



# Reducing Fraud whilst Keeping Transactions *in* Motion

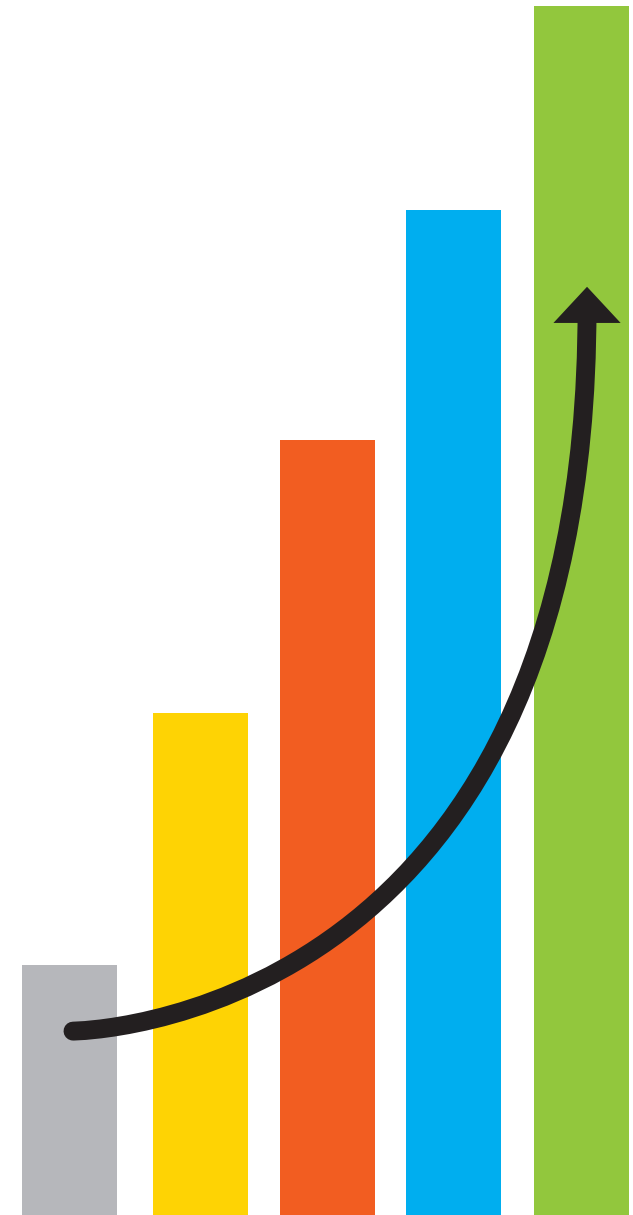
# Fraud Today

- Following a decrease in 2012, fraud is on the rise again, and so are the costs involved in managing it. These factors are in turn driving up companies' sense of vulnerability.
  - o Overall, 70% of companies reported suffering from at least one type of fraud in the last year
  - o The incidence of fraud has increased
  - o Information-related fraud is common and evolving
  - o Global modern business practices increase fraud exposure (2013/2014 Kroll Global Fraud Report)

As organisations adopt a market culture of customer centricity, financial institutions aim to provide the best possible holistic experience. This is a shift in focus from a product centric ideology to one which searches for new customer needs to fill and rewards a deeper insight in to customers. As part of this transition, customer experiences, particularly surrounding the fraud touch points, will help ensure customer positivity towards a brand or organisation.

Fraud often transpires as being a coordinated effort of threat across multiple customer channels of interaction in an attempt to compromise security within an organisation. Starting with phishing attempts via email or SMS, for the purposes of identity or information theft against an individual, and leading to account takeover.

This has an adverse effect on customer experience not only from a financial standpoint but also from an inconvenience factor. This is supported by the Customer Loyalty in Retail Banking: Global edition – Bain & Company, Inc. report, where research suggests one of the five key capabilities required by financial institutions in order to “spur existing customers to buy more from their primary bank, attract new customers and reduce costs without damaging customer relationships.” is the acceleration of digital transformation, and to excel at moments of truth within the customer experience, such as resolving fraudulent account activity or giving expert advice.



