Experian
Learning Day
København, Lyngbyvej 2

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25 februar 2020

Beskyt din forretning

Jon Marius Bru
Sales Engineer

Hele din kunderejse på en dag

Protect

Prospecting

Onboarding

Customer management

Collections

Comply

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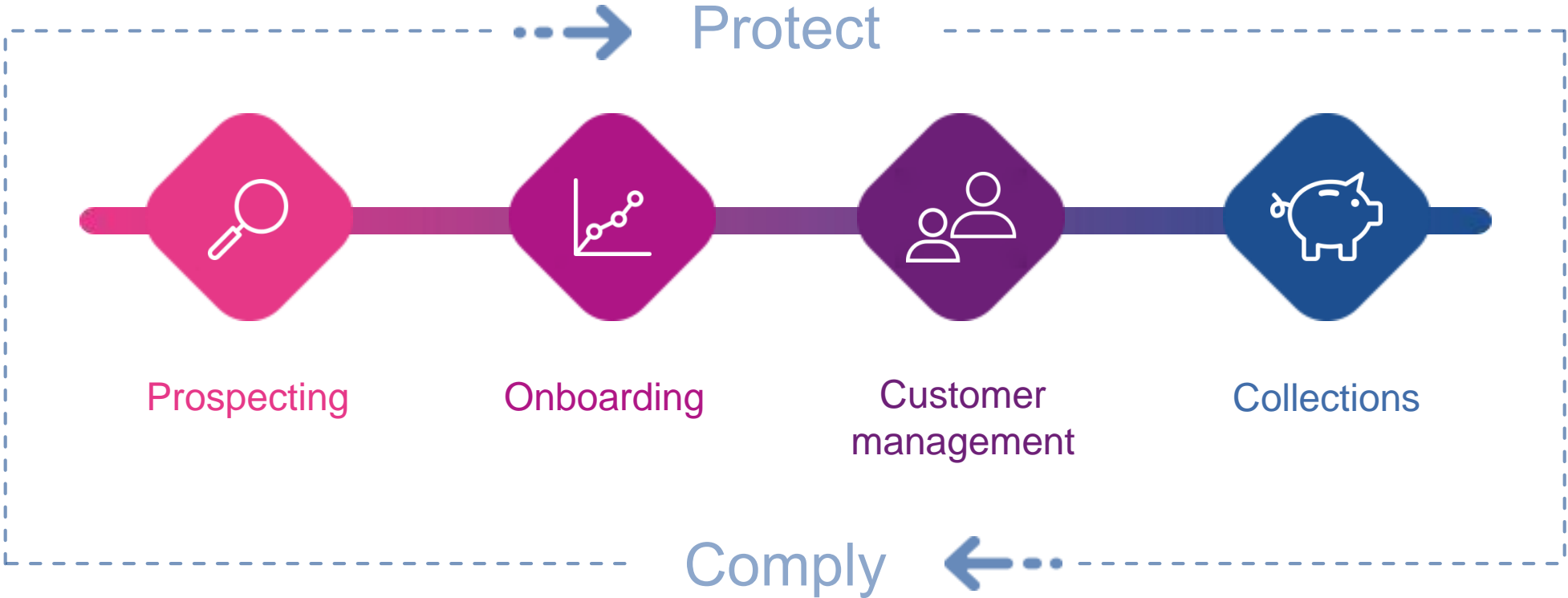
Fraud

In law, fraud is intentional deception to secure unfair or unlawful gain, or to deprive a victim of a legal right.

Fraud can violate civil law, a criminal law, or it may cause no loss of money, property or legal right but still be an element of another civil or criminal wrong.

The purpose of fraud may be monetary gain or other benefits like obtaining and using a false identity.

What are we talking about today?

1

Statistics and information from the Nordics and global research

2

ID theft, synthetic identities, fraud when onboarding new clients and products

3

Where is Experian positioned within Fraud?

