

CASE STUDY

Email Risk Assessment: Global eCommerce merchant

12 months after integration, Emailage Risk Assessment reduced manual review rates, achieved **35x return on investment** and prevented **over \$19 million** in fraudulent transactions.

Global eCommerce Merchant prevents
50% of fraud with a 72% hit rate

Evaluate email fraud risk and confirm identity with LexisNexis® Risk Solutions

Emailage enables you to assess email addresses and understand the likelihood of them having been used in fraud. LexisNexis® Risk Solutions provides this capability in [LexisNexis® IDU®](#), which can be accessed directly through a web-based app or integrated into existing systems via API.

This case study illustrates how Emailage provided their capabilities to a global e-commerce merchant and the benefits they enjoyed. IDU delivers [Emailage fraud risk assessment](#) alongside expansive identity verification and authentication, providing the added ability to conduct robust identity checks throughout the customer journey.

Emailage identifies the majority of fraud for global eCommerce merchant.

Projections from digital marketplace researcher eMarketer show that global eCommerce sales are expected to top \$27 trillion by 2020. Does your organisation have the resources to scale the fraud prevention department every year to match increased needs?

This case study is an in-depth look at how a global eCommerce merchant used Emailage Risk Assessment to identify a majority of their fraud in over 100 countries, both online and in retail stores. The merchant desired a solution that easily integrated, required a minimal amount of data, achieved results immediately, and could be scaled for increased eCommerce sales.

The global merchant selected Emailage Risk Assessment based on the following criteria:

- Fraud prevention results using non-sensitive data
- Global coverage
- Customisable transaction segmentation
- Multiple methods of integration

Need & background

Before selecting Emailage Risk Assessment, this global eCommerce merchant handled all fraud prevention internally. For implementation, the merchant required a solution that allowed internal teams to leverage outside data.

Key Objectives Included: expedited approval of legitimate transactions, lower manual review rates and overall reduction of fraud losses. Because the merchant operates globally, finding a solution that worked across channels was imperative.

Company Profile

Client:

Global eCommerce merchant

Revenue:

Over \$50 billion yearly

Usage:

Emailage Risk Assessment assessed all global transactions during checkout process.

ROI:

35x with \$19 million in fraud prevented over twelve months.

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Requirements:



Did not add friction to the existing customer experience



Identified fraudulent transactions, with a low rate of false positives



Required limited personal data to address legal, privacy and security concerns

Emailage has handled more than \$1 trillion in transactions.
The result? Over **\$1 billion** in fraud prevented across the globe.

Solution

To immediately implement Emailage Risk Assessment, the global eCommerce merchant utilised batch file uploads to assess transactions.

For the first two months, the fraud department manually downloaded a report containing email and IP addresses associated with transactions from the past 24 hours. The fraud department's initial implementation of Emailage was:

- Analyze the file with the Emailage Risk Assessment Solution
- Assign High Risk Band transactions for manual review
- Approve Low Risk Band transactions for processing

While this process was manual, it acted as a stopgap solution until automated API integration was complete. Batch file uploads allowed the Global eCommerce Merchant to see results in their fraud prevention process starting on day one.

During the third month, API integration was completed. API integration meant that the email and the IP addresses of all transactions were analysed and scored by Emailage Risk Assessment.

Outcome

By manually leveraging Emailage Risk Assessment for two months, the global eCommerce merchant identified 30% of their fraud, with a hit rate of over 50%. The ability to segment transactions also helped the department optimise processes through prioritisation of the fraud review workflow.

After this initial success, automated API integration and the cross-validation of email and IP address were implemented. These changes led to a lift of 50% more fraud detected and an increased hit rate of over 72%.

As a result of these improvements, the company was able to achieve a twelve month return on investment of over \$19 million in prevented fraud.

Return On Investment

- ✓ Reduced manual review to **1%**
- ✓ **Over 35x ROI** - immediate in the first month
- ✓ **42%** of transactions were approved automatically
- ✓ **72%** hit rate in the high risk band, 10x the average hit rate of previous internal processes

Key Takeaways

- ✓ Over **\$19 million** of fraud prevented during a 12 month period
- ✓ **50%** of all fraud cases were detected
- ✓ **50%** cost reduction after full implementation

To find out how we can help you and your business
to identify potential fraud, call 029 2067 8555 or
email ukenquiry@lexisnexis.com

risk.lexisnexis.co.uk



About LexisNexis® Risk Solutions

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