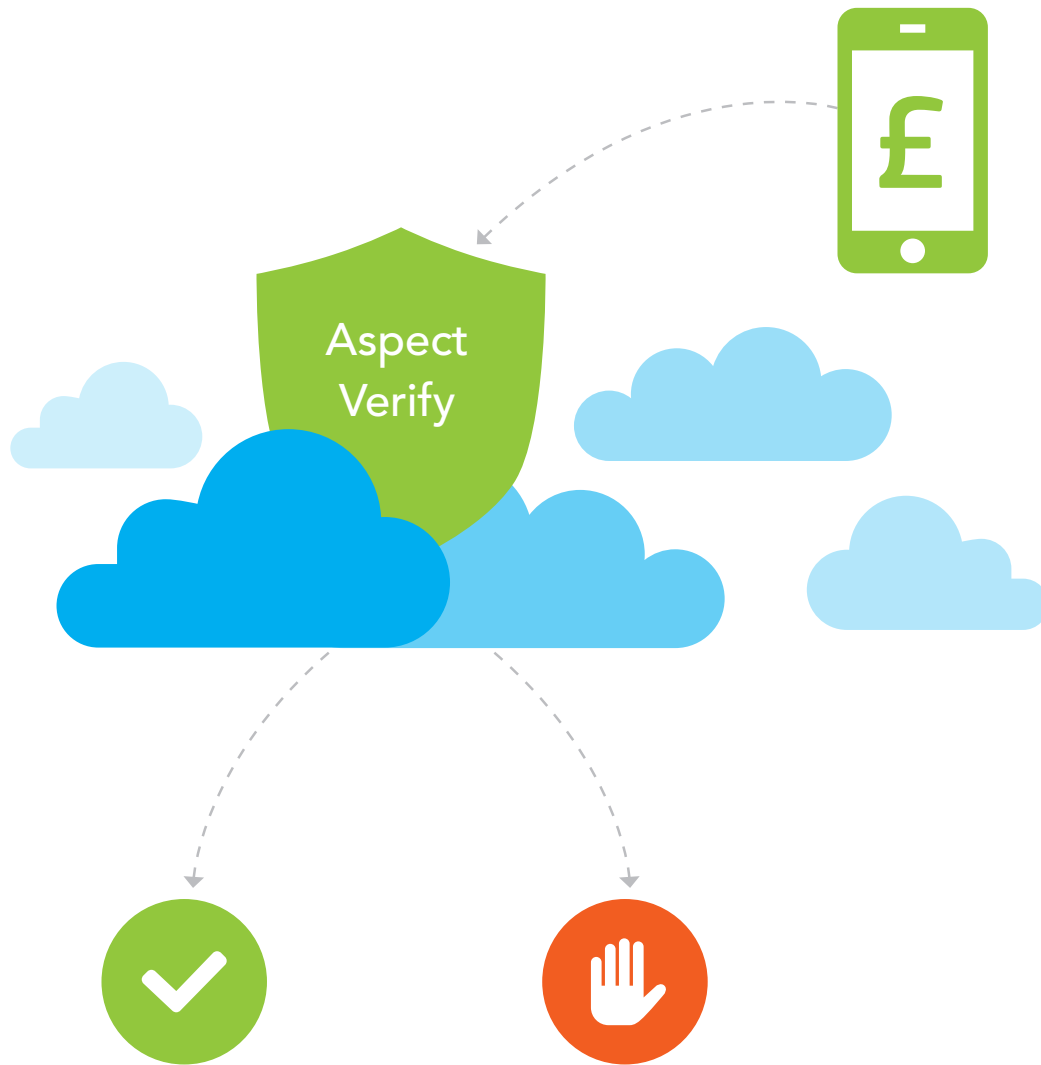
## New Channels *equal* New Threats

**By 2017,**  
the total value of global online  
transactions facilitated by mobile  
devices will reach about **\$1.5 trillion**

The less I have to deal with  
physical aspects of banking,  
the more I've come to  
appreciate my banks  
*Simon Zhen, American  
Banker, Jan 2014*

**77%**  
of people feel more in  
control of their money  
because they use  
mobile banking

As new channels of interaction are introduced, the build-up of micro customer experiences becomes ever more complicated to manage and secure. Banks continue to see an increase in online activity; some seeing their numbers double over the online channels in the past two years. This significant increase has led to a threat potential which has also trebled in the same time period.



## How *Aspect* can Help

- Suite of technologies tailored to monitor, identify and prevent fraudulent transactions
- Modular in design, to adapt to specific business needs
- Utilising mobile devices to authenticate individuals, establishing whether the person who is carrying out a transaction is who they say they are
- Convenient as no mobile applications required
- Removing the need for the secure token

Aspect Verify is a suite of automated solutions for proactive monitoring, identification, prevention, and notification of fraudulent transactions. Notification options target both the organisation and the customer and include system-level alerts as well as phone calls, SMS, and email. Aspect Verify allows you to manage the on-going communication with the customer once fraud has been detected.

The SaaS hosted Aspect Verify solution specialises in multi-factor authentication as part of a suite of anti-fraud solutions. Traditionally, organisations used more cumbersome methods of authentication such as the adoption of secure tokens but customers now expect more. Aspect Verify utilises mobile devices as part of the out of band authentication process. This aids convenience while also providing an incredibly vigorous possession factor as part of multi-factor authentication.

