Preventing Financial Crime & Fraud with Digital Identity Insights

Global Insights from the LexisNexis Digital Identity Network

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ThreatMetrix Digital Identity Network: Crowdsourced from 6000+ Organisations

30B+ events per year
4.5B+ active devices
1.4B+ online identities
40,000+ websites/apps

Jan – Jun 2019: What We Have Seen So Far…

16.4 Billion
Transactions Processed

277 Million
Human-initiated Attacks

13% Growth in 6 months

Including
111 Million
Mobile Attacks

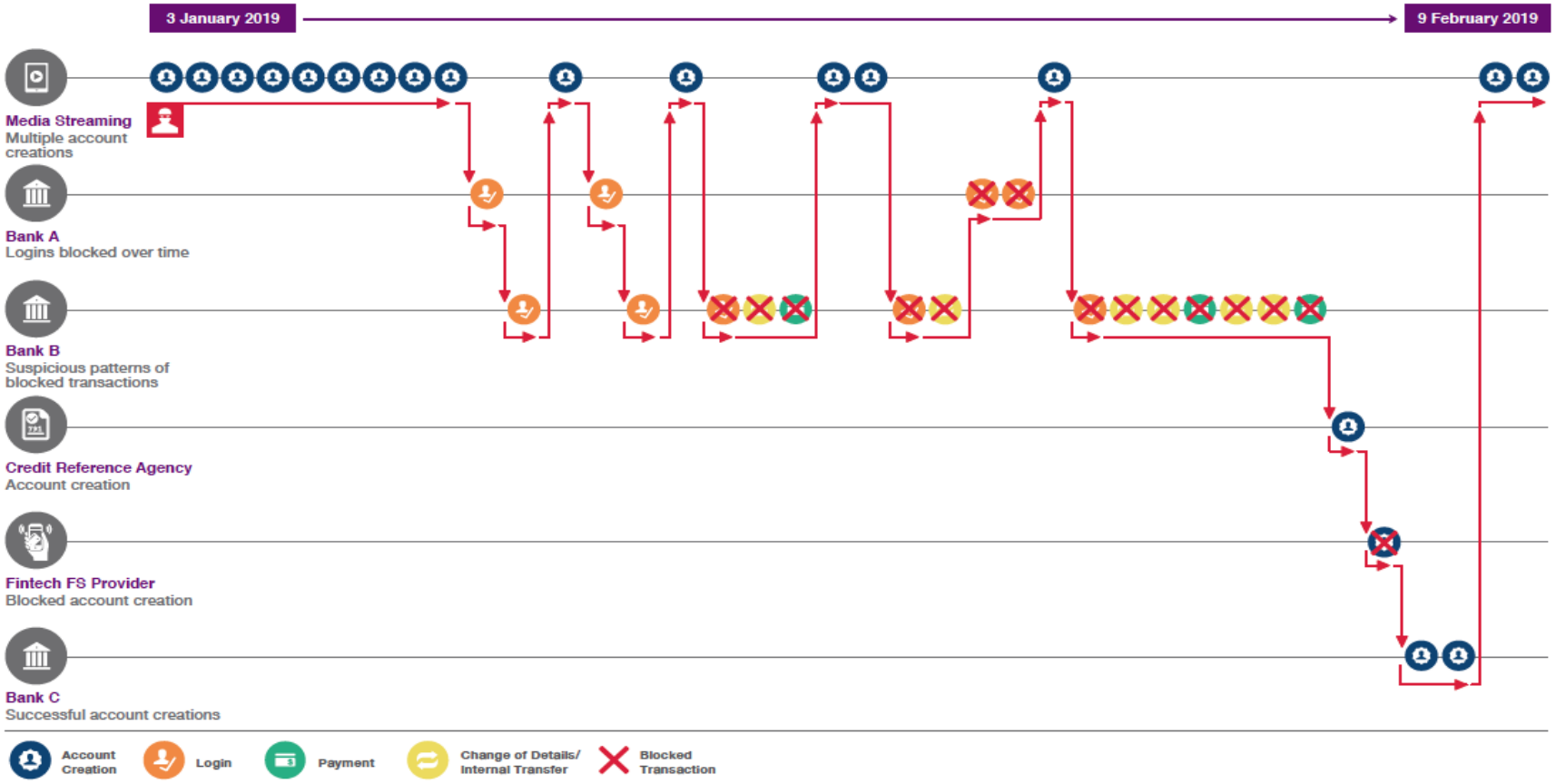
9% Growth in 6 months

62%
Mobile Transactions

United States
Biggest Attacker by Volume

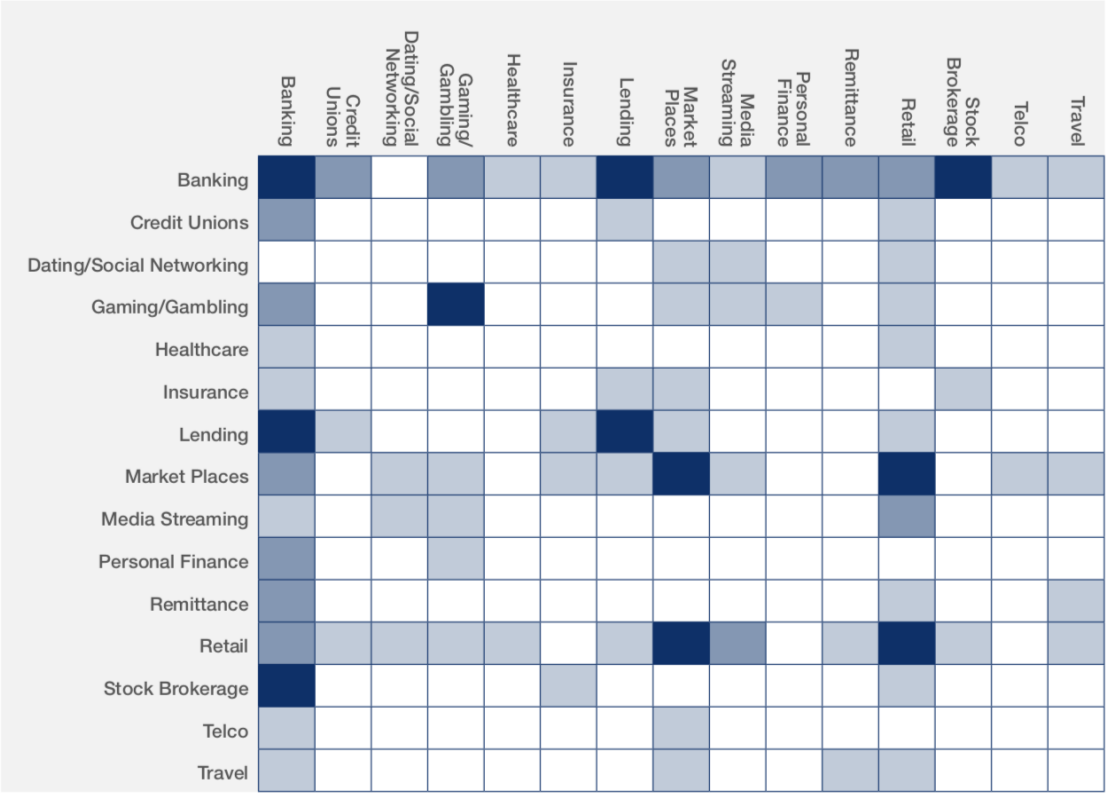
2.1%
Attack Rate

Fraudsters are Working Across Different Industries



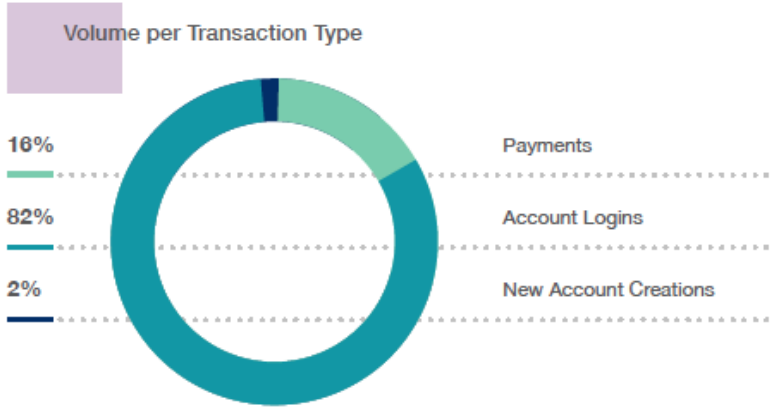
There is a Growing Threat of Networked Fraud and Cybercrime

