

Legal regulation of the strong customer authentication

Abstract

The subject of this rigorous thesis is the legal regulation of strong customer authentication. Its aim is to create an overview of the existing legal regulation of strong user authentication, to point out the shortcomings of this regulation, to propose related solutions and to evaluate the impact and effectiveness of its adoption. In the introductory part, the author first describes the existing legal regulation of payment transactions, the types of payment systems under which electronic payments are settled and analyses the individual payment services under the Czech payment transactions act and the persons authorized to provide them. The author concludes this section with a brief historical development of the regulation and an overview of the effective legislation in this area both in the Czech Republic and the European Union.

In the next part, the author discusses the concept of strong customer authentication, the development of its legal regulation, its comparison at the EU and Czech level and then analyses its individual elements from the categories of knowledge, possession and inherence and the requirement for their mutual independence. This is followed by an analysis of the specific situations in which people authorized to provide payment services are obliged to use strong customer authentication. This section also includes a list of all nine exceptions to the strong customer authentication obligation.

In the last part, the author first discusses the topic of behavioral biometrics, its types and provides an analysis of its pros and cons. This is followed by an analysis of the current and potential future role of behavioral biometrics in the context of strong user authentication and electronic payments security. Next, the author makes a framework comparison of the different legal regimes in countries outside the EU to illustrate the international role of strong customer authentication. The comparison of international regulations is followed by an analysis of some of the pitfalls of the current legal regulation and reflections on viable solutions. Finally, the author then analyses the impact of the introduction of this legislation and its implications for the field of electronic payments.

Key words:

Two-factor authentication, strong customer authentication, electronic payments security