

The Cross-Border Playbook: EEA and Brazil Markets

Winning card payments in the EEA & Brazil — and why the declines costing you the most revenue were never about money.

Executive Summary

This World Cup has produced an unlikely coincidence: the two markets at the center of this paper are on a literal collision course. Brazil, unbeaten and playing like the tournament's most complete side, is through to the Round of 16 — where it could draw Norway, if Norway gets past Côte d'Ivoire first. One bracket, and the exact two markets this paper is built around.

That's not a coincidence worth mentioning by accident: Brazil and the EEA (of which Norway is a member) are the two markets that give cross-border merchants the most trouble — for opposite reasons. Sell into Brazil from a Europe-based site and you're the visiting side: unfamiliar acquirer, unfamiliar format, an issuer risk engine that treats a foreign card like an intruder. Sell into Norway, or anywhere else in the EEA, and you're nominally playing at home — same region, familiar rules — except PSD2's Strong Customer Authentication can just as easily cost you the sale through a 3DS challenge nobody needed. One market's problem is being the visitor. The other's is beating itself with unforced errors. This paper is the playbook for both.

Because in both markets, the scoreline that matters most is the one nobody puts on a screen: when the same product is bought with the same kind of card, one shopper sails through and another is declined — and the outcome is usually decided by geography and message configuration, not by who had the funds. This is the single largest pool of recoverable revenue most cross-border merchants are leaving on the table.

40–70%

of card declines are recoverable —
not hard demand loss

~\$443B

drained from global e-commerce
each year by false declines

15–25%

higher decline rates on cross-
border vs. domestic transactions

What the data actually shows

Fraud isn't the villain. For every \$1 lost to actual fraud, the industry loses roughly \$13 to false declines — good customers wrongly turned away. The bigger threat to your revenue is your own configuration, not the fraudster.

Cross-border is an away game by design, not by accident. Issuers see roughly a tenth of card volume cross-border but a majority of card-fraud losses from it, so risk models flag anything "foreign" by default — a 25–40 point approval gap (50–60% cross-border vs. 85–92% domestic) that has nothing to do with the buyer's creditworthiness. Re-routing through local acquiring turns that away game into a home one: one retailer case in this paper saw approval climb from 67% to 86% simply by going local-to-local in Brazil.

"Home" traffic isn't automatically safe either. Inside the EEA, PSD2/SCA pushes a large share of domestic transactions into 3DS challenges that were never required — an unforced error, not a regulatory one. Done well, SCA is nearly invisible (2–5% abandonment); done poorly, it can cost 40%+ of the sale.

The fixes are all controllable, but not simple. Two regions, two rulebooks — EEA exemptions and 3DS data quality; Brazil local acquiring, combo cards, and installments — and the levers interact with each other and with 15,000+ issuers' shifting preferences. That complexity is exactly why the merchants recovering the most revenue treat authorization as a continuous optimization problem, not a one-time fix.

What this paper covers

We double-click into each piece of that picture, in order:

1. **Why declines aren't what they look like** — the fraud vs. false-decline math, and the three root causes — wrong routing, wrong message, wrong authentication — behind most "avoidable" declines.
2. **The cross-border penalty** — why issuers treat foreign transactions as an away game, and what changes when you go local.
3. **The home-team trap** — how SCA/3DS friction quietly costs EEA merchants conversion they were never required to give up.
4. **Two market playbooks** — element-by-element fixes for the EEA and for Brazil, mapped to specific fields in the authorization message.
5. **Why this is hard to do by hand** — the combinatorics of issuers, BINs, and card classes that make spreadsheet-level analysis fall short.
6. **How to start** — a diagnostic-first path to a measurable pilot in 4–6 weeks — no re-platform required.

