

The Evolution of Human-Identity in Omni-Channel Authentication

Presented by

Bob Long, Senior Vice President

Daon



Market Drivers

- 16.7 million consumers - identity fraud (2017)
- Account Takeover Fraud (ATO) tripled in 2017 to \$5.1B losses*
- New Account Fraud (NAF) rose 70% in 2017*



* Source: www.ezshield.com/2017-fraud-statistics/, Javelin Strategy & Research's Report, 2018 Identity Fraud: Fraud Enters a New Era of Complexity



Market Drivers

- Types of fraud continue to evolve from simple forgery or check kiting to ATO, NAF, Social Engineering Fraud (SEF), Card Not Present (CNP), Synthetic Fraud... and so on.



Market Drivers

- Synthetic fraud is the fastest growing form of identity theft in the U.S., comprising 80% of all new account fraud and 20% of all credit card losses.
- In 2017, synthetic fraud caused an estimated \$50 billion in losses.*



* Source: www.about-fraud.com, Synthetic Fraud: Chasing Ghosts in The Credit System



Market Drivers

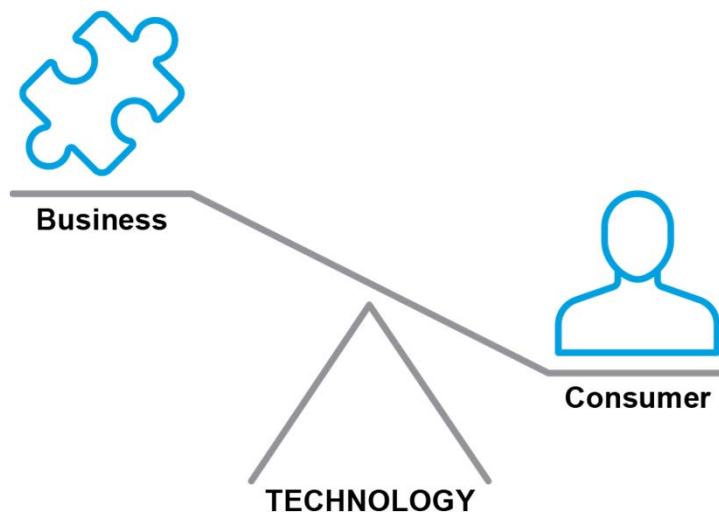
- Synthetic fraud costs Canada \$1B annually**



** Source: <http://www.cbc.ca/news/canada/how-synthetic-identity-fraud-costs-canada-1b-a-year-1.2554429>
How synthetic identity fraud costs Canada \$1B a year...



The Power Shift Underway



The Power Shift Underway

- Members want...
 - Zero friction
 - Immediate access to information
 - Location selection
 - No account takeovers and identity theft



Not One Size Fits All

Appeal of identity verification by member segments:



More Convenience

~30%



Balanced

~60%



More Secure

~10%



*Source: McKinsey



Prepare for the Power Shift

- Tailor the digital security experience!
- Go to where members are (e.g. Alexa)
- Quickly incorporate new signals and innovate
- *Authentication is less about objects & process – more about the experience*



What is Omni-Channel Authentication?

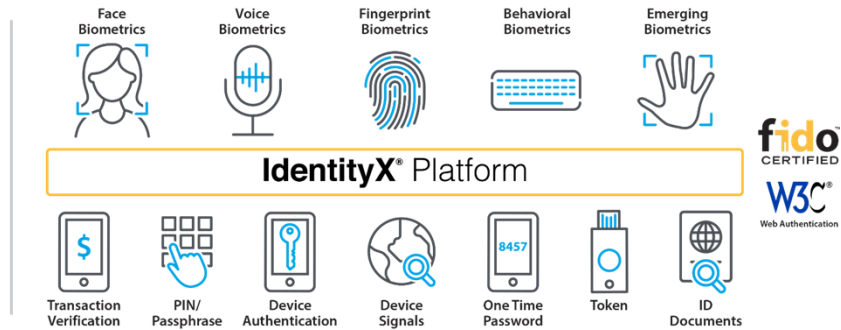
Definition: **Omni-channel** is a [cross-channel business model](#) and [content strategy](#) that companies use to improve their [user experience](#).