4

Case story

African airline

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Information and research
published by Experian

Experian is doing a lot of research about ID and Fraud globally and in EMEA

Latest Experian research about Fraud

- 2019-Global-Identity-and-Fraud-Report

- EMEA Fraud report 2019

- Experian 2020 Global Identity & Fraud Report

- and many more, links usually shared on LinkedIn

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95% of businesses are confident they can accurately identify their customers yet **55%** of consumers don't feel recognized

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Nordic scale, Trends and threats

Source: NorSIS rapporten "Trusler og trender 2019-2020"

Fakta: Hackerangreb kostede Mærsk over en milliard kroner

Det store hackerangreb, der skabte ravage i Mærsks operationer i juni og juli, blev en dyr fornøjelse.

Identitetstyveri: Henriette snydt for flere hundrede tusinde kroner

Mistanke om misbrug: 14.000 betalingskort skal udskiftes

Svindlere henvender sig via opkald, e-mails, fysiske breve og sms'er

INDLAND

Identitetstyveri: Gymnasieelev blev ufrivilligt direktør

6 UD AF 10 ER BLEVET RAMT AF SVINDEL

Flere og flere netbutikker kæmper hver dag imod svindlere, der forsøger at snyde butikkerne for varer og penge. Det koster mange ressourcer for den enkelte netbutik, ressourcer der ville skabe mere værdi for alle, hvis de blev brugt anderledes.

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Can we trust that consumers are protected?

55% of business globally have experienced **more** fraud losses in the last year

14.4 million consumers fell victim to fraud in 2018

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Businesses are reporting **57%** higher losses associated with account opening and account takeover fraud, compared to **55%** in 2018 and **51%** in 2017

The reality of the Dark Web

High availability, easy to use and anyone can take part

You can easily find websites that sell and share personal information, e-mail addresses, credit card numbers and so on

A few well known words in google gets you tools and know-how for a few $

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Defending Data from the Dark Web

Convenience creates complacency when using the internet

If it saves time we don't question it

We don't care how, so long as we receive value

We believe what we are told without investigating

What is the threats?

Financial

Bank account cleared out, credit score ruined, and jobs and valuable possessions taken away

Criminal

Arrested for crimes you didn't commit, denied employment due to fraudulent criminal records

Emotional

Stress and emotion if you become a victim of Identity Theft

«80% of Cybercrime starts with Identity Theft»

Benefits with CSID product, *Protect your clients, your business and get a business advantage over your competition*

