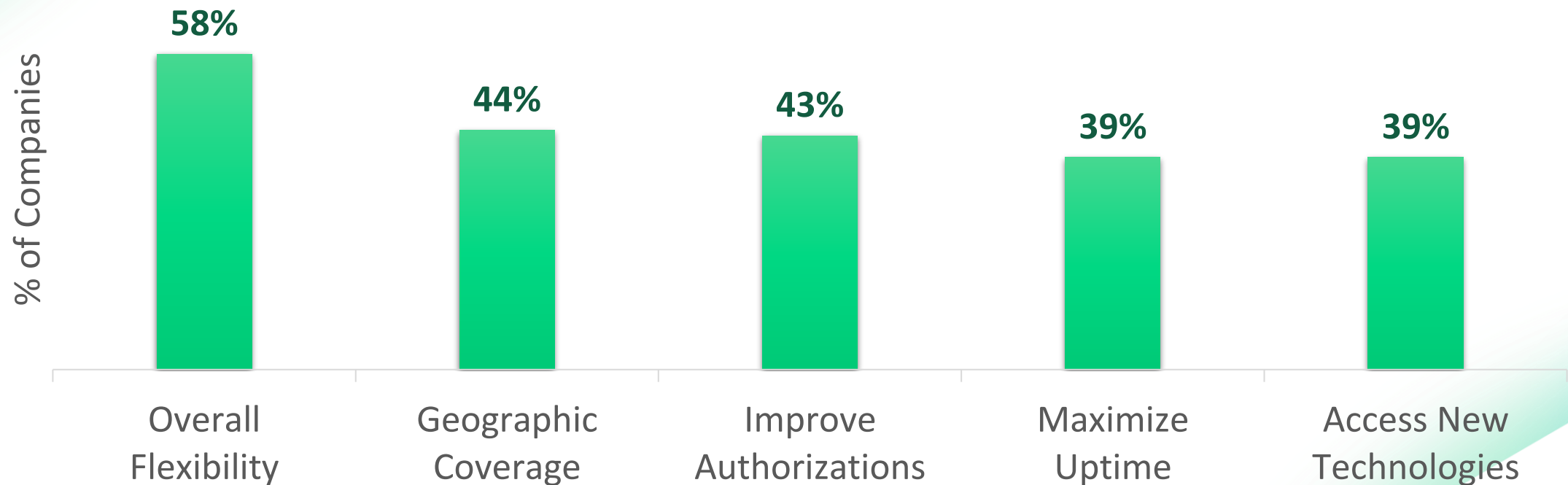
**Average number of
payment processors
for merchants**

Source: Merchant Risk Council (MRC), *2023 Global Ecommerce Payments And Fraud Report*



...to address issues as their business scales.

Top Reasons for Using Multiple Payment Processors



Source: Merchant Risk Council (MRC), 2023 Global Ecommerce Payments And Fraud Report



Elements of a successful multi-PSP strategy:

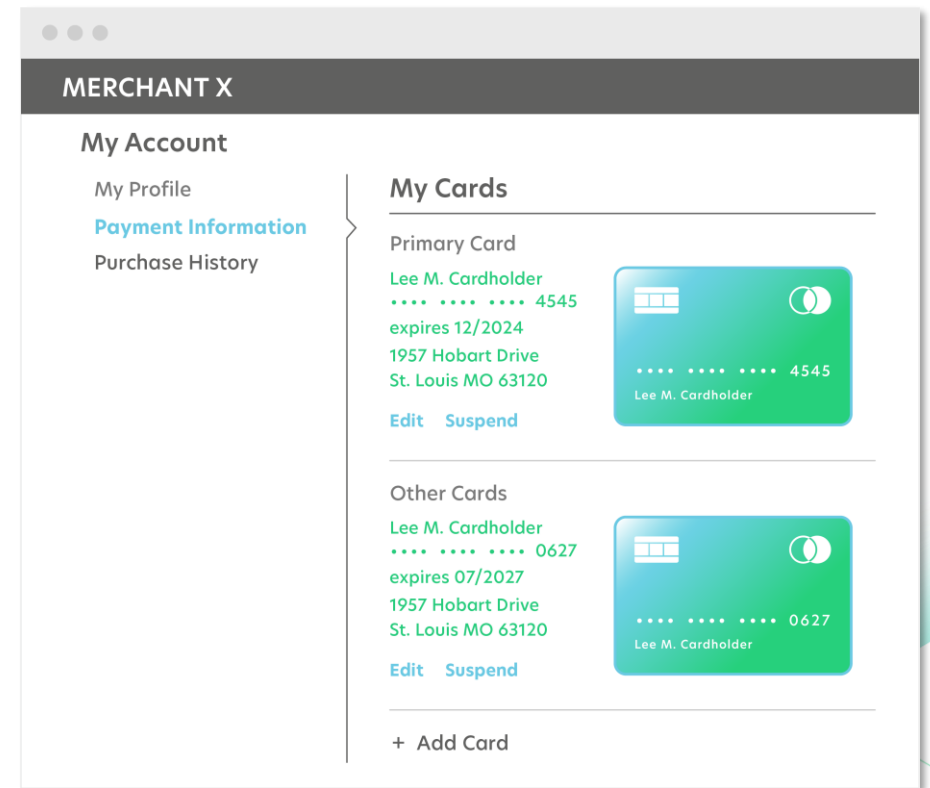
- Card lifecycle management
- MID and processor alignment
- Optimize transaction routing
- Tokenization...