Heat Map Showing Level of Shared Fraud Across Organizations



Identity Spoofing is the Key Enabler of Fraud and Cybercrime

- New account creations have the highest attack rate of all use cases analysed – Identity Spoofing
- **1 in 6 new account creations** is high-risk – increasing 24% year-on-year
- **1 in 4 new account creation transactions** is identified as an attack in China
- North America has seen the biggest year-on-year growth in rejected new account creations, at **152%**



Attack rate is based on percentage of transactions identified as high-risk and classified as attacks, by use case. Events identified as attacks are typically blocked or rejected automatically and in real time depending on individual customer use cases.

So… How do you Define “Identity” in a Digital World?

Positive Persona

+36 Trust Score

- Collected information during used to identify existing customer
- Existing customer with its associated entity
- User behavior on using banking services
- Consistent device and user location
- No device tampering

Negative Persona

-52 Trust Score

- Multiple account creation from same device
- Keep changing devices when accessing banking service
- Account creation using stolen identity
- Spoof device using emulator / virtual machine / jailbroken / rooted device

In Real-Time

Every Individual has Multiple Personas, But One Digital Identity

Web & Mobile Device Intelligence to recognise users

True Location Analysis to build consistent behavior

Trust Score on reputation of that Digital Identity

Network Comparison against global data from industry peers

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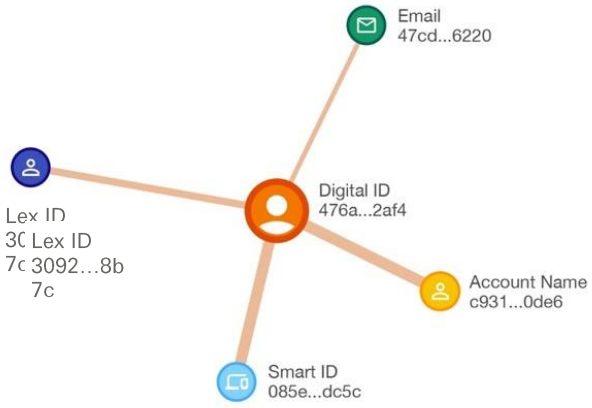
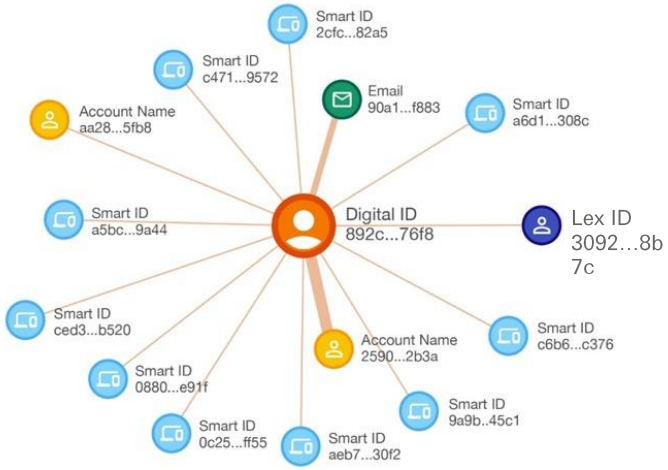
Merchants can use Digital Identity Intelligence to Distinguish Between Trusted and High Risk Behaviours