About Apex Payment Intelligence

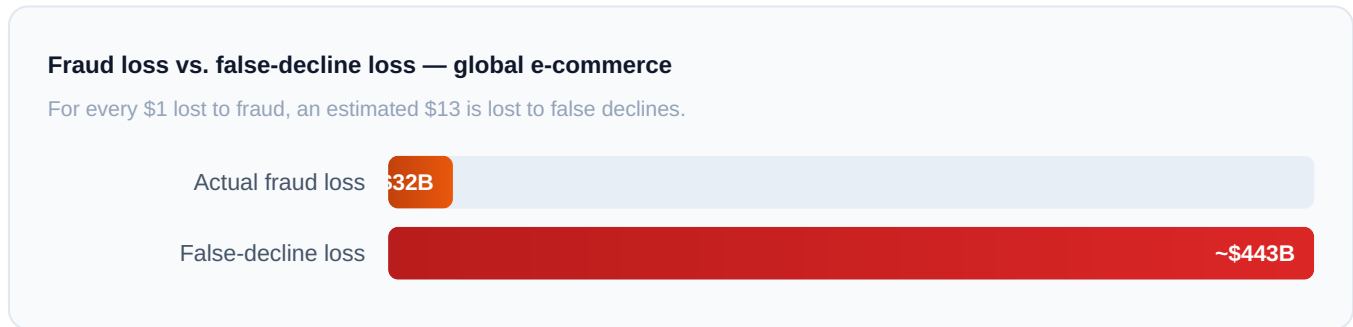
Apex Payment Intelligence is an AI-powered authorization optimization platform built for merchants selling across borders. We continuously analyze declines across issuer, BIN, country, MCC, authentication path, and token type; rank recovery opportunities by revenue impact; and help merchants execute the routing, message, and authentication fixes market by market — learning from every transaction rather than waiting for a quarterly review. The playbooks in this paper are drawn directly from that work in the EEA and Brazil.

The whistle hasn't blown. Whether your buyers are shooting from across a border or from the penalty spot, the result isn't set in stone — and the revenue comes back once you localize the play.

SECTION 01

Declines aren't what you think

The instinct is to read a declined transaction as "the customer had no money." The data says otherwise. The majority of declines are **recoverable** — wrong path, wrong message, wrong timing — and the biggest line item isn't fraud. It's **false declines**: good customers wrongly turned away.



A false decline is doubly expensive: you lose the sale, you frustrate a legitimate buyer, and you burn the marketing spend that brought them to checkout. Worse, blocked customers often don't retry — they buy from a competitor whose payment stack simply said "yes."

The three things that actually cause "avoidable" declines

Root cause	What's really happening
Wrong routing	The transaction is sent down a path the issuer distrusts — typically cross-border — when a domestic path was available.
Wrong message	Missing or mis-set fields: thin 3DS data, no exemption flag, wrong token type, unlinked installment/MIT markers, a non-localized descriptor.
Wrong authentication	A transaction pushed into a step-up 3DS challenge it didn't need — adding friction that makes the buyer abandon.

The good news in that table: **every one of these is a configuration you control**. None of them require the customer to do anything differently. That is what makes the revenue recoverable.

Figures are public industry benchmarks (2025) and vary by sector, ticket size and geography. Treat them as order-of-magnitude, not guarantees; recovery should be re-estimated on your own transaction data.

SECTION 02 · THE AWAY GAME

The cross-border penalty and more

When a buyer sits outside the merchant's region — a shopper in São Paulo buying from a Europe-based site — the transaction crosses a border, and issuers treat it like an away game in a hostile stadium. The same card that breezes through at home gets blocked abroad.

Illustrative approval rate by routing path

A locally-issued card approves far better on a domestic path than the same card sent cross-border.



Why issuers distrust the visitor

It isn't arbitrary. Cross-border transactions are roughly **a tenth of card volume but carry the majority of card-fraud losses** in markets like the euro area — so issuer risk engines reflexively decline anything that looks foreign. Layer on top:

- **No local context.** The issuer doesn't recognize the acquirer, the BIN routing, or the transaction format, so it can't score the transaction with confidence.
- **FX & fee friction.** Cross-border carries interchange + international acquiring fees + currency conversion — more expensive and lower-yield even when it approves.
- **Behavioral mismatch.** Local payment habits (e.g. installments) look like anomalies to a foreign risk model and get flagged as suspicious.