# How Aspect Verify Works

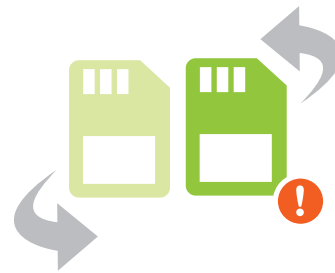
Through its intelligent surveillance capabilities, Aspect Verify detects and flags whenever a mobile communication is suspect. This includes devices which are diverted, a spoofed caller ID or 'SIM swap' activity.

Aspect Verify can also identify the location of a device and flag whenever the device location arouses suspicion.

Whenever indicators point to potential fraud activity, Aspect Verify immediately notifies the call centre; the quicker you can get in contact with a customer, the better. Empowered by easily accessible multi-channel communications, and the knowledge of customer communications preferences, Aspect Verify helps call centre staff to get in touch with customers promptly.

Peer to Peer methodology is totally reliant on the phone number as security, as the payment is made based on the number being accurate.

Typically a peer to peer 'app' will have some level of device recognition built in, either IMEI for Android or an application registration number on iOS. The biggest risk is on registration when these are seen for the first time, so this is where SIM SWAP detection would be particularly useful.

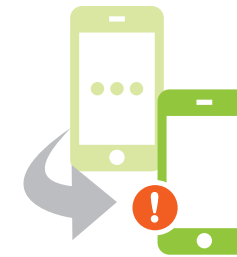


## SIM Swap Detection

The following solutions provide a flexible offering, allowing a bank to consider a number of factors while establishing whether fraudulent activity is taking place.

Particularly prevalent during the registration process for mobile banking adoption, fraudsters may pose as a customer, contacting their mobile service provider to request a new SIM. After inserting the new SIM in their own device, they will then attempt to create beneficiaries and make one-off payments from the customer's bank account. Aspect Verify will detect this banking activity early and alert you and your customer, allowing you to address the fraudster's activities promptly.

SIM swap fraud is a relatively new practise, but it is continually growing at an alarming rate. Recent reports in South Africa have suggested an increase in SIM swap activity approaching 900% in 2012 from the year prior. This is comparable with other regions worldwide, including the UK.



## Divert Detect

Fraudsters have developed software that not only steals a customer's bank logon credentials but also intercepts and redirects communications made by the customer's bank.

Aspect Verify will detect redirected calls, interrupting transactions that the fraudsters are trying to verify. Divert Detection is incredibly powerful to indicate whether fraudulent activity is about to take place during authentication of accounts using a mobile phone. Divert Detection operates at network level, providing a transparent and sophisticated approach to fraud detection

# Additional Aspect Verify *solutions* include:

## CLI Detection

Thieves use false Caller IDs to display on the victim's phone to make it appear that the communication originated from the bank. This allows the fraudster to collect information about the customer, including security answers and consequently pose as that customer while contacting the bank.

Aspect Verify detects inbound communications that are using spoofed caller IDs, flagging them as a potential risk and protecting you and your customers.

The UK Card Association report issued in 2013 highlights an increase in online banking fraud to £39.6m, a 12% rise from the year previous. This has been driven mainly by fraudsters using tactics such as spoofed Caller IDs to trick the customer in to handing over personal data over the phone.

## Locate Based Services

With the creation of new beneficiaries, significant payments and other fraud indicators, an unfamiliar location will further draw attention to potential fraudulent activity. Aspect is able to identify the location of the mobile device, mobile or landline which is then fed into a decision engine and provides a synopsis of unusual log-on behaviour.

This helps to provide location of a device during account setup, proving the customer is where they say they are. It could also be confirmation of a payment or retrieval of location during an ATM withdrawal. Aspect Verify utilises mobile devices as part of the out of band authentication process. This aids convenience while also providing an incredibly vigorous possession factor as part of multi-factor authentication.

## Voice Biometrics

Whenever an agent speaks with a customer, Aspect Verify can verify that the person is the same gender as the account owner. For more precise verification, it can build up a voice profile for the account owner. Once this has been created, each time the owner speaks with an agent, it can verify their identity and enhance the profile further.

Known fraudsters can also be profiled and compared to customers to identify fraud. We believe banks would be better served investing in effective authentication approaches such as voice biometrics rather than simple challenge-and-response questions.

# Aspect enables you to offer a superior, holistic customer *experience*

While Aspect Verify is highly sophisticated in its approach to fraud detection, it also offers the unique ability of managing ongoing customer communications. Built upon the foundations of a SaaS based communication platform, Verify supports the ability to contact individuals via an omni-channel approach. This ensures customers can be kept informed via a multitude of channels, all automated and all in a proactive manner.

- Leader and innovator in telephone based banking fraud
- Flexible, rapid, customisable
- Most complete services suite with industry leading results
- Customer focussed
- Future proofed solution
- Focused not only on fraud prevention but also proactively engaging with customers to enhance customer experience

To find out more about how Aspect Verify can help your business to reduce fraud, email us at [marketing.uk@aspect.com](mailto:marketing.uk@aspect.com) or call us on 0800 277 328