Protect Your Customers and Employees

Instill Customer Confidence and create more touchpoints

Enhance Brand Reputation and brand loyalty

Extensive Monitoring

In excess 9bn of records

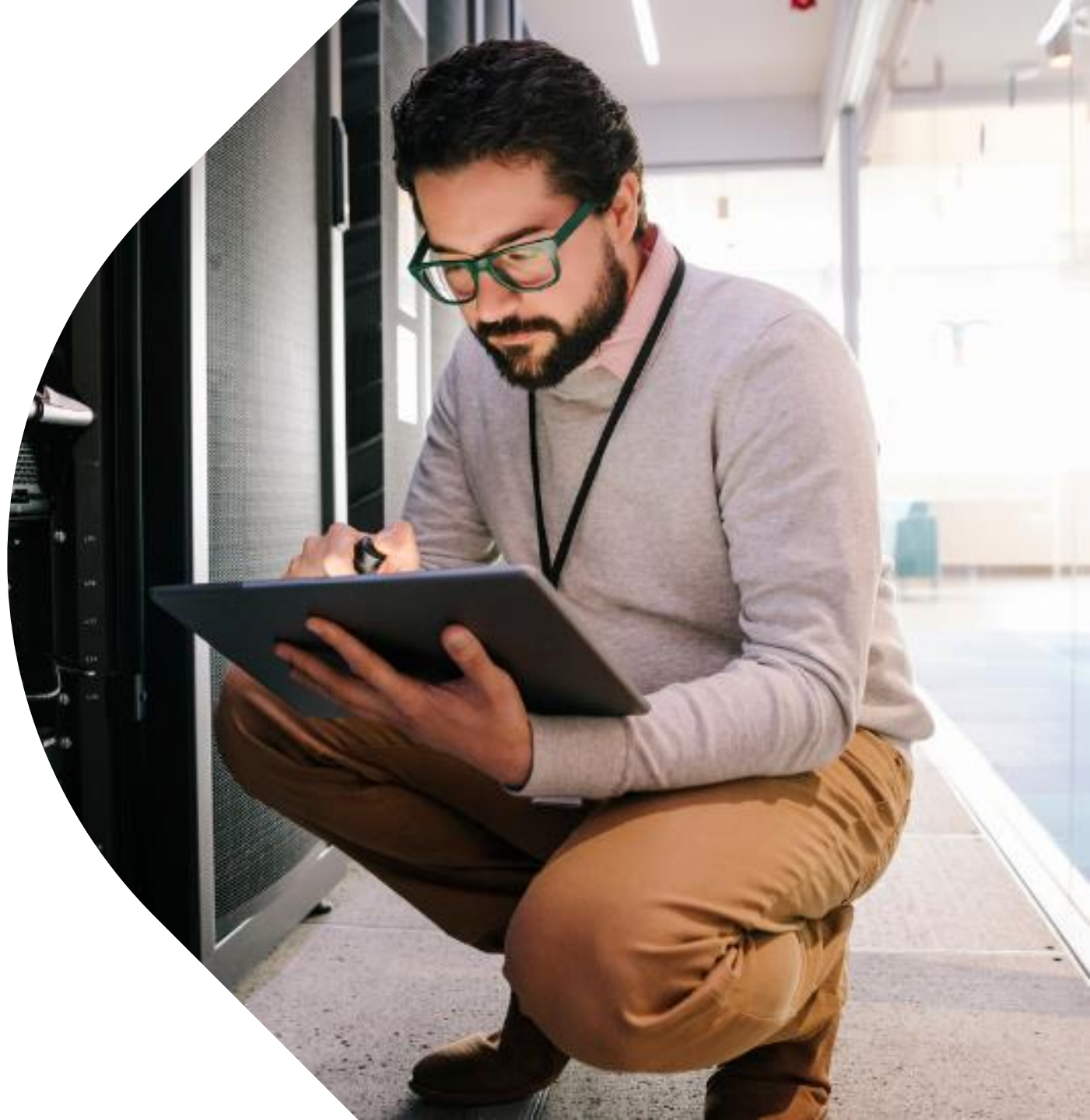**Little Or No Technology Implementation Costs**

Reduce Fraud Related Costs

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88% of consumers say their perception of business is improved when there is investment in the customer experience, including security

