

CASE STUDY

Email Risk Assessment: Global Financial Company

“Emailage sheds light on these unknown users by providing us with all the relevant information associated with their **unique digital ID**—their email address.”

Global financial services company prevents
\$20 million in fraudulent account openings

Evaluate the fraud risk associated with an email address 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 major financial services organisation 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.

Global financial services company prevents \$20m of fraud, and reduces referral rates by 20%

Fraud prevention is an arms race. Fraudsters are constantly testing risk engines, looking for weaknesses to exploit. Fraud managers need solutions to fight evolving threats, while not obstructing the client experience.

Financial institutions face the specific challenge of creating a dynamic fraud prevention strategy that helps automate decision-making. This fraud prevention strategy must then adapt across use cases and delivery channels. For larger financial institutions, the fraud strategy must work across regions and borders.

This case study illustrates why Emailage Risk Assessment was selected by a global financial services company as their frontline fraud prevention solution. Some key criteria desired by this company and provided by the solution included:

- Fraud prevention results using non-sensitive data
- A secure, noninvasive approach to data exchange
- Extremely fast response times
- Easy integration without extensive IT investment

Need & background

A global financial services company was experiencing a rising trend of fraudulent account openings. To combat this trend, it was determined that a solution which minimises fraud losses without impacting customer experience was necessary. The initial use case was to improve the company's fraud prevention strategy for onboarding new customers across multiple business units in seven different countries with minimal IT impact.

Business units included: New credit card applications, prepaid cards, gift cards, digital wallet and P2P money transfer.

Use cases included: New account setup, account modification, account takeovers, identification of synthetic ID and CNP transactions

Company Profile

Client:

One of the top 10 financial companies in the world

Location:

Headquartered in the United States

Usage:

Emailage Risk Assessment in over 20 countries

ROI:

\$20 million of fraud prevented over 12 months

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Requirements:



Only required a small amount of data to mitigate breach risk and legal review.



Allowed for easy implementation to minimise integration expense and time.



Offered consistent, adaptable, and effective risk assessment scoring.

Who uses emailage?



4 of the top 6 global credit card issuers



The top 5 money transfer providers

Solution

The global financial services company quickly implemented Emailage Risk Assessment through both batch and SFTP processing, without the need for formal IT integration. This quick-and-easy integration created an immediate impact in the form of higher fraud detection and prevention. The implementation of the API integration started shortly thereafter.

Emailage Risk Assessment monitored and evaluated every new account application by analysing email and IP address. In addition to the email address and IP, the global financial services company analysed data associated with the email address domain, IP and geolocation information.

Outcome

After a period of 12 months, 9,894,000 new account applications had been processed, with 75,530 cases (0.76% of the total) classified by Emailage Risk Assessment as the highest incidence of risk. These high risk transactions were sent for manual review.

The number of confirmed fraud cases within the Risk Band 6 subset was 25,914 yielding an impressive 34.3% hit rate.

Further financial analysis showed savings of:



Monthly Average: \$1,727,600



Full Year: \$20,731,200



Estimated 5 Years: \$103,626,000

Return On Investment

- ✓ **Fraud detection:** 34.3% of these “Very High Risk” score applications were confirmed to be fraud.
- ✓ **Hit rate:** 34.3% result was 3x the average hit rate of the previous internal controls on new applications.
- ✓ **Refer ratio:** 20% reduction of referral volume, by elimination of low performing fraud controls.
- ✓ **ROI:** Over 13x ROI for the period. Instant ROI since first month of implementation.

Key Takeaways

- ✓ **Fraud saved:** Over \$20 million in fraud prevented over the period of 12 months.
- ✓ **0.76%** of their applications received a “Very High Risk” score by Emailage and were referred for manual review.

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

LexisNexis® Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We have offices throughout the world and are part of RELX Group (LSE: REL/NYSE: RELX), a global provider of information and analytics for professional and business customers across industries. For more information, please visit www.risk.lexisnexis.co.uk and www.relx.com.

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