

CASE STUDY

ADUNO

POS acquiring in Switzerland

Aduno is a wholly owned subsidiary of Aduno Group, providing acquiring services to 50,000 merchants in Switzerland.

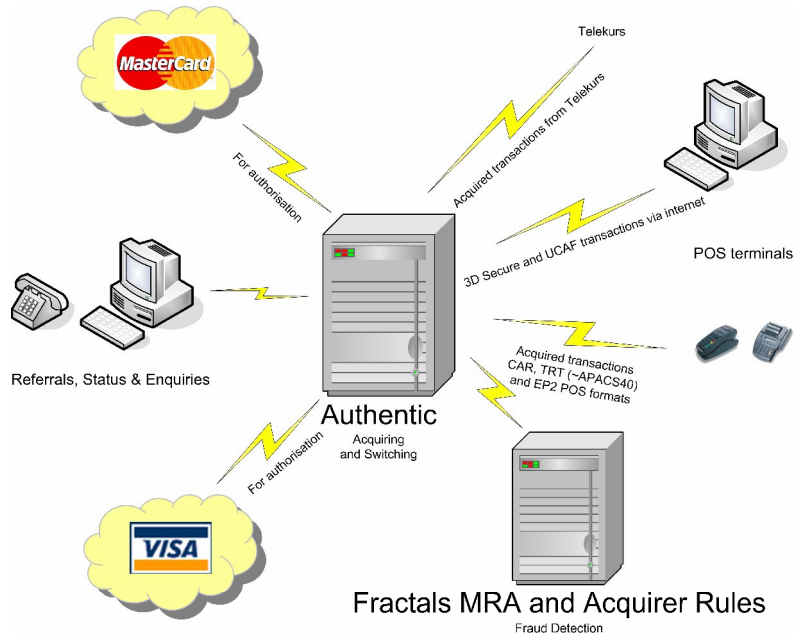
Aduno uses Alaric's Authentic and Fractals products for acquiring and detecting fraud on POS transactions.

Background

In 2005, Cornèr Banca decided that it wanted to divest its acquiring business to Aduno, while retaining its card issuing business. A major project was launched to split all of Cornèr Banca's computing systems into Issuer and Acquirer.

Authentic was seen as the most integrated system and the spotlight fell on Alaric to deliver separate systems within the short deadlines needed to achieve the sale to Aduno.

In fact, the work to split Authentic into separate issuing and acquiring systems was simply a matter of reconfiguration, and Cornèr Banca was delighted that the choice of Authentic had allowed it to meet critical business goals to timescale and at low risk. The split into Issuer and Acquirer was



implemented without any issues.

Use of Alaric's products

Aduno uses both Authentic and Fractals to support POS acquiring in the Swiss market. Over 70,000 POS devices are supported, accepting VISA, MasterCard and Maestro branded cards.

Authentic

Transactions are routed out to the VISA and MasterCard networks for authorisation, with Authentic providing standin capabilities if a network is down. In addition to directly supported POS devices,

transactions are also received via the internet.

For transactions acquired via the internet, Authentic supports the use of 3D Secure protocol for VISA, and MasterCard. These transactions are passed on to the issuers through the VISA and MasterCard network for authentication and authorisation.

Transactions are received from four different types of POS device:

TRT3

TRT3 terminals provide a rich transaction set, including transactions such as tip updates and reservations. Transactions

are captured for clearing at the time of authorisation, and each transaction confirms whether the previous one completed successfully.

The terminal sends totals at the end of its business day which must be confirmed by the acquirer. Authentic passes transactions to Aduno's merchant system for clearing.

Communications with TRT3 use a variant of APACS40.

CAR

Car terminals are simple authorisation terminals, but also provide a gateway for secure internet transactions. Authentic passes on the associated UCAF and CAVV data, setting the appropriate internet security level indicators.

EP2

EP2 terminals are the Swiss national chip card terminals. Authentic supports the initialisation of these terminals and receives authorisations and batches of captured transactions.

To support the POS devices, Aduno uses Authentic's authorisation screens to handle referrals and merchant queries.

Petrol Terminals

These are mainly outdoor self-service terminals but also attended terminals found at petrol stations in Switzerland. The protocol used is closely based on ISO8583-97.

Fractals Acquirer

Authentic passes transactions to Alaric's Fractals Acquirer Fraud system, which includes Fractals MRA (Merchant Ratio Analysis).

Fractals MRA is used to monitor the behaviour of Aduno's merchants, raising an alert if a merchant is outside the normal limits of behaviour.

Implementation

Aduno's Authentic application runs on six Sun Microsystems' Sun Fire V240 servers for redundancy. The application and database processors are split across separate physical locations.

Fault tolerant communications design provides continuous service through any node failure.

Authentic supports 70,000 POS terminals using four different message protocols. There are 50 on-line users in the

authorisation and security departments.

Authentic provides interfaces to Visa and Mastercard. Internally, Authentic interfaces to the Aduno's UNIX host and to its Thales Hardware Security Module.

Technology

Authentic and Fractals have a modern open windows-based design written in 100% Java code using object oriented design techniques.

Authentic and Fractals run on any platform that can support a Java run-time environment and the Oracle database. Operating systems supported include: UNIX, Windows and LINUX, allowing the user to pick from many widely available platforms available from e.g. Sun, HP, Stratus and IBM.

Summary

With over 30% of the Swiss acquiring market, Aduno relies on Authentic and Fractals to provide a high level of service to demanding merchants, while at the same time protecting itself from its few rogue merchants.



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August 2009

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