LexisNexis® RISK SOLUTIONS

PREVENTING FRAUD IN **WALLETS** AND **EXCHANGES**

Creating Excellent Customer Experience in Cryptocurrency

As cryptocurrency has grown, so have the fraud attacks.

$10B
worth of cryptocurrency transactions were associated with illicit activity in 2020.*

54%
of all illicit activity globally are related to scams.*

$4.68B
are sent to scam accounts yearly by the global crypto community.*

To provide a great service it's important to look at the bigger picture.

1. NEW ACCOUNT OPENING CHECKS

- Providing a frictionless onboarding experience while stopping fraudsters

2. LOGIN AND ACCOUNT CHANGES

- Recognize returning customers, speeding up transaction processing for trusted interactions
- Identify potential account takeover attempts in real time to keep customers safe

3. DEPOSIT, TRADE AND WITHDRAWAL OF FUNDS

- Detect social engineering attempts to protect customers funds

4. SAFE INVESTING AND TRADING

- Gain an omni-channel and cross-transactional view of trust and risk
- Recognize evolving fraud threats by access to the best data and advanced Machine Learning

Current pain points:

BALANCE BETWEEN FRICTIONLESS EXPERIENCE FOR GOOD CUSTOMERS AND SAFEGUARD FOR RISKY USERS
A relaxed onboarding process can create high KYC failure rate and allows fraudsters to easily slip through.

RELYING ON MANUAL REVIEW AGENT TO VERIFY
Takes too long to be approved resulting in high drop off rate.

ASKING FOR EXCESSIVE PERSONAL INFORMATION BEFORE TRANSACTIONS
Causes heavy friction resulting in high drop off rate.

How LexisNexis® Risk Solutions fits into your workflow.

METHOD 1
ONBOARDING
Users register online

Low friction but highly secure for new account creations: Verify the digital and physical identity of new customers, accurately pinpointing fraudsters.

METHOD 2
DEPOSIT
Users perform transaction

Secure and adaptive authentication strategies to verify transactions: Ensure fraud and compliance controls are robust without damaging the customer experience.

METHOD 3
ACCOUNT ACCESS
Customer using their accounts

Cryptocurrency account lifecycle management: Protect high-risk touchpoints such as login, payments and change of details. Detect instances of social engineering via changes in behavior, transaction patterns and behavioral biometrics anomalies.

LEXISNEXIS® THREATMETRIX®
Uses digital ID intelligence relating to devices, locations, behaviors and known threats to reliably distinguish between trusted users and potential threats.

LEXISNEXIS® EMAILAGE
Utilizes the user's email address as a unique risk identifier and returns easy-to-digest intelligence to provide an enhanced view of trust and risk.

LEXISNEXIS® BEHAVIORAL BIOMETRICS
Adds an additional layer of defense to augment intelligence provided by ThreatMetrix and Emailage, analyzing the way a user interacts with their device.

LEXISNEXIS® DIGITAL IDENTITY NETWORK®
Accesses one of the world's largest networks of digital identity data, to ensure good customers can be identified in near real time and bad actors can be stopped.

LEXISNEXIS® TRUE ID®
Provides secure and robust authentication of physical identity documents at the point of account registration, while maintaining a positive user experience.

LEXISNEXIS® INSTANT VERIFY INTERNATIONAL
Powerful identity verification and validation tool quickly and efficiently helps you onboard new relationships, enabling verification of details for over 30 countries, based on local data sources and intensive knowledge of validation requirements.

LEXISNEXIS® PHONE INTELLIGENCE
Validates the authenticity of a phone number in a transaction, providing risk-based scores using global network data and insight on phone number utilization with near real time carrier insight.

Cryptocurrency wallets and exchanges can harness this unique and agile suite of capabilities to accurately assess risk across all points of the customer lifecycle. **Provide great customer experience while stopping fraud, meet regulatory and compliance obligations, and protect company reputation.**

APPROVE

LexisNexis Risk Solutions identifies as low risk.
Recommended action is to approve the transaction.

REJECT

LexisNexis Risk Solutions identifies as high risk.
Recommended action is to reject or investigate further.

There are considerable benefits offered by the LexisNexis Risk Solutions suite of technology.

Easy single integration with limited work required for IT and compliance teams.

Fraud warnings from a vast global network of previous transactions.

Decrease KYC review costs using more accurate upfront decisioning.

Boost revenue as customers are verified and approved faster.

Improve customer experience by reducing friction.

Protect your company's reputation through being safe and compliant.

Learn how LexisNexis Risk Solutions can help your business achieve significant growth from identifying and stopping fraud.

risk.lexisnexis.com

* *https://go.chainalysis.com/2021-Crypto-Crime-Report-demo.html?aliId=eyJpIjoidzVoS1h-jNGxKR3h3RGppYiIsInQiOiJyRGZMVVZaK1ozU2dQWWVWcDdGMWVnPT0ifQ%253D%253D*
https://www.cityam.com/crypto-scam-chainalysis-report/

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