Main KPIs evolution 2018-2019
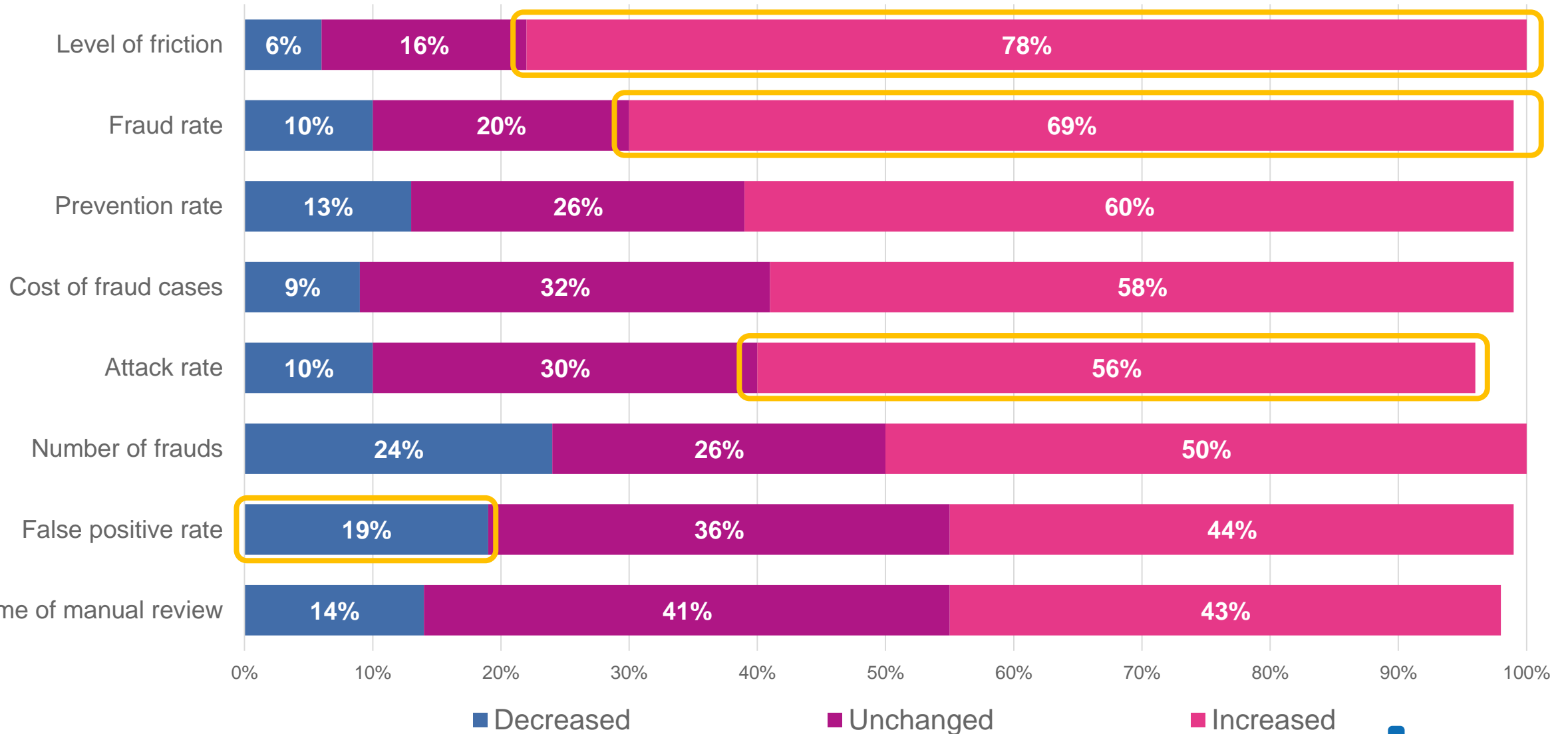
	Decreased	Unchanged	Increased
Level of friction	6%	16%	78%
Fraud rate	10%	20%	69%
Prevention rate	13%	26%	60%
Cost of fraud cases	9%	32%	58%
Attack rate	10%	30%	56%
Number of frauds	24%	26%	50%
False positive rate	19%	36%	44%
Volume of manual review	14%	41%	43%

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Only **57%** of businesses say they consider advanced analytics, like artificial intelligence, for identity authentication and even less are using modern tools like machine learning

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Market Trends *The environment within which we operate remains fast-moving and is characterized by the continual emergence of new threats, technologies and competitors*

ID and Fraud Trends

Increased Account Opening, Synthetic Identity and eCommerce Fraud from Compromised Data

Increasing Regulation and Resulting "Techlash" (GDPR, Open Banking, CCPA, PSD2, 3DSecure)

Cybercrime Criminals are Highly Organized Leveraging Automated Scripted Attacks and Device Emulation

Multichannel Account Takeover (e.g. Bank and Telephone Account Takeovers)

Technology Trends

Widespread Consumer Adoption of Biometrics; Behavioral Biometrics on the Rise

Explosion of Data at a Massive Scale (Online, Mobile, Voice Assistants and IoT)

ID Tokenization and the Identity of Things

Machine Learning and Advanced Analytics Mainstream in Fraud

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Digital fraud growth

3.4 **Billion**
total losses from fraudulent account openings

51% of new account fraud victims personally knew the perpetrator

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Fraud with known customer _is beeing investigated in Norway, fraudsters sending the money to Syria and Turkey_