The fix in one move: stop playing away. Routing through **local acquiring and domestic rails** makes the issuer see a familiar, domestic transaction — recognized acquirer, recognized format — and approvals climb. We detail the Brazil version of this in Playbook A, next.

SECTION 02 · ... AND MORE

The Brazil mechanics that get mishandled

Crossing the border is only the first tax. Brazil layers on three local card mechanics that foreign stacks routinely get wrong — and each one quietly declines a good, funded transaction.

Combo cards — mishandled

Most Brazilian cards are **combo cards**, carrying both a **debit (débito)** and a **credit (crédito)** function on one piece of plastic. Foreign stacks routinely submit the **wrong function**, and the issuer declines it outright — funds present, sale lost. And because only crédito supports installments, a mis-classed card kills the installment sale before it even starts.

Installments (parcelado) — mishandled

Installment purchases — **parcelado** — are the Brazilian default, yet foreign risk models misread the pattern as velocity abuse and **decline it**. Worse, each later installment is a **merchant-initiated transaction (MIT)**; if it isn't linked back to the original purchase, it declines too — or silently breaks reconciliation.

Descriptors — mishandled

Finally, an opaque or English-only **statement descriptor** leaves the Brazilian cardholder unable to recognise the charge. A perfectly good purchase then curdles into a **dispute or chargeback** — a loss booked well after checkout.

The pattern is the same as cross-border: none of these are "no money." They're **configuration errors** on transactions the customer fully intended to complete — which is exactly why they're recoverable. The Brazil playbook, next, is how you stop mishandling them.

PLAYBOOK A

The Brazil playbook

Brazil is the textbook cross-border case — and the textbook recovery. One structural move does most of the work; a handful of local details do the rest.

THE SINGLE BIGGEST LEVER

Go local-to-local with a multi-PSP structure

A cross-border transaction can't be patched field-by-field into a domestic one — it has to be **re-routed**. Add a **local Brazilian acquirer / PSP** to your stack (e.g. Stone, dLocal, EBANX) and the transaction earns a **true local — domestic — MID**. It is now processed **local-to-local**: the issuer sees a domestic acquirer, a domestic format and familiar risk signals, and approves it like any other Brazilian purchase.

+25%

or more payment success uplift

Published retailer case — moving to local processing



A **multi-PSP** setup is what makes this practical: keep a global PSP for reach, and route Brazilian traffic to the local acquirer that converts it best — per BIN, per card class — without re-platforming.

But local routing only gets the transaction in the door. What decides whether it actually approves is how you handle Brazil's two local card mechanics — **combo cards** and **installments**. That's next.

PLAYBOOK A · CONTINUED

Then win the local card game

Local routing gets the transaction in the door. Two Brazil-specific mechanics decide whether it approves — how the card is classed, and how installments are flagged. Both are invisible to a foreign stack, and both decline silently when they're wrong.

1 · Combo cards — débito or crédito?

Most Brazilian cards are **combo cards**: a single card carrying **both a debit (débito) and a credit (crédito) function**. The network sees one card, but the transaction must declare which rail it runs on — submit the wrong function and the issuer declines it outright, even with funds available.

It isn't a free choice: **only crédito supports installments**, débito and crédito route through different domestic schemes with different approval behaviour and cost, and the best class shifts by issuer and BIN. Choosing it correctly **per transaction** — not with a static default — is one of the highest-impact, least-understood levers in the market.

The fix: pick the card class per transaction (issuer/BIN-aware), defaulting to crédito when the shopper wants installments — never a blanket setting.

