

Secure Payment Processing: Wells Fargo Experience Perspective

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Agenda

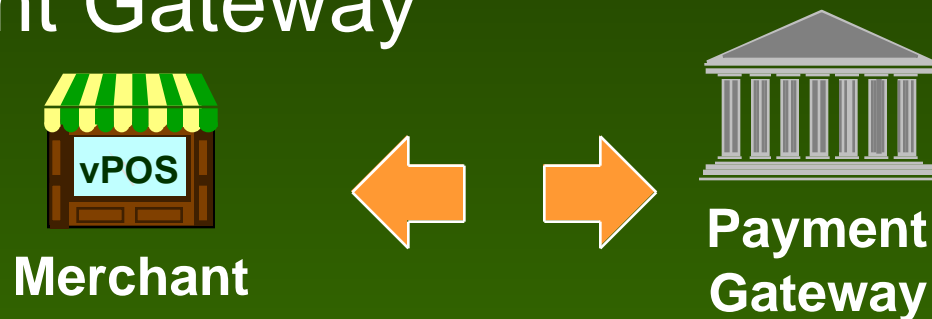
- Current Status at Wells Fargo
- Wells Fargo Perspective on Next Steps

Wells Fargo's Electronic Payment Solutions

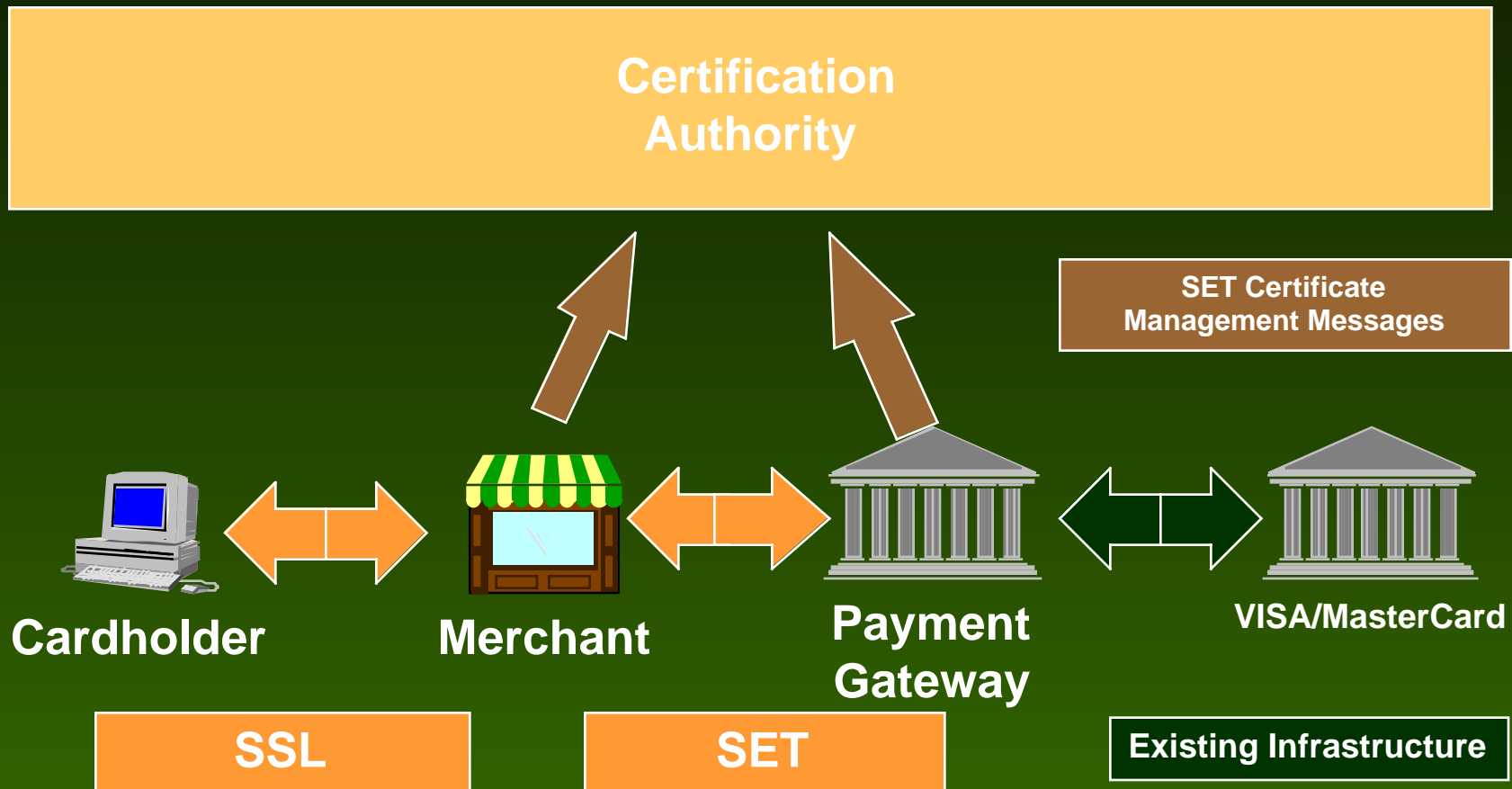
- Dec. 96: deployed internet payment solution for Merchants selling on the Internet.
- Incorporates technology from SET specification and SSL encryption.
- Merchants and Payment Gateway (2 kp model) are issued branded digital SET-compliant certificates.