DNB

Politiet ruller opp bedrageriliga – skal ha sendt ukjent beløp til Syria

Experian fighting fraud and friction

1. Combatting Account Opening Fraud	2. Combatting Account Takeover Fraud	3. Preventing Fraudulent Transactions	4. Building Frictionless but Secure Authentication
Need	**Need**	**Need**	**Need**
Acquiring more genuine customers & by ensuring optimal and secure customer experience	Protecting and reassuring existing customers	Meeting demand for on line purchases without increasing disruption or risk	Matching the right level of authentication to the level of risk

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Market Trends *CrossCore integrates Authentication, ID Proofing and Fraud Detection into a single Identity and Fraud Risk Platform, accessible through a single API.*

Authentication

Username and Password	Two-Factor Authentication	Risk-Based Authentication

ID Proofing

Bureau-Based Identity	Alternative Sources of PII	Document and Biometric-Based Proofing

Fraud Detection/ Prevention

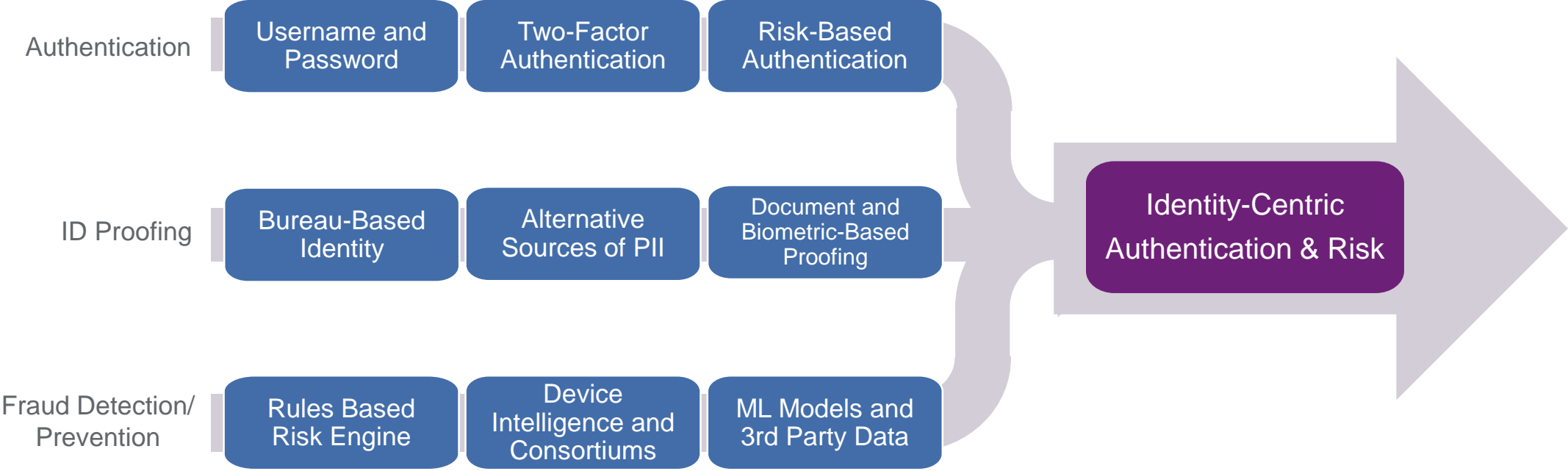| Rules Based Risk Engine	Device Intelligence and Consortiums	ML Models and 3rd Party Data

Identity-Centric Authentication & Risk

CrossCore Authentication and Risk Platform

- Centers around Identity

- Utilizes a wider variety of contextual risk signals covering device, user behavior, consumer history and attack vectors

- Leverages digital exhaust and enriched data

- Applies to existing and new account events

- Pairs risk to appropriate authentication method

- Powers future authentication methods (e.g., Tokenized ID)

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Identity-Based Authentication and Risk Platform *An integrated platform to assess and manage identity risk throughout the Customer Lifecycle while reducing customer friction.*

CrossCore Solutions

- Identity Confidence — Acquisition
- Account Sign Up / Identity Proofing
- Authentication — Login
- Account Maintenance / Identity Access Management
- Authentication and Identity Management — Online Transaction