2 · Installments (parcelado) — flag them, don't fear them

Installments — **parcelado** — are the default way Brazilians buy online: one purchase split into N monthly terms, **sem juros** (interest-free, merchant-funded) or **com juros** (interest-bearing). To a foreign risk model that pattern looks like velocity abuse and gets declined; to a local one it's routine.

Two things must be right. The authorization has to carry the **correct installment fields** — number of terms and interest treatment — so the issuer reads it as a legitimate parcelado sale. And because each later installment charge is a **merchant-initiated transaction (MIT)**, it must be **linked back to the original cardholder-initiated purchase (CIT)**; unlinked, those follow-on charges decline and break reconciliation.

The fix: send accurate parcelado terms up front, and mark every installment as an MIT linked to the initial CIT so the whole series approves — not just the first charge.

3 · And localize the descriptor

Finally, an opaque or English-only **statement descriptor** leaves cardholders unable to recognise the charge — driving avoidable disputes and chargebacks. A **localized descriptor** they recognise removes a slice of losses that never had to happen.

SECTION 03 · THE OWN GOAL

The home-team trap: SCA friction in the EEA

If cross-border is an away game, surely intra-region traffic is a home win? Not quite. The EEA runs on **PSD2 and Strong Customer Authentication** — and a large share of those "easy" domestic transactions get pushed into a **3DS challenge** (a one-time passcode, a redirect into a banking app). Every step is a chance to lose the buyer.



The difference between those two columns is rarely the customer — it's whether the merchant **claimed the exemptions the transaction already qualified for** and **sent enough data for the issuer to grant a frictionless flow**. Get it wrong and you force a challenge nobody needed; in some EEA markets, friction-driven abandonment can exceed **40%**.

The two levers that decide it

Lever	What it does
SCA exemptions TRA · low-value · trusted beneficiary	Legitimately skip the challenge for eligible transactions (low value, low risk, whitelisted merchant) — keeping the flow frictionless while staying compliant.
Rich 3DS data device · context · history	Give the issuer's ACS enough signal to authenticate silently. Thin data pushes the issuer toward a challenge — or an outright decline.

Compliance is not the enemy of conversion. SCA done well is nearly invisible. The revenue leak is friction you added by accident — an own goal — not friction the regulation required.

PLAYBOOK B

The EEA playbook

Six element-level moves that recover conversion in PSD2/SCA markets without touching compliance. Each maps to a specific field in the authorization message.

Pain	What goes wrong	The fix
Forced challenge friction	Eligible transactions get a step-up they didn't need; mobile buyers abandon on the app switch.	Apply the right SCA exemption (TRA, low-value <€30, trusted beneficiary) and the correct challenge indicator.
One-size exemption logic	The same <€30 rule is enforced differently by country and issuer — some French banks won't grant it above ~€10, and an exemption lapses once a card trips the cumulative counter.	Keep a per-issuer / per-country exemption profile and track each card's exemption counter, so you only claim an exemption where it will actually be honoured.
Thin 3DS data	Sparse device/context data → issuer leans to challenge or decline.	Enrich the 3DS message so issuers grant frictionless; completion can swing 30–40 points.
Uniform 3DS everywhere	Every eligible transaction gets full authentication even where a lighter path would pass just as safely.	Match the 3DS version and flow to each issuer to keep low-risk flows frictionless instead of challenging by default.
Mishandled token / COF	Reusing a wallet token for a card-on-file repeat loses the cryptogram; PAN repeats draw fraud flags.	Use the correct token type and migrate stored cards to network tokens .
Un-linked MIT	Subscription / repeat charges not linked back to the original consent get declined.	Mark MITs correctly and link them to the initial CIT.

The hard part: one rulebook, uneven enforcement

PSD2/SCA is one regulation, but enforcement varies by country and issuer — an exemption honoured in one market is stripped in the next, and the real thresholds shift by bank. A simple rule on paper becomes a pattern-recognition problem in production:

The French "€10, not €30" bar. The low-value exemption is defined as <€30, but several French issuers quietly refuse it above ~€10. Claim it at €25 and the payment is force-challenged anyway — friction you invited for nothing.