– Wikipedia.org



How Omni-Channel Works

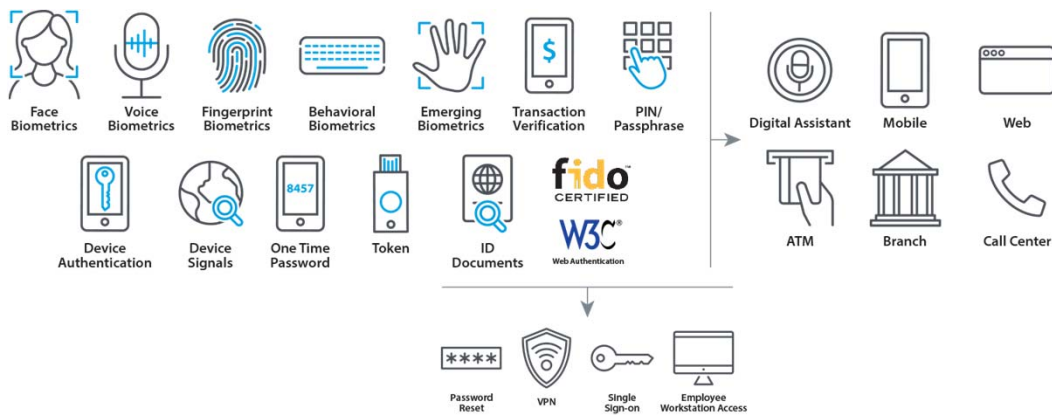
Human Authentication Platform



Built on a Strong Foundation | Global References | Large-scale Deployments | Market Leading Research



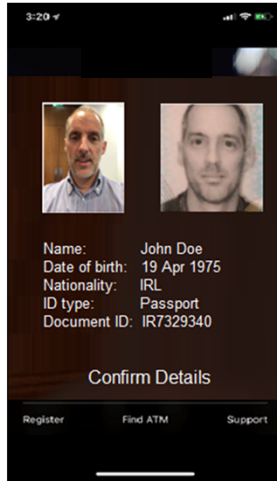
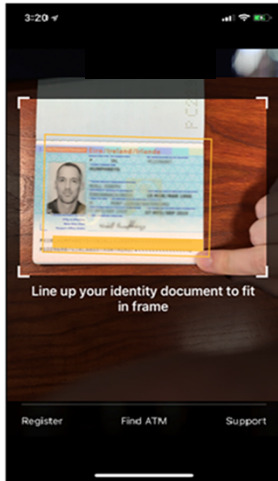
How Omni-Channel Works



Orchestrated Authentication Layers | Device Binding | Transaction Confirmation | Device Signals | Human Authentication



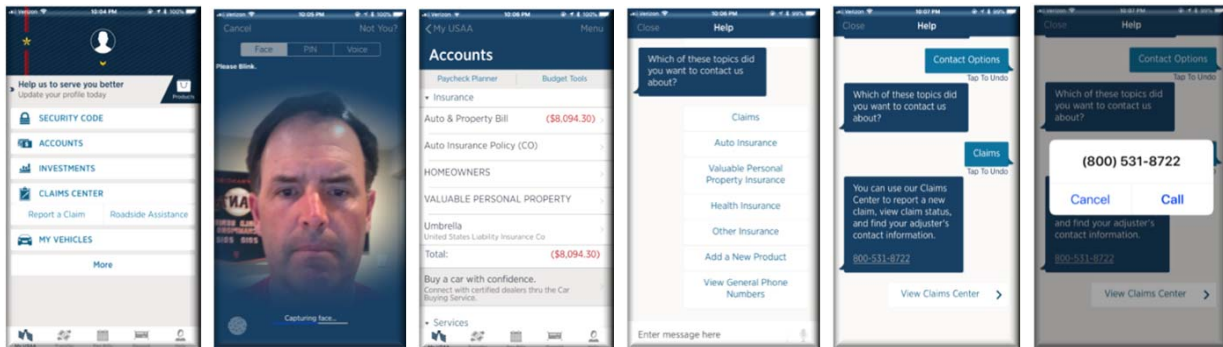
Frictionless Digital Member Onboarding



- Reduces member friction
- Reduces cost
- Speeds up time to revenue



What does it look like?



Courtesy: USAA Financial Services



Summary

- Innovation is a team sport!
- Omni-channel and biometrics can be easy
- Choose the right partner and biometric platform
- Define the right *initial use case*
- Add on for omni-channel