CrossCore Platform Core Capabilities & Services

CrossCore API

Workflow Orchestration — **Decisioning & Analytics**

Digital Identity	Consortium Data	Intelligence Signals	Compliance	Models and Rules	Step Up Challenge	Case Management
• Experian consumer profiles • Device profiles	• Shared Fraud Consortiums • Email reputation • Mobile Network Operator data	• Malware indicators • Bot detection • Behavioral biometrics • User behavior analysis	• KYC, CIP and AML Compliance • PEPs and Sanctions • Bureau-based fraud alerts	• Machine Learning Analytical Models • Business Rules and Policies • Scorecards	• One-time Passcodes • Online Document Verification • KBA	• Referral queues and assignment • Investigator workbench • KPI Reporting • Linked Analysis

Legend:
- Solutions provided by other Experian BUs
- Experian GIDF Solutions
- Data Services
- Core Capabilities
- Blue: Partner driven Capabilities

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CrossCore capabilities

CrossCore functionality will continue to grow over time to enable client strategies to include additional capabilities, both via local and global alliances
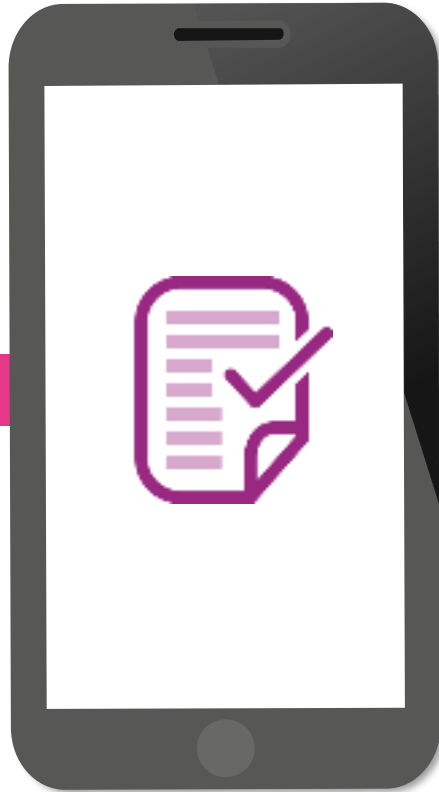

Behavioural Biometrics

Device Intelligence

Machine Learning

Mobile Phone Intelligence

Document Verification

Identity Proofing

Fraud Management

Cross-Border Identity Checking

You need more than personal data *Why digital intelligence is critical*

Transaction data

Personal/
Account
data

Addresses

email

Telephone

Historical data
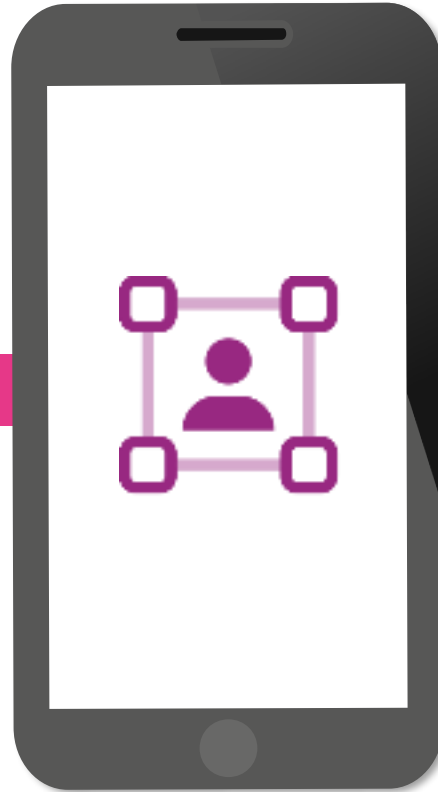
FRAUD
NET

Static/Personal Data

Digital Intelligence

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Introducing Experian Document Verification

Form Fill
Fast and accurate data pre-fill from ID documents and bills.

ID Verification
Real time ID document verification.

Facial Comparison
Connect the person to their ID document.