Trusted User

One Device, Email, Account



High-Risk User

Multiple Devices, 2 Accounts

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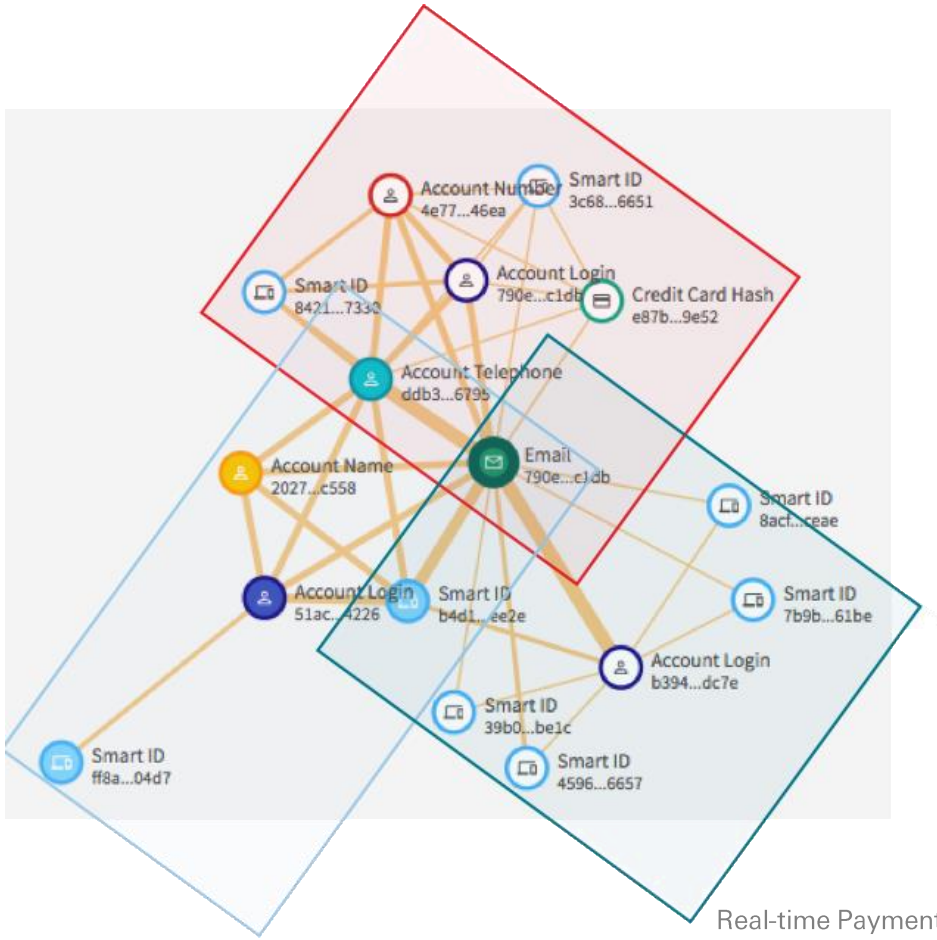
A Network View of Digital Identity: Global and Collective Knowledge

