White Paper

2019

FRAUD AND REMOTE CUSTOMER ENGAGEMENT?

How to mitigate your risk.

onevault
SECURE FOR LIFE

FRAUD SOLUTIONS FOR REMOTE CUSTOMER ENGAGEMENT

Balancing an enterprises' desire to provide more interaction channels along with innovative, multi-modal solutions for their customers is increasingly challenging as fraudsters target any remote engagement channel that will deliver a 'profit'.

The proliferation of non-face-to-face interaction modalities provides much needed convenience and the optimisation of traditional enterprise and customer engagement cannot be denied. However, managing this ''risk'' complexity requires a thorough and iterative approach to building a robust enterprise authentication strategy.

Remote customer engagement channels typically include contact centre, self service through mobile device applications, etc. Fraud has increased as a result of digital business and the associated business processes that support this.

Fraud is the #1 threat to business growth globally

In the digital scenario, it is therefore critical that enterprise starts to understand and map the digital customer journey and understand and apply a balanced approach to fraud risk and mitigation thereof. What is evident, is that the with the desire to enhance the customer experience and support the customer's desire for convenience and immediacy through digital experiences, the cybercrime economy has grown simultaneously.

By the beginning of 2020, data breaches are expected to result in close to USD$3 trillion in fraud losses

In 2020, online payment fraud is estimated to be in excess of USD$ 25,6 billion

The numbers being quoted across the globe from a myriad of sources, has the potential to stifle business growth as the sophistication of fraud often outpaces the controls being put in place.

With the growth of financial services through traditional and non-traditional channels and providers, digital transactions and interactions are increasing exponentially opening up huge opportunities for fraudsters.

Over 50% of respondents in KPMG's Global Banking Fraud Survey indicated that they recover less than 25 percent of fraud losses; demonstrating that fraud prevention is key. *The KPMG Global Banking Fraud Survey 2019*

Whilst the cost of fraud both for an enterprise and for customers is and can be significant, enterprises that seek to throttle back their plans to innovate and provide differentiated solutions to their customers will suffer. The fact is that business needs to evolve and the digital economy has never been so buoyant – providing new product solutions that have the potential to address issues such as financial inclusion, opening up economies and fundamentally improving the lives of many individuals in developing countries. In economies where digital solutions are pervasive, there is equally the need to consider and apply a considered and integrated approach to business processes. It is often in these markets that the ability to update and adopt a more seamless approach to managing digital and remote interactions is more difficult as legacy systems and processes are embedded in the business process along with the historical investment.

In essence, there are core capabilities required for a balanced approach to Fraud:

1. Understand the data
2. Initiate the application and understanding of advanced analytics
3. Map the decisioning approach for different business processes and their lifecycles
4. Keep a handle on the technology options that are available and which – in combination with current systems and applications – can deliver exponential value
5. Ensure your Fraud and Risk teams understand best practice and balance this with relevant expertise and business within the arena of fraud - specifically within the context of customer dynamics and their requirements.

Thus, addressing Fraud in the midst of driving business and the solutions and strategies that accompany this, enterprises need to embrace third factor authentication modalities that WILL assist in improving the security for the customer and for the enterprise themselves. It is incumbent on enterprise to educate their customers and to guide them as to the positive value that associates their unique identities with proven biometric solutions. After all, one of the most viable ways to protect customer's money and their identities in the world of online, digital and remote engagement is through omni-channel biometric solutions.

Fast-growing digital adoption is changing consumer behaviour and organisations need to adapt to protect their customer's identities and their money. Fraud strategies are critical at an organisational process level.

As contact centres continue to be the weak link in the security chain for ''enabling'' compromised identity profiles and access, multi-factor authentication, inclusive of voice biometrics, presents a viable solution that should be embraced as a core part of a fraud mitigation strategy.

OneVault have specific tools that are able to assist our enterprise customers to reduce the risk for fraud significantly and helps to eliminate insider threats and collusion.

These include:

- The enrolment of fraudulent call recordings
- Creating batches to run against both watchlists and specific data sets
- Highlighting potential matches along with the relevant scores
- Tagging audio with associated criteria and notes
- Providing high level, risk based, reports that expedite the analysis by the Fraud and Risk team for better fraud prevention
- Using OneVault Passive Voice Biometrics, Agents can also receive real-time fraud alerts of audio run against watch lists.

50 % of businesses surveyed in Asia-Pacific have seen an increase in fraud losses over the past 12 months from account originations and account takeovers – both potentially damaging to brand reputation. ***2019 Experian Identity and Fraud Report***

Contact OneVault to find out more on how our remote biometric authentication solutions can help your business.

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