

Solution Brief: Financial Services



Enhancing the Digital Customer Experience
While Protecting Against Fraud



Business Benefits

- **Harness the power of global shared intelligence** and leverage extensive amounts of data from about 3 billion monthly transactions with LexisNexis® Digital Identity Network®
- **Detect and deflect** fraud with multi-dimensional physical and digital identity intelligence
- **Gain near real-time assessment** of identity and device patterns, activities and behaviors
- **Accelerate** customer acquisition by removing unnecessary friction

Risk Trends



Scams are an increasing trend targeting financial services globally¹ and can cause financial losses, undermining institutional reputation and eroding customers' trust. Social engineering scams, including authorized push payment (APP), romance, investment and impersonation fraud – are among the fastest growing financial crimes. In fact, 98%² of cyberattacks rely on social engineering. These scams represent an emerging global challenge due to the difficulty in detection.



Fraud across the customer journey

- **New account creations** attack rate went up 73% YOY⁵ (2021 vs 2020) as fraudsters target fast and easy onboarding for digital banking.
- **Account takeover** - login attack rate went up 48% YOY⁶ (2021 vs 2020), with mobile app attack rate up more than 200%.
- **Financial services** payment attack rates are generally the highest across all the industries reported on. Attack rates were up 25% YOY⁶, with mobile app attack rate up more than 400% (2021 vs 2020).



Mobile app attacks accelerate – The shift to mobile banking continues, with fraudsters following suit. The mobile share of transactions has grown by 6% YOY³ while the mobile attack rate has grown at 26% YOY⁴ (2021 vs 2020), as fraudsters continue to shift their focus to the mobile channel.



The rise of malicious bots – There is also a significant percentage rise in malicious bot attacks, with financial services firms noting a 13% increase over 2021.⁷ It is difficult to identify these types of fraudulent transactions without support from digital identity and transaction fraud detection solutions.

Victims of identity fraud are three times more likely to leave their primary financial institution when they feel that their fraud issue was not resolved by their bank.⁸



¹ <https://assets.kpmg/content/dam/kpmg/xx/pdf/2019/05/global-banking-fraud-survey.pdf>

² <https://www.metacompliance.com/blog/cyber-security-awareness/educating-employees-social-engineering>

^{3,4} LexisNexis® Digital Identity Network® Data

^{5,6} LexisNexis Risk Solutions Cybercrime Report July to December 2021

⁷ LexisNexis Risk Solutions True Cost of Fraud Study

⁸ The 2021 Identity Fraud Study by Javelin Research

Business Challenges

1. Fraud can occur at every step of the customer journey

Financial organizations need the ability to reliably risk-assess transactions across the customer journey, from the point at which a user creates a new account, through account management, and to the point of payment.

2. Customer experience has become a key differentiator

81% of companies compete mostly or completely on the basis of customer experience.⁹ Financial services firms must strike a balance between delivering great customer service and ensuring data security.

3. Achieving a more accurate view of the customer is essential

Financial services firms need to unify siloed data pools across their organization, to create a 360-degree view of their customer base. A true 360-degree view of the customer enables trust and assesses risk more holistically across the bank, optimizing the balance between a seamless customer journey and fraud prevention.

Fraud Risks and Areas of Concern Across the Customer Journey

1 Customer Onboarding	2 Account Access	3 Account Self Management	4 Account Utilization	5 Account Expansion
AREAS OF CONCERN				
 New account fraud	 Account takeover		 Account takeover	 Flat mule accounts
 Synthetic ID	 Scams		 Scams	 Payment data
 Bots	 Social engineering		 Identity theft	 Beneficiary data
 Recognize trusted customers	 Bots		 Social engineering	 Continuous authentication
 Facilitate NAO	 Recognize returning customers		 Funds withdrawals	 Reduce additional barriers
 Speed up onboarding	 Risk-based authentication to limit customer impact		 Seamless checkout/payment	
			 Reduced step-ups: risk based authentication to limit customer impact	

⁹ www.gartner.com/en/marketing/insights/articles/key-findings-from-the-gartner-customer-experience-survey

More Intelligence, Better Risk Decisions with LexisNexis® Risk Solutions

Our multi layered, risk-based solutions harness the industry's most authoritative identity verification and authentication, fraud analytics and investigation capabilities, helping you streamline new account application and account servicing, reduce customer friction and optimize processes to create a more accurate risk management strategy. Access end-to-end solutions designed for precision and built on a robust foundation of:



Vast Data Resources

LexisNexis® Risk Solutions maintains over 12 petabytes of content comprising billions of public and proprietary records.



Financial Services Expertise

The people in our businesses have deep industry experience and expertise, having worked in the industries we serve, so they have walked in the shoes of our customers.



Big Data Technology

We designed our massively scalable super-computing platform, HPCC Systems®, enabling us to process at very high speeds – over 270 million transactions per hour.



Sophisticated Analytics Capability

We apply data science and leverage patented algorithms, predictive modeling, machine learning and AI to provide data driven solutions and better decision intelligence.



Linking and Analytics

We use our own unique identifiers, LexID® and LexID® Digital, together with a proprietary linking technology. Our patented linking and clustering method is the engine behind many of our products.



Market-Leading Digital and Physical Fraud, Identity and Authentication Solutions



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 analyzes the way a user interacts with their device, complementing the browser-based solutions within ThreatMetrix® with advanced machine learning capabilities and additional behavioral data for enhanced authentication processes.



LexisNexis® OTP offers a time-sensitive, unique random passcode via text, email or phone and is ideal for companies that are interested in providing a multi-factor authentication solution for their customers' high-risk transactions.



LexisNexis® TrueID® provides secure, robust authentication of physical identity documents at the point of account registration and proves ownership by safely matching an ID photo to a selfie photo, maintaining a positive user experience.



LexisNexis® Instant Verify International is a powerful identity verification and validation tool that 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®
RISK SOLUTIONS

For more information visit risk.lexisnexis.com/global/en/financial-services/fraud-and-identity-management

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 provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit www.risk.lexisnexis.com and www.relx.com.

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