Who uses a Digital Certificate?

- ◆ **Merchant:** Signature and Encryption
- ◆ **Payment Gateway:** Signature and Encryption
- ◆ **Wells Fargo Certificate Authority:** has Certificate which signs Merchant and Payment Gateway



Today's Merchant Solution

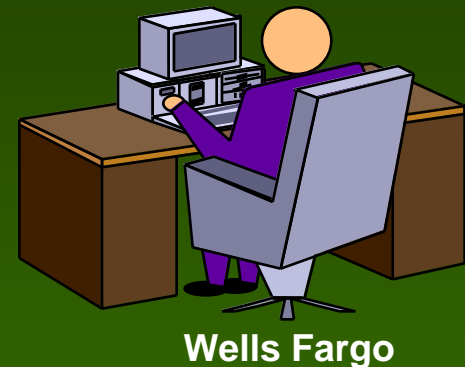


How to obtain a Digital Certificate

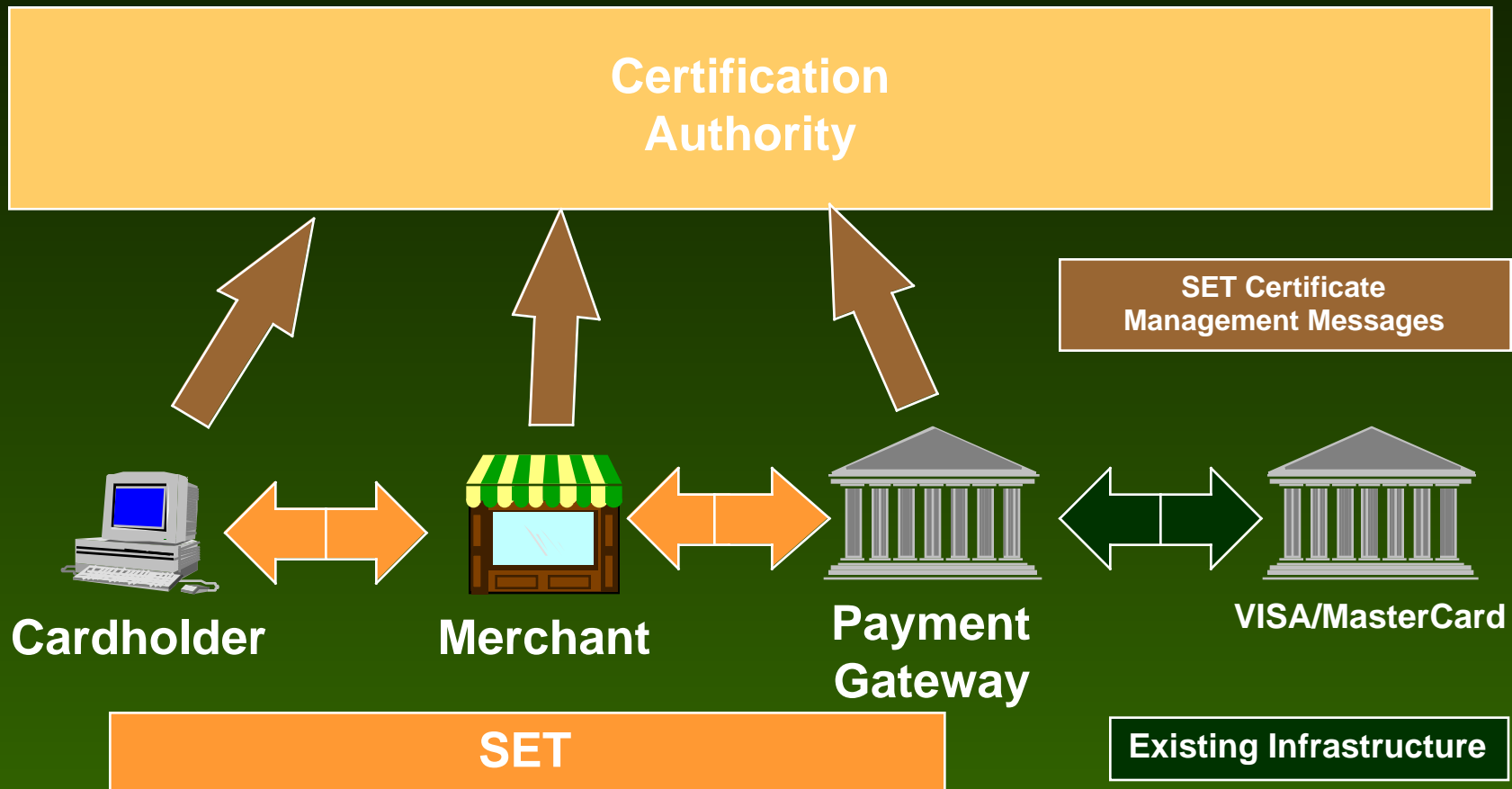
- Merchants applies for account with Bank
- Receives software from Bank (Wells-specific vPOS)
- Merchant uses software to generate public/private key pair
- Sends certificate requests over Internet
- Registration authority (RA) validates, authenticates and approves request
- Pick-up certificates from secure web site
- Load / configure certificates into software

Security over Certificate Process

- Security over key storage in software
- Certificate site access controls
- Authenticate merchant request by RA
- E-mail confirmation



Future Merchant Solution



Key Issues for Full SET Solution

- Impact on Fraud
- Credit Card Issuer Value Proposition
- Consumer Experience

SET impact on Fraud

- Electronic Commerce vs. MO/TO and in-person transactions
- Reduced transaction processing rates for financial institutions / merchants
- “Perceived” security to cardholder

Card Issuer Value Proposition

- Cost of infrastructure
- Potential lower MO/TO rates
- CyberMarket growth
- Building infrastructure to manage
- Resources to maintain infrastructure

Consumer Experience

- Logistical issues
- Portability of electronic identity in software
- Managing multiple certificates
- Convenience

Answering the SET Dilemma

- 1. Reduce Fraud
- 2. Card Issuer Value Proposition
- 3. Consumer Experience



SET Chip card!

Summary

- Made great progress in 1996
- Ahead - Fusion of SET & Smart Card technology
- Critical to advancement and success of Electronic Commerce