TELECOMMUNICATIONS INDUSTRY LEADER
CASE STUDY

AuthenticID's Fraud Shield is widely used in the telecommunications space to provide a fraud fighting solution that provides an unmatched ROI.

Fraud happens at many points along the telecom customer journey- from account opening to purchases to account changes and more. Cutting-edge ID verification procedures and software is a strong first step to mitigate fraud. However, continued transaction monitoring and reauthentication are crucial to make a real impact on fraud loss.

THE CHALLENGE

Repeat Attacks by Sophisticated Fraudsters Across Multiple Channels

"AuthenticID's ID Proofing with Fraud Shield has been the most effective way to stop fraudsters and rapidly respond to emerging fraud threats. AuthenticID has been invaluable in helping us reduce fraud losses without compromising customer acquisition."

~ Fraud Manager Executive

A wireless industry leader came to AuthenticID with a challenge: while identity verification methods were able to stop a substantial amount of fraud, some fraudsters were still able to bypass authentication quickly, and repeatedly before being shut out of the system.

With nearly 7,000 retail locations in all 50 US states and territories, an active digital sales channel, and call centers to serve its 100+ million subscriber base, the impact of fraud was tremendous. Fraud happened across channels and at various points along the customer journey.

To minimize the impact of fraud, AuthenticID not only needed to ensure this leader had a robust identity verification system, but could protect itself against repeat attacks by sophisticated fraudsters.

Fraud Shield is a Secret Weapon to Fight Fraud

Under the company's previous identity verification processes, it became possible for a fraudster to beat the system not just once, but multiple times. Fraud Shield was an ideal solution as it not only used AuthenticID's powerful proprietary technology that can detect falsified IDs, but used the platform's unbiased, AI-based decisioning to minimize any additional risk of identity verification processes. With Fraud Shield, a user presenting a fake ID is entered into a bad actor list. This list is updated in just seconds, meaning a fraudster doesn't have time to submit multiple documents to circumvent this layer of protection.

With Fraud Shield, this leader's fraud team gained a powerful partner to fight fraud and stop bad actors in subsequent encounters. For new, walk-in customers at retail locations, a retail employee would scan an ID, proceed with a pass/fail check against an existing bad actor library, and then proceed with a credit check and account opening when initial screening was complete. For existing customers, a retail employee would follow a similar trajectory, as even previously verified individuals could attempt fraud at a later date. If an

enrolled bad actor is detected, the company's fraud department immediately steps in, making contact with the store representative to direct further action. In these use cases, Fraud Shield and identity verification are paired together to ensure any account change, account opening, or device purchase is verified.

While Fraud Shield proved a game-changing fraud fighter, the combination of this tool with a good actor list provided this company with a streamlined experience for qualified customers, while maintaining high levels of security. Creating a good actor list - fully validated, verified individuals with no fraud hits- worked in tandem with a bad actor list across retail operations. To date, this company enrolled over three million good actors who can bypass a greater amount of friction when making a purchase.

Additionally, the wireless carrier was able to maximize the flexibility of Fraud Shield using a key feature of the solution: the tiering of bad actors. When a repeat offender hits, a number of fraud-fighting actions are triggered, allowing the company to take proactive measures that historically have not been possible.

AuthenticID's Identity verification and Fraud Shield solution led to 38% in fraud savings by stopping known fraudsters.

Industry-Leading Results

NEVER FORGET A BAD FACE

28,000
Year 1 Face Caution Hits

42,000
Year 2 Face Caution Hits

"Before AuthenticID, stopping fraudsters without adding friction for genuine customers was a real challenge. In combination with AuthenticID's ID Proofing, Fraud Shield became an indispensable component."
~ Fraud Manager

In one year, fraud events dropped from 2.5 per individual to just 1- indicating that the incident rate of fraud has been more than halved. What's more, Fraud Shield and identity verification are a powerful pairing that offer fraud-fighting at scale. In just one year, Fraud Shield stopped over 127,000 fraudulent transactions. The company's bad actor database, enabled by Fraud Shield, now includes over 45,000 bad actor faces, with

ROI SINCE LAUNCH

76,000	Fraudsters Added to Watchlist
38%	Fraud Savings
$140M	Estimated Fraud Value Prevented*
1,394%	ROI

*Figure based on $1,200 average actual dollar loss of telco fraud transaction

the company's fraud department maintaining this critical database. In addition, the company's good actor list has reached over three million customers.

With this powerful pairing, telecommunications fraud departments can get a peace of mind that they won't be faced with runaway fraud when a security weakness is discovered. Currently AuthenticID is working with this leader to implement additional solutions for business, call center, and digital use cases.