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How to make the most of a virtual card for online payments?

Complementary to physical payment cards, in particular to numberless cards, virtual cards make online payments safer and put cardholders in control.

PAYMENT

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Virtual cards, or more precisely Virtual Card Numbers (VCN), are digitally displayed on the online banking space of users and are designed for online payments. Instantly generated and available on the consumer's digital banking interface with a secured access, they offer new possibilities to the consumers, and more opportunities for the issuers to blend the physical card with the real-time and interactive aspects offered by the smartphone, to create a fantastic payment experience.

Virtual cards, real purchases

A virtual card is almost **functionally identical** to a physical payment card, with one exception: a virtual card is digitally displayed on a mobile banking application or online banking website. Whether it is generated for one-time or several payments, it includes all the information needed to pay. The 16-digit Primary Account Number (PAN), the expiration date, and the CVV are displayed exactly as they would on a physical payment card.

Virtual cards enable online payments and offer innovative features, with the access secured thanks to the **cardholder's authentication** to the mobile banking application such as fingerprint verification. They hence create a **safe, convenient, and more controlled** spending experience; and help the banks and FinTechs gain competitive traction, by bringing more options to consumers, and more possibilities for a secure customer experience.

According to **Digital Card Usage: A Path Forward** (an IDEMIA study in collaboration with PYMNTS), 36% of consumers are very or extremely comfortable using virtual cards at a merchant's checkout page. What are the use cases and the main benefits of using such payment cards?

1. Immediate access after opening an account

Let's say you've just opened a bank account: why wait for your physical payment card to be manufactured and shipped to be able to use it for online purchases?

A virtual card can be generated by the user right after opening an account—a feature greatly appreciated. The IDEMIA/PYMNTS survey shows that more than 1/3 of consumers (38.2%) use digital cards online *precisely* because they save them from waiting for a physical card in the mail. This unmatched **immediacy and convenience** create a unique set of benefits, fostering client satisfaction, but also driving usage of payment cards and generating more transactions

from the very beginning of the relationship with customers.

2. A great solution in case of a lost or stolen card

This is another use case that speaks highly in favor of virtual payment cards: in case of a lost or stolen physical card, virtual cards offer a great alternative or temporary solution. They can be requested and **generated on-demand, anytime and anywhere** in the mobile banking app. No more purchases suddenly denied, no more days wasted checking your mailbox, no more frustration of not being able to make payments, no disruption in the payment experience... Consumers can immediately start using their virtual cards for online payments. The result? This continuous access to a payment means is a great way to customer satisfaction.

3. A complementary payment method for numberless cards

Smartphones and banking apps are clearing the path for real-time and innovative features. They create a world where cards and mobile phones coexist and, rather than compete; complementing each other to offer a completely integrated customer experience. This complementarity of the physical and virtual worlds in payments is demonstrated by the way virtual cards and numberless cards co-exist. Numberless cards only show the cardholder's name, but none of the information usually printed on traditional payment cards, such as the card number and expiry date. This increases privacy and security levels, further reducing the risk of online fraud in the case the physical payment card is lost or stolen. To make a payment online, cardholders simply login to the bank's mobile app, verify their identities and access their card details and security code to pay online. A true revolution that makes online payments even more secure and creates a convenient customer experience.

4. Customers are in control

Virtual payment cards can be generated and displayed on demand. That means that a cardholder can not only generate as many Virtual Card Numbers as they need, but also set up each one of them for the specific use case intended. For example, a virtual card can be limited to a number of online payments, to certain amount per transaction or for a cumulative amount. A customer can also create a virtual card and restrict its usage for one or several merchants and set a time limit for validity. Cardholders keep control over their virtual cards for optimal management of their payment means and spending.

Enabling new use cases

Creating a virtual card for relatives or offering a gift card

Users can generate virtual cards with a given array of settings, like the maximum amount allowed to offer a gift card to a friend. The benefactor only has to select an amount and communicate the Virtual Card Number to the beneficiary.

It is also true for relatives, such as for kids, for whom the cardholder can easily generate a virtual card with a predefined amount and/or a limited timeframe. A cardholder can also create a virtual card dedicated—and limited to—a specific merchant to control spending. The cardholder can also follow the cumulative amount used by the relative and top up the card when needed.

Smart, virtual corporate cards

In the professional context, virtual cards can be created and made available for a given employee for a given use case such as a business trip or event organization; they thus offer a great alternative to both physical corporate cards and the use of personal payment cards for business purposes.

Made available instantly, they greatly **simplify the organization and funding of business trips**, removing the need to undergo tedious reimbursement processes, while giving the business improved visibility on spending, as well as more control on spending limits. And there is still no hassle in having the cards mailed, delivered, received, carried, or destroyed.

Banks, users… Everyone is a winner

The banking ecosystem is well aware of what the consumer wants: simplicity and instantaneity—innovative services don't hurt, either. To cater to these evolving consumer expectations, offering a broad spectrum of services is crucial. **Virtual cards give consumers the keys to their own banking experience**, offering adaptable services that can fit all their needs.

IDEMIA is as the forefront of the digital revolution of payments. To define "The path forward", our study conducted with PYMNTS examines the key drivers behind digital card adoption. Our goal: to provide the best solutions to banks and FinTechs, so that they can offer their clients this flexible and immediate payment means with more transparency and control. It is a great way for banks to increase customer satisfaction, boost customer acquisition and retention. And maintain a competitive advantage in a fierce market.