

Accurately Identify High-Risk Account Change Requests

ID Analytics ID Score® is trusted by leading organizations to protect against identity fraud. The same technology used in the industry-leading identity score to detect identity fraud is now available to identify the risk of account takeover. ID Score Account Takeover has proven highly accurate in assessing the risk of requests to change identity information on an account at any point in the customer lifecycle.

id:analytics®

Reduce Fraud Losses and Customer Friction

Organizations, from financial services companies to telecommunications providers and brokerage firms, need a cost-effective way to assess the risk of requested changes to identity information such as address, email address or phone number. Fraudulent changes to identity information can result in multi-million dollar losses by enabling fraudsters to receive reissued credit or debit cards, reset PINs, and conduct other non-monetary transactions that give them access to a legitimate customer's account. ID Analytics' analysis estimates that financial institutions must process an account change for one of out of every 12 accounts annually. Excessive scrutiny of every requested change runs the risk of alienating customers and generates significant operational costs for enterprises. ID Score Account Takeover was designed to accurately assess account takeover risk while maintaining positive customer relationships and minimizing costs.

By delivering a complete view of identity risk at any point in the customer lifecycle where a change in identity information is requested, ID Score Account Takeover helps organizations determine which change requests would benefit the most from additional validation or interactive customer authentication. The score clarifies the complex information patterns that make-up an individual identity and accurately separates legitimate from suspicious change requests.

BENEFITS OF ID SCORE ACCOUNT TAKEOVER

- **Increase Accuracy of Account Takeover Fraud Detection**
Improve your ability to accurately pinpoint account takeover throughout the customer lifecycle by evaluating changes in address, email address or phone number.
- **Boost Operational Efficiencies**
Focus investigative efforts on only the riskiest changes to improve utilization of resources and reduce costs associated with verification letters, phone calls and other validation efforts.
- **Minimize Customer Friction**
Eliminate the need for unnecessary contact with high-value, low-risk customers to ensure a positive customer experience.
- **Analyze and React in Real Time**
As a hosted software solution, it is fast and easy to implement across all points of customer contact, including online, call centers, mail, and in-branch/store interactions.



$$u(x) = \beta_0 + \sum_{i=1}^n \beta_i x_i$$

How It Works

ID Score Account Takeover leverages the data within the ID Network® – the nation’s only real-time, cross-industry compilation of identity information, to deliver reliable, high-resolution visibility into how an identity behaves across industries and over time. Using the 700 billion aggregated attributes and 2.6 million reported identity frauds in the ID Network, ID Score Account Takeover develops an integrated view, called Personal Topology™, of each individual’s identity characteristics and their connectedness to others’ identity characteristics. By comparing the identity information before and after the requested changes in combination with the overall identity risk, ID Score Account Takeover provides meaningful visibility into account takeover risk resulting in more informed customer management decisions.

ID Analytics Objective Risk-Based Assessment of Account Changes

Today, many organizations utilize a manual approach to verifying account change requests. A fraud analyst is required

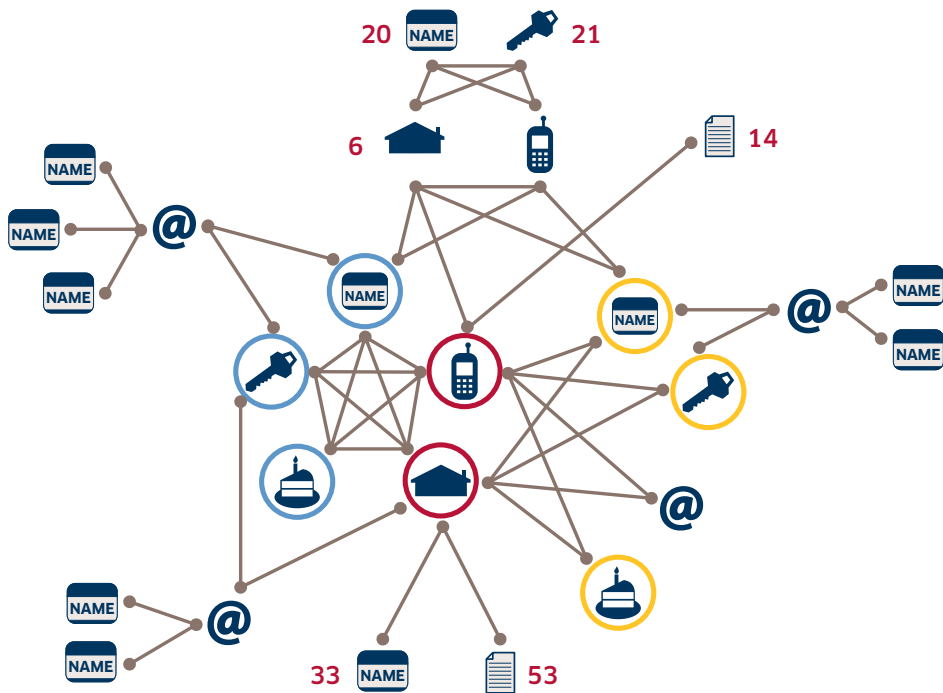
to determine whether a particular account change request is indicative of account takeover. The fraud analyst looks at a variety of independent sources to gather information related to the most recent address or phone number of the consumer, which is generally the previous address or phone number. In the end, the fraud analyst makes a judgmental, rather than objective, risk-based assessment that a particular change request is high-risk or low-risk.

