EKATA
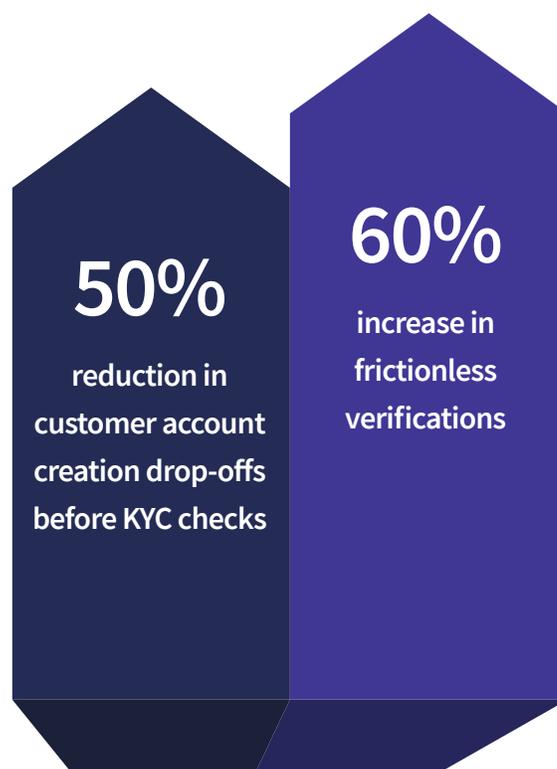
How This Global Buy Now, Pay Later Company Optimized Their Customer Experience While Blocking Fraud

The Challenge

Our customer is a global Fintech company providing a Buy Now, Pay Later (BNPL) payment platform to retailers by offering consumers an installment payment method. Operating in a highly competitive industry that is expected to grow by 41.7% on an annual basis in 2021, they wanted to optimize their onboarding workflow to reduce friction for good customers and block fraudulent and high risk applicants early in the onboarding funnel.

The company faced the challenge of putting too many good customers through high friction flows. In pursuit of compliance, they sent all customers through the same Know Your Customer (KYC) workflow and relied on bureau data for KYC checks based on regulatory requirements in place. They were seeking a partner who could offer a dynamic identification verification solution to help improve customer conversions.

50%

reduction in customer account creation drop-offs before KYC checks

60%

increase in frictionless verifications

The Solution

Prior to implementing the Ekata solution, the company did not have a risk-specific identity verification solution in place. They were conducting the same KYC checks for all customers at account opening, using internal data and metadata services for identification verification and fraud checks. This onboarding friction led to application abandonment, poor customer experiences, and lower customer loyalty. Rather than relying on the bureau's static data to verify an applicant, the company explored verification options that could be derived from dynamic and behavioral data. Their research took them to Ekata.

Through a joint testing collaboration effort in implementing Ekata's Account Opening API, the company was able to evaluate risk at the forefront of account creation before KYC checks were conducted. They were able to assess the riskiness of each application using our proprietary risk scores and signals, and as a result, were able to identify customers of different risk levels and separate them into appropriate levels of step-up authentications. This effectively risk-banded their KYC checks, reduced the need for excessive step-up friction, and created a seamless experience for lower risk customers. In this effort, the company saw a 60% increase in passive identity verifications and a 50% reduction in application abandonment.

After observing how Ekata's solutions could impact dynamic KYC decisions positively, the company was excited to partner with us. Not only were we able to identify both stolen and synthetic identities, but we were also able to identify those verified identities who are likely to become active customers. This aligned well with their strategic vision as they looked to implement a single solution that could support them globally as their business continues to expand.

About Ekata

Ekata provides global identity verification via APIs and a SaaS solution to provide businesses worldwide the ability to link any digital transaction to the human behind it. Our product suite is powered by the Ekata Identity Engine, the first and only of its kind. It uses complex machine learning to combine features derived from the billions of transactions within our proprietary network and the data from our graph to deliver industry leading solutions.

*Talk to an Ekata expert to learn about how Ekata's Account Opening API can help your company improve its customer onboarding experience while also preventing fraudulent accounts. To learn more, visit **Ekata.com***