The 5-then-1 counter. Under the RTS, low-value exemptions are capped by a cumulative counter: roughly every ~5th exempted transaction (or once cumulative spend crosses the cap) the next one must be authenticated. Miss where a card sits in that count and your "exempt" transaction is declined or stepped up.

The fix isn't one setting — it's **reading these patterns per issuer and card, then routing accordingly**: claim an exemption only where it's honoured, pre-empt the counter with low-friction 3DS, and fall back when it won't. That discipline is the gap between **~82% and ~88%** in the same market.

SECTION 04 · THE REAL CHALLENGE

Knowing the fixes is easy. Executing them, at scale, is not.

Every move in both playbooks is individually sensible. The difficulty is that the fixes are **numerous, tightly coupled, and market-specific** — and the right answer changes by issuer, by BIN, by card class, by transaction.

Why the search space explodes

- **Thousands of issuing banks, each with its own preferences.** Visa alone counts **15,000+ issuers** globally; what earns a frictionless approval at one bank triggers a challenge or a decline at the next — and those preferences drift over time.
- **The elements interact.** Routing changes the acquirer; the acquirer changes which exemption you can claim; the exemption changes whether 3DS challenges; the challenge changes abandonment — which changes the issuer's next risk decision. Tune one lever in isolation and you can move another the wrong way.
- **Two regions, two rulebooks.** The EEA leans on SCA exemptions and 3DS data quality; Brazil leans on local acquiring, combo cards and installment-heavy MITs. Same goal, different playbook — and most merchants run both at once.

The result: the biggest wins are usually buried in **a handful of specific issuer / BIN / element combinations** — nearly impossible to find by eyeballing decline codes in a spreadsheet, and changing faster than a quarterly review cycle can keep up.

What actually moves the needle

Teams that recover the most revenue lean on a **payment analytics or consulting layer** — built in-house or brought in — that does three things well: **dissect declines across many dimensions** (issuer, BIN, country, MCC, authentication path, token type), **rank the issues by revenue impact** so effort goes where the money actually is, and **execute and learn per transaction** rather than in quarterly batches. Whether you build that capability or buy it, the principle is the same — optimize the *whole bundle of elements together*, measure honestly, and let each outcome sharpen the next decision.

FROM INSIGHT TO RECOVERED REVENUE

How to start — and see numbers in weeks

You don't need a re-platform or a big-bang migration. Start with a diagnostic on your own data, then pilot the single market with the most to gain.

Step	What happens
1 • Diagnose	Analyze 30–90 days of transactions across issuer, BIN, country, MCC, authentication path and token type — and rank the recovery opportunities by revenue impact.
2 • Prioritize	Pick the few issuer / element combinations that move success rate the most — usually a short list, not a hundred tweaks.
3 • Pilot one market	Brazil local-to-local + combo, or EEA 3DS / SCA — measurable results in 4–6 weeks .
4 • Scale & learn	Calibrate on measured recovery, then roll out — with every outcome feeding the next decision.

Want to see where your revenue is leaking?

A market-by-market read of recoverable approval and cost — on your own transaction data — is the fastest way to know what's worth fixing first. Apex can run one with you, or point you toward the right approach.

[Start a payments diagnostic →](#)

Disclaimer: All figures in this paper are public industry benchmarks or illustrative examples and are not a commitment of results. Approval and cost outcomes vary by merchant, market, ticket size and risk profile, and should be re-estimated on real transaction data. References available on request.

Apex · Payment Intelligence

The whistle hasn't blown.

Whether your buyers are shooting from across a border or from the penalty spot, the result isn't set in stone. Localize the play — market by market, transaction by transaction — and the revenue comes back.

Apex Payment Intelligence

AI-powered authorization optimization for merchants selling across borders — higher approvals, lower cost.

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