In contrast to this manual and subjective process, ID Score Account Takeover applies Advanced Analytics™ by integrating and interpreting an individual’s Personal Topology to examine identity usage patterns associated with the identity in real-time.

This process objectively determines if an identity, considered as a whole, is at risk of identity theft or if the requested account changes are indicative of account takeover. It replaces the subjective assessment of the fraud investigator with an objective, risk-based assessment of the likelihood of identity risk and account takeover.

And, because ID Score Account Takeover does not rely on data matching or negative databases, the score accurately calculates

ACCOUNT TAKEOVER TRANSACTION EXAMPLE



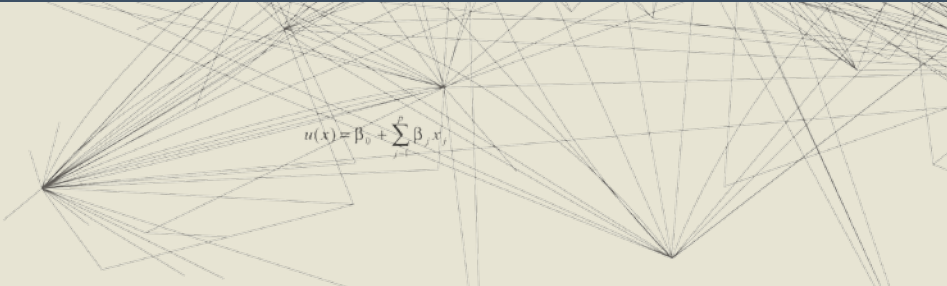
Summary of Findings

Two accounts migrate to same new address and phone number:

- Identity/Account A
- Identity/Account B

- No previous connections between two identities
- Very high velocity associated with new address and phone number:
 - 53 applications for credit from new address in past six months
 - 14 applications for credit from new phone in past two months
- Other unusual activity:
 - Address is tied to 33 different names (address is single family home)
 - Phone number is tied to six other addresses and 21 other SSNs
 - Both identities tied to email addresses tied to multiple other names with no other connections

New Identity Info	Name	Phone
SSN	Date of Birth	
Address	Email Address	


$$u(x) = \beta_0 + \sum_{j=1}^k \beta_j x_j$$

risk assessments of account information changes even when receiving a new combination of identity elements for the very first time. This ensures that account changes are rank-ordered appropriately and keeps false positive rates low.

Address change risk is a subset of the variables included in ID Score Account Takeover. Address risk is not considered in isolation, but weighed against dozens of other variables to generate a comprehensive evaluation of the risk of the identity in question. ID Analytics' technology can determine whether a specific address is a P.O. Box, prison, nonresidential, or other address that raises the address' profile of risk. ID Analytics determines whether an address is linked to multiple or individual identities, multiple or individual applications for credit, or if the specific move between the new and old address indicates risk.

These unique capabilities, which have been used to successfully combat fraud for many years, provide on-demand identity intelligence that is extremely effective and valuable when making identity risk decisions. Top U.S. telecommunication and financial service companies, as well as major retailers, government agencies, and healthcare insurers, all trust ID Analytics to eliminate financial losses and comply with federal identity risk regulations while delivering an improved customer experience.

ID Score Account Takeover Identifies Risky Account Changes

Implementing strategies to focus investigative efforts on uncovering account takeover fraud earlier in the process reduces unnecessary operational expenses and enables ID Score Account Takeover users to prevent millions of dollars in account takeover losses annually.

ID Score Account Takeover accurately identifies high-, moderate- and low-risk account changes and rank-orders them in real time or via a batch process. This enables organizations to apply the most appropriate resolution resulting in reduced fraud losses, operational expenses and customer friction.

For high-risk account changes, investigative resources and authentication solutions can immediately be focused on the riskiest transactions enabling organizations to quickly minimize exposure, protect legitimate customer accounts and reduce losses. For low-risk account changes, ID Score Account Takeover automatically eliminates the need for manual investigation thereby reducing expenses and customer friction associated with verification letters and other validation efforts. And, for account changes where ID Score Account Takeover indicates a moderate to high risk of account takeover fraud, organizations may leverage lower-cost, automated communication channels to verify changes.

In addition, business rules may be used to initiate an investigation when other high-risk actions occur in close

proximity to the account identity change such as a request to reissue a card, checks, or a PIN. ID Score Account Takeover also enhances the efficiency and effectiveness of compliance programs that require address change verification.

Improve Insight into Account Takeover Risk Today

Turn to ID Score Account Takeover to help your company expand visibility, increase accuracy and limit losses in evaluating account takeover risk. Contact us today at marketinginfo@idanalytics.com, 858-312-6200, or 866-248-7344 for a consultation and risk assessment. Or, visit www.idanalytics.com for more information about ID Score Account Takeover and our complete suite of identity intelligence tools.