Benefits of network tokens:

- Reduced fraud through domain restriction controls and use of a cryptogram for CIT
- Increased authorization rates
- Lower interchange fees (varies by region)
- Improved consumer experience
 - Card art
 - Lifecycle management





Features of network tokens:

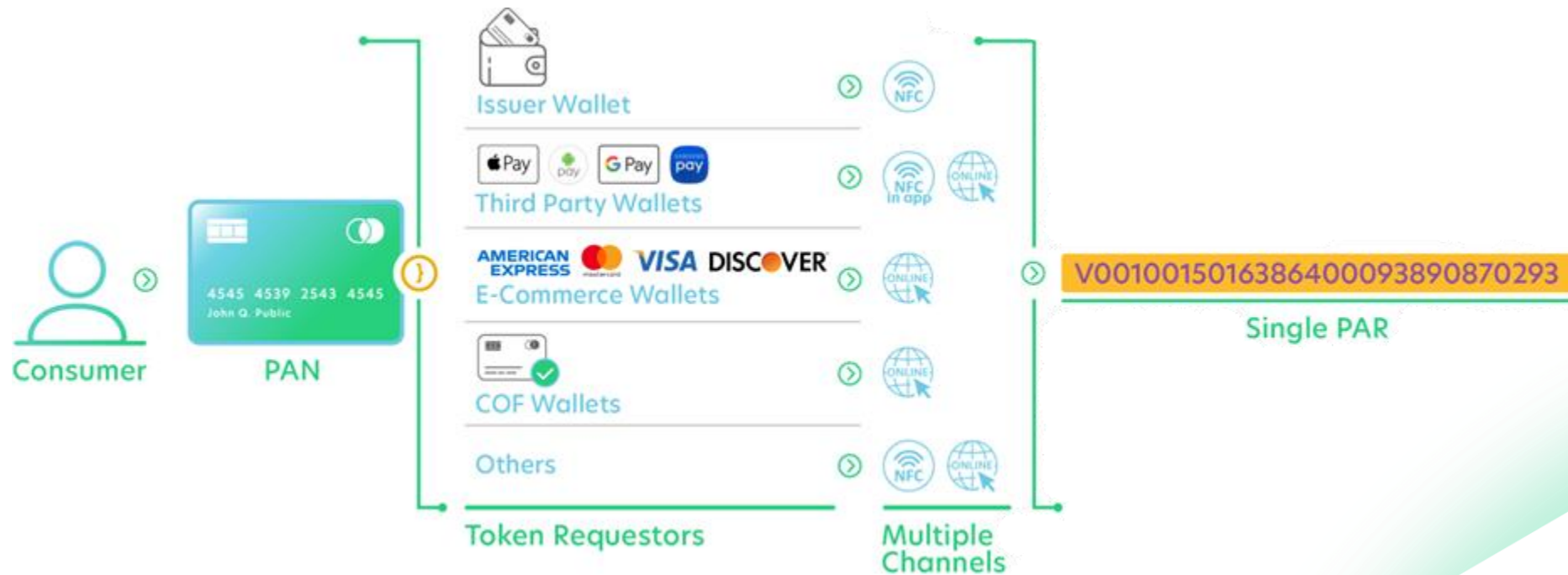
- Luhn compliant numeric value 13 to 19 digits in length
- Uses a token specific BIN range
- Does NOT preserve the last 4 in the token itself
- Requires a cryptogram for customer-initiated transactions
- Lifecycle management is not automagic
- Tied to a Token Requestor ID (TRID)
- Token is unique to a TRID and a domain





Payment Account Reference (PAR)

The PAR allows all participants in a payments flow to have a single non-sensitive reference for a payment account, enabling a better consumer experience.





Payment Account Reference (PAR)

PAR Characteristics

- 29-character value that is unique to a given PAN
- A PAR can be used to link different network tokens generated for the same PAN
- A PAR cannot be used to initiate a payment transaction
- A PAR cannot be reversed to determine the associated network token value or the credit card PAN

PAR Benefits for Merchants

- Real-time cardholder identification across payment acceptance channels
- Enables improved risk/fraud reduction through cardholder identification
- Supports loyalty/rewards programs
- Enhanced account lifecycle management and improved consumer experience



Multi-PSP Considerations:

- Keeping card-on-file data up-to-date
- Tokenization fees
- Does my acquirer/gateway/PSP support network tokens?
- Can I use my own TRID to provision network tokens?
- What if a payment authorization with a network token fails?
- Token/PAR management



Thank you!