Telco

Media

eCommerce platform



Telephone common to Telco and Delivery Service

Email common link between all three sites

Device common to Telco and eCommerce platform

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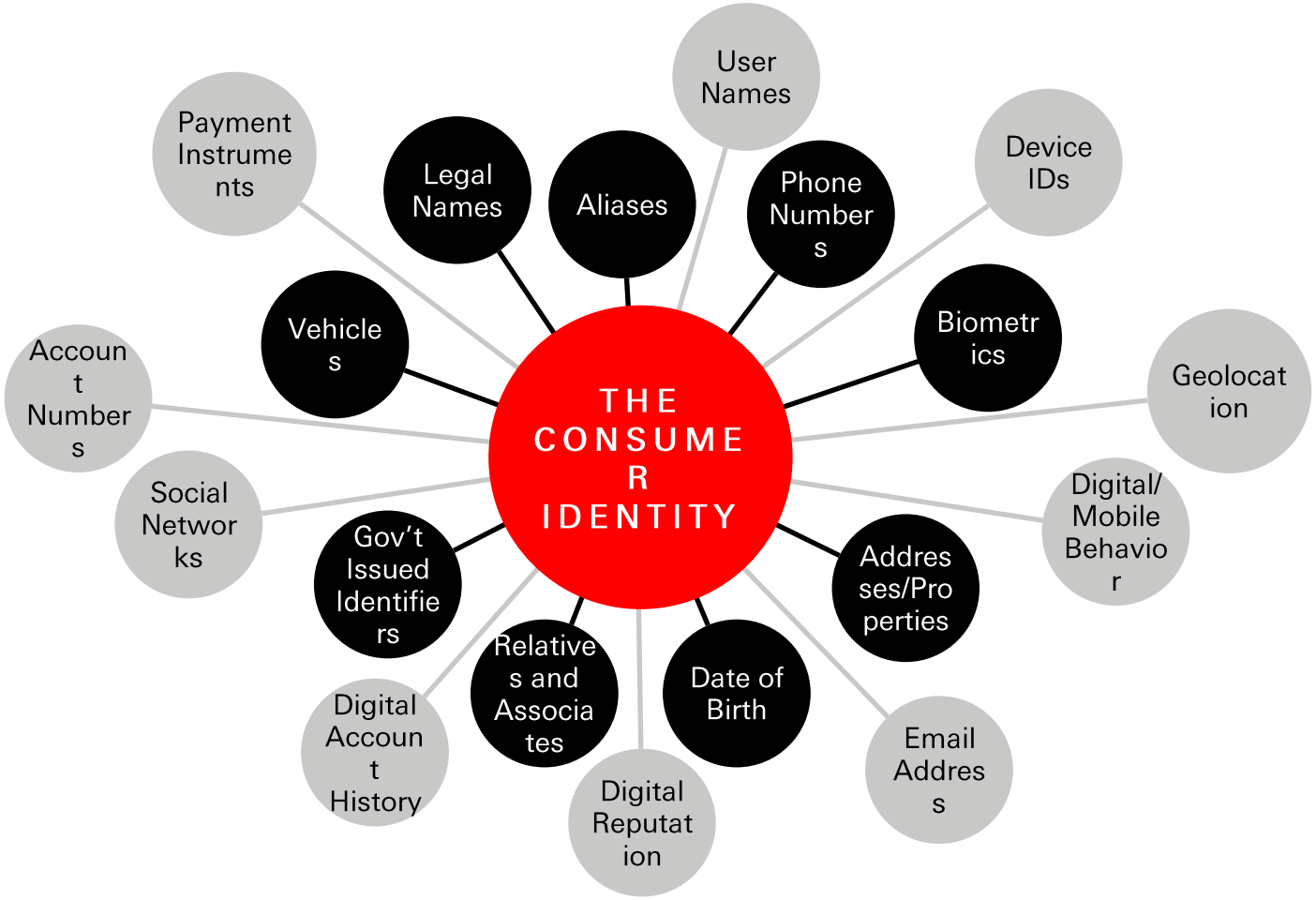
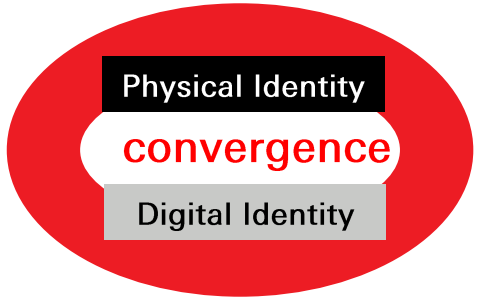
Growing Need to Leverage both Digital Identity and Physical Identity Attributes

Organisations that unite digital identity intelligence with physical identity and authentication capabilities to fine-tune their customer experience, reduce friction and detect and block complex fraud.





Convergence of Fraud and Compliance - Multiple Layers of Defence

FIRST LAYER OF DEFENCE

Digital & Identity Intelligence

- Customer Identity Data
- Web & Mobile Device Intelligence
- True Geolocation, VPN, Proxies & TOR
- Malware & Bot Threat Detection
- Behavioural Biometrics

SECOND LAYER OF DEFENCE

Decision Analytics

- Industry Best Practices & Decision Policies
- Identity Correlation & Linkages
- Behavioral Analytics & Variables
- Machine Learning
- Integration & Orchestration

THIRD LAYER OF DEFENCE

Verification & Authentication

- PEP/Sanctions Identity Attributes & Anomalies
- Device Binding, Secure Notification & OTP
- Dynamic KBA
- Biometrics
- Document Authentication

FOURTH LAYER OF DEFENCE

Investigation & Review

- Forensics & Investigation
- Case Management & Workflow
- Reporting
- Feedback, Audit & Policy Governance

SHARED INTELLIGENCE NETWORK

ThreatMetrix®, A LexisNexis® Risk Solutions Company, empowers the global economy to grow profitably and securely without compromise. With deep insight into 1.4 billion anonymized digital identities, ThreatMetrix ID™ delivers the intelligence behind 110 million daily authentication and trust decisions, to differentiate legitimate customers from fraudsters in real time. ThreatMetrix is recognized as the sole leader in the 2017 Forrester Wave for risk-based authentication.

For more information, or a demonstration of how the ThreatMetrix solution can work for your business, contact us at:

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