

## Leading financial services provider streamlines application process using Experian's Authentication Services



### Client

This major monoline credit card issuer has approximately 45 million accounts and is growing by 10,000 accounts per day. In business for more than eight years, the company has about 12,000 employees.

### Challenge/Objective

To maintain responsive customer service while minimizing fraud risk, this financial services client needed to enhance existing verification capabilities in terms of scope, speed and accuracy.

The client's objective was to gain lift in detecting credit card application fraud prior to transactional activity. This required expansion of existing fraud detection resources to encompass a broader range of applicant data, thereby increasing the opportunity to identify known fraud indicators.

At the same time, the client wanted to balance fraud loss avoidance alongside customer impact and operations cost through a maximum return on product investment. To achieve this goal, the company required comprehensive authentication capabilities that streamlined processes and provided the ability to decision more accounts with fewer red flags and manual reviews.

Overall, the client wanted to continue to meet the needs of its rapidly growing customer base in tandem with effectively improving information integrity and accuracy, reducing manual inefficiencies, accelerating authentication and expanding risk assessment capabilities, all cost-effectively.

### Solution

To achieve its goals, the client implemented Experian's Authentication Services. The company chose Level One — a service option powered by Experian's extensive verification database of more than 215 million consumers and 25 million businesses — which provides 70 different result codes for rapid customer data verification.

In order to ensure a positive business impact, Experian® actively partnered with the client in a consulting capacity throughout a testing process comprising 800,000 new applications over a six-month period. In addition to a more thorough understanding of the product advantages, the client identified a significant incremental value from the data analysis.

Then, taking advantage of the ability to customize Authentication Services with result codes that best suited its needs, the client rolled out Experian's solution for all new approvals. Implementation was accelerated through the 24-hour-turnaround daily batch option, which helped the client immediately start realizing the value while the online system-to-system access was coded.

## Results

The implementation resulted in proven verification capabilities well beyond the client's previously existing data sources, including the ability to verify an applicant's address as well as cross-match name and address with Social Security number, birth date and driver's license information. In addition, the client was able to identify high-risk addresses and telephone numbers; reduce potential fraud; streamline application processing through faster coding and enhanced access; and cut costs.

Through these increased capabilities, the client has cost-effectively increased accuracy, reduced manual reviews and undeliverable mail, and streamlined its operations — boosting response to good customers while realizing a 13 percent reduction in application fraud losses. According to the company's operations manager, "As the result of implementing Experian's Authentication Services, we're looking at an overall annual savings of \$18 million."

With significant vertical lift realized in the application process, the client is exploring opportunities for implementation in its marketing department — specifically for risk assessment and accuracy relating to prescreened offers.

Most recently, the credit card issuer took its fraud reduction capabilities a step further through subscription to Experian's National Fraud Database<sup>SM</sup> services, which include instant matching of applicant data with known fraudulent activity. Today, the client continues to partner with Experian in achieving the optimum product mix that will strengthen its ability to nurture customer growth, reduce fraud and increase profits.