

Online Bank

Reduced new account opening fraud by \$2.3M USD

Discovering account origination fraud. As an online-only bank, this financial institution needed to maintain a lower cost structure compared to their traditional banking competitors in order to specialise in high value Money Market Accounts and Certificates of Deposit with some of the highest yields paid on deposits in the market.

Client profile

Company: Regional online bank

Headquarters: North America

Product Used: FraudNet for Account Opening

Initial ROI: Prevented over \$2.3 Million in fraudulent account openings in Q4, with a 26:1 ROI

As such, this online bank experiences a high volume of new account openings – both legitimate and fraudulent. Looking to protect their business and minimise their losses, while also protecting their existing customers, they turned to Experian's FraudNet for Account Opening for help.

Business

Because it is an online-only institution, this Experian client is able to offer some of the highest deposit yields in the market. They position their online banking experience as offering the service and stability of a traditional bank while delivering the speed and convenience of an online business.

Challenge

Online fraud schemes are increasingly sophisticated and are becoming more difficult to detect. At the same time, customers demand a seamless online experience beginning with the ability to easily and quickly open new accounts online. With an average loss per fraudulent account opened of \$1,500 an effective solution became



critical. The bank needed technology to immediately detect and prevent fraud losses without reducing the quality of service their customers have come to expect.

Resolution

The bank implemented FraudNet for Account Opening to screen new account opening applications from all devices (PCs, tablets, mobile phones, and other similar devices). A key capability of the solution is measuring the velocity of applications originating from the same device and also flagging geolocation inconsistencies between device and application datapoints which both indicate a high probability of fraud. The bank used FraudNet's

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investigator workbench to assist their investigators to fully research and link seemingly unrelated applications in a single click with the patented link analysis technology – SketchMatch™ and DataSpider™ uncovering fraud that other solutions might miss..

Results

In Q4 2014 alone, the bank identified and eliminated over \$2.3 Million in potential fraud. With an outsort rate of 3% and a 2:1 false positives the online bank has also allowed for a more effective workforce. Since deploying, the bank continues to experience a phenomenal 26:1 ROI.

About Experian fraud and identity solutions

The fraud and identity solutions of Experian enables organisations to drive growth and profits by identifying legitimate customers and detecting fraud at every point of contact while maintaining a positive customer experience. Through our unique combination of consumer and business information, analytics, decisions, and execution, we help organisations implement a comprehensive, layered defense strategy where protection is commensurate with risk and value.

Our expertise in risk-based decisioning has made us a global leader in fraud and identity solutions including new account opening, account takeover, bustout fraud, online and mobile fraud, and card-not-present fraud across a range of industries and customer channels. Experian enables organisations to realise increased revenue, controlled risk, enhanced operational efficiency, and superior compliance for competitive advantage.