

Dear Mr Georgakis,

Following your below e-mail, here are Laiki Bank's comments on the draft "Recommendations for the security of internet payments" of the European Central Bank:

1. As a **general comment**, it is uncertain whether the deadline of 1st July 2014 can be met, because there are a lot of tasks that a Bank needs to do in order to comply with the recommendations, which involve time as well as costs.
2. Under **Scope and Addressees**, what is included and excluded from the scope of the recommendations should become more precise.
3. **Recommendation 7: Strong customer authentication**
7.3 KC: We believe that the customer is not necessary to give his prior consent to participating in such services ("3-D Secure"). In the case where the PSP offering issuing services decides to use "3-D Secure", the customer will have no option but to accept its use. Issuers, in an attempt to mitigate their fraud losses, may choose to offer and mandate this service to all customers. Furthermore, "3-D Secure" requires registration. To our understanding this implies that the customer gives his consent for participation.
4. **Recommendation 8: Enrolment for and provision of strong authentication tools**
8.1 KC [cards]: We believe that the customer is not necessary to have the option to register for strong authentication **independently** of a specific internet purchase. We believe that it should be up to the Issuer to decide the different registration options.
5. **Recommendation 10: Transaction Monitoring and authorization**
10.1 KC: We believe that this is very difficult to be applied for card transactions. i.e. detecting and blocking a fraudulent transaction **before** granting card authorization. We consider real- time fraud detection systems, which are applied **right after** the card authorization process, to be a strong measure for fraud monitoring and detection.
6. **Recommendation 13: Notifications, setting of limits**
13.1 KC: It is not clear whether this applies to card transactions also.

We remain available for any further information or clarifications.

Best regards,

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