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Behavioural Biometrics *Monitoring user behaviour in the application process*

Collecting
(JS/SDK)

Processing
(Profiling)

Scoring
(Real Time)

How Behavioural Biometrics catches fraudsters through:
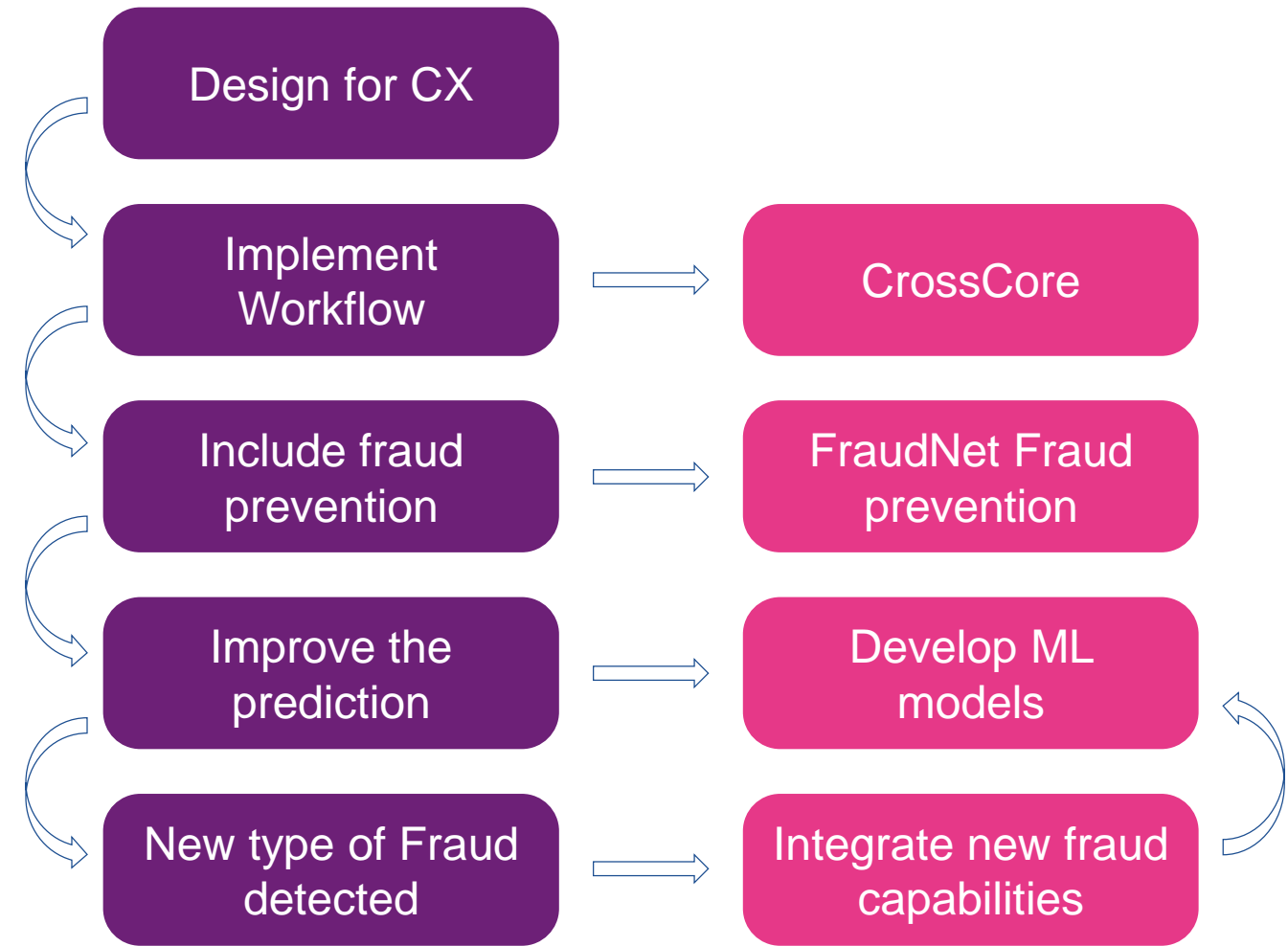
| Application **fluency** | Navigational **fluency** | Data **familiarity** | Invisible **challenges** |

