CLAIMS

What is claimed is:

1. A payment system, comprising:

a financial institution comprising:

an acquirer portion;

a payment network portion; and

an issuer portion;

wherein the acquirer portion communicates with the issuer portion via the payment network portion;

a merchant having a merchant-acquirer relationship with the financial institution, the merchant in communication with the acquirer portion using a first network; and

an electronic device associated with a customer comprising at least one computer processor executing a payment application;

wherein:

the acquirer portion receives, from the merchant, at least one device credential and a payment credential that were received from the payment application in conjunction with a transaction, the acquirer portion further receiving transaction data for the transaction from the merchant;

the acquirer portion performs a first validation assessment on the transaction based on the transaction data;

the payment network portion receives, from the acquirer portion, the device credential, the payment credential, the transaction data, and the first validation assessment;

the payment network portion performs a second validation assessment on the transaction based on the transaction data;

the issuer portion receives, from the payment network portion, the device credential, the payment credentials, and transaction data from the acquirer portion; and

the issuer portion identifies and authenticates the customer based on the device credential, the payment credential, and at least one of the first validation assessment and the second validation assessment.

2. The system of claim 1, wherein at least one of the acquirer portion and the payment network portion is associated with a partner of the financial institution.

3. The system of claim 1, wherein the acquirer portion performs the first validation assessment on the transaction based on the transaction data and data retrieved from a third party data source.

4. The system of claim 3, wherein the third party data source comprises at least one of an address database, and an identity verification service.

5. The system of claim 3, wherein the third party data source comprises at least one of a fraud database, an IP address database, and a device information database.

6. The system of claim 1, wherein at least one of the first validation assessment and the second validation assessment comprises a risk score.

7. The system of claim 1, wherein the acquirer portion provides the first validation assessment to the payment network portion.

8. The system of claim 1, wherein the payment network portion performs the second validation assessment on the transaction based on the transaction data and data retrieved from a third party data source.

9. The system of claim 8, wherein the third party data source comprises at least one of an address database, and an identity verification service.

10. The system of claim 8, wherein the third party data source comprises at least one of a fraud database, an IP address database, and a device information database.

11. The system of claim 1, wherein the payment network portion provides the first validation assessment and the second validation assessment to the issuer portion.

12. The system of claim 1, wherein the payment network portion updates the first validation assessment with the second validation assessment, and provides the second validation assessment to the issuer portion.

13. The system of claim 1, wherein the issuer portion further performs a first validation assessment on the transaction based on the transaction data and data retrieved from a third party data source.

14. The system of claim 13, wherein the third party data source comprises at least one of an address database, and an identity verification service.

15. The system of claim 13, wherein the third party data source comprises at least one of a fraud database, an IP address database, and a device information database.

16. A method for authenticating a transaction, comprising:

at a financial institution comprising an acquirer portion, a payment network portion, and an issuer portion:

the acquirer portion receiving, from the merchant, at least one device credential and a payment credential that were received from the payment application in conjunction with a transaction, the acquirer portion further receiving transaction data for the transaction from the merchant;

the acquirer portion performing a first validation assessment on the transaction based on the transaction data and first data retrieved from a first data source;

the payment network receiving, from the acquirer portion, the device credential, the payment credential, the transaction data, and the first validation assessment;

the payment network portion performing a second validation assessment on the transaction based on the transaction data and second data retrieved from a second data source;

the issuer portion receiving, from the payment network portion, the device credential, the payment credentials, transaction data from the acquirer portion and the first validation assessment, and the second validation assessment; and

the issuer portion identifying and authenticating the customer based on the device credential, the payment credential, and at least one of the first validation assessment and the second validation assessment.

17. The method of claim 16, wherein the first data source and the second data source comprises at least one of the following: an address database, and an identity verification service.

18. The method of claim 16, wherein the first data source and the second data source comprises at least one of the following: a fraud database, an IP address database, and a device information database.

19. The method of claim 16, further comprising:

the acquirer portion denying the transaction based on the first validation assessment.

20. The method of claim 16, further comprising:

the payment network portion denying the transaction based on at least one of the first validation assessment and the second validation assessment.