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Application Fraud protection by Experian done easy *Example of an application fraud protection setup*

- Design for CX

- Implement Workflow → CrossCore

- Include fraud prevention → FraudNet Fraud prevention

- Improve the prediction → Develop ML models

- New type of Fraud detected → Integrate new fraud capabilities

Case study *African low cost airline*

Background info

- Started using Fraudnet in 2017

- Experienced signifcant losses due to chargebacks

- Implemented 3D secure

- Started a POC with Experian autumn 2019 to reduce friction for clients and costs to 3D secure

POC CrossCore and Fraudnet *powered by Machine learning*

- The task was to reduce external referral, not reduce chargebacks (already very low with use of 3D secure)

- Experian used the data scientist team in Sophia, Bulgaria to analyse the data from Safai, Fraudnet and 3D secure.

- Built a ML model in CrossCore based on the available data.

- The results?

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The results from the POC

Reduction of total referrals by **34%**

Remove the 3DS friction for **39%** of the previously referred genuine customers

- Experian's Machine Learning was applied to the entire 2018 data set based on test data

- The purpose was to reduce 3DS referrals while keeping fraud detection as high as possible.

- Using only a limited number of variables, machine learning was able to reduce total referrals by 34% and remove the 3DS friction for 39% of the previously referred genuine (authenticated) customers

- This was done at the expense of 13% of the potential bad (not authenticated trough 3DS) customers, that will not be referred.

- - This POC highlights how these results can come in the form of not only fraud detection, but also reduction in customer friction which will inevitably increase sales.

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Three take-aways

Use strong passwords and different password on important services

Think Customer experience together with security

Think workflow and differenciate the customer journey

Thanks for today, please feel free to contact me or connect

Jon Marius Bru

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Find din næste session her:

Tidspunkt	Breakout-session og talere	Mødelokale
08:30	**Morgenmad og registrering**	Foran Konferencelokale 1 og 2
09:00	**Velkomst og intro** Bo Rasmussen, Experian	Konferencelokale 1

Breakout-session 1

Tidspunkt	Breakout-session og talere	Mødelokale
09:15	**Onboarding** Matthys Rossouw, Experian	Konferencelokale 2, Kælderetagen
09:15	**Customer Management** Michael Jensen og Søren Molander, Experian	Mødelokale N, Stueetagen
09:15	**Collections** Jakob Færgeman og Glen Østergard, Experian	Mødelokale B, Stueetagen
09:15	**Vækst og innovation** Jon Marius Bru, Experian	Mødelokale C, Stueetagen

Breakout-session 2

Tidspunkt	Breakout-session og talere	Mødelokale
10:15	**Beskyt din forretning** Jon Marius Bru, Experian	Konferencelokale 2, Kælderetagen
10:15	**Customer Management** Michael Jensen og Søren Molander, Experian	Mødelokale Y, Stueetagen
10:15	**Compliance** Kaare Smit, Experian	Mødelokale X, Stueetagen
10:15	**Fra indsigt til handling** Mikkel Lykke Platz, Experian	Mødelokale B, Stueetagen

Tidspunkt	Breakout-session og talere	Mødelokale
11:00	**Pause** Tag en kop kaffe og et lækkert stykke kage på vej til din næste session! Kage og kaffe kan findes foran det lokale du befinder dig i.	

Breakout-session 3

Tidspunkt	Breakout-session og talere	Mødelokale
11:15	**Onboarding** Matthys Rossouw, Experian	Mødelokale O, Stueetagen
11:15	**Vækst og innovation** Jon Marius Bru, Experian	Konferencelokale 2, Kælderetagen
11:15	**Collections** Jakob Færgeman og Glen Østergard, Experian	Mødelokale Y, Stueetagen
11:15	**Fra indsigt til handling** Mikkel Lykke Platz, Experian	Mødelokale B, Stueetagen

Tidspunkt	Breakout-session og talere	Mødelokale
12:00	**Frokost og networking**	Foran Konferencelokale 1 og 2
12:30	**Tak for i dag!**	