

Trulioo | GLOBALGATEWAY®

Maximizing your ROI in identity verification





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Foreword from Trulioo Chief Operating Officer



Zac Cohen

COO, Trulioo

Ensuring investments deliver tangible commercial benefits is a fundamental principle of doing business and identity verification is no different. In fact, in a digital world full of fraudsters, maximizing ROI in identity verification is arguably one of the most mission-critical aspects of commerce today.

The COVID-19 pandemic shifted many parts of the economy to digital-only delivery of products and services almost overnight. Unfortunately, this shift in consumer behavior has attracted bad actors who have targeted people that aren't used to digital applications — often the most vulnerable people in our communities. In the hands of fraudsters, the technology that makes our lives better also puts us at risk. These risks have put identity verification in the spotlight because they threaten two core human values: trust and privacy.

Forward-thinking businesses are looking for identity verification services that support their global growth plans and help them adapt to changing regulations and technologies. As we continue to rely on digital services in all aspects of our lives, protecting our digital identities becomes essential.

As the market-leading global identity verification services company, we have worked closely with top technology companies across the globe throughout the last decade. Throughout that time, we have seen many regulatory changes and business challenges, and have identified the recurring industry trends and business needs in this field. Through this, we have developed the expertise and experience needed to be the authority on best practices for identity verification.

Drawing on our extensive industry experience, this playbook outlines five steps any business can take to implement a best-practice identity verification process. In each instance we will explore what businesses need to consider and what steps need to be taken. Based on our data, expertise and insights, we will also share with you the tools and technologies that Trulioo uses to ensure our customers have the best identity verification processes in place for their needs.



The rising demand for identity verification

Even before COVID-19 there was a global drive towards identity verification. As part of its Sustainable Development Goals¹, the United Nations (UN) has set a goal of providing everyone on the planet with a legal identity by 2030.

Behind this clear objective, the major factors fueling the adoption of identity verification include increases in digitalization initiatives, fraudulent activities, identity theft and increased use of digital identities. Governments and enterprises are also focusing on digitalization and implementing technologies like artificial intelligence (AI), machine learning (ML) and automation, resulting in increased opportunities for identity verification services.

The worldwide rise in fraud is a major challenge. According to the Financial Cost of Fraud Report², fraud costs the global economy over US\$5 trillion annually. With a significant increase in consumer online activity — from opening food delivery accounts to streaming services — new account fraud is becoming a major challenge for businesses.

COVID-19 has rapidly accelerated this trend, with industries having to adapt almost overnight to the new digital world, meeting rapidly evolving consumer demands while also enabling remote work. Businesses have had to completely rethink their entire go-to-market strategies and re-imagine the customer journey within a digital-only environment. This begins with the onboarding process; ensuring new customers are protected from fraud threats, while also ensuring smooth and seamless experiences.

So it should come as no surprise to learn that a report by McKinsey³ estimates the current identity-verification-as-a-service market is close to \$10 billion and is predicted to grow to \$16–20 billion by 2022.

No longer simply a check-box compliance exercise, identity verification has instead become a decisive factor in an organization's ability to engage with customers and build trusted, long-lasting relationships.

¹United Nations, United Nations Strategy for Legal Identity for All, 2019.

²Crowe, Financial Cost of Fraud Report, 2019.

³Fuel x McKinsey, "The next \$20 billion digital market," 2018.



Five steps to **maximize your ROI in identity verification**

Step one:

Define your goals

Summary

Understand the parameters in which the business is operating to develop a complete understanding of identity verification requirements.

Identify priorities and objectives

An identity verification program begins with clearly identifying priorities and objectives. This is critical because there are so many variations and every market and sector has its own idiosyncrasies: different formats for names and addresses, local regulations for Anti-Money Laundering (AML), a variety of data sources. Mastering identity verification for each scenario takes time and expertise. Whether you're operating in multiple countries today or planning to expand, businesses need identity verification services that have the capacity and agility to scale quickly. This is why taking a holistic approach is critical — there is no one-size-fits-all solution, so being specific and detailed at this stage is essential for future success.

Take a holistic approach

This step helps inform your understanding and forces you to ask the right questions from the get-go. From an appreciation of data source nuances to unique market demographics, all of this information builds a tailor-made picture for your business. It also helps in developing actionable recommendations based on real-time performance.

A holistic approach ensures that the business has visibility into external factors, like technology changes, regulations and varying market requirements, as well as internal ones, like evolving operating models and customer needs, all of which are in constant flux. If a business only looks at identity verification around a single process, it's siloed and won't be able to adapt or scale.

The key is to ensure that the process of verifying a user's identification doesn't become an obstacle to interaction. If it becomes too much of a barrier, the customer may abandon the sign-up process and take their business to a competitor. The best identity verification processes are easy to use, intuitive, non-intrusive and a cost-effective investment.

Questions to consider at this stage

1. What does a verified person mean to our business?
2. What are the regulatory requirements for our business/industry?
3. What do we need identity verification technology to do?
4. What legacy systems do we have in place?
5. Are we collecting the right data to support compliance and business needs?
6. What does integration look like in terms of time, cost and simplicity?
7. What are industry best practices for identity verification?
8. Have we considered how identity verification challenges will evolve in the future?
9. Is it possible to create custom verification workflows based on a risk-based approach?
10. What are the risks of poor identity verification performance for our business?
11. What privacy and security measures do we need to consider?
12. What level of support and expertise will the identity verification service provider deliver to our team?



Key takeaway

Take a holistic approach to identity verification and you will not only meet your compliance obligations, but gain the additional benefits of reducing fraud and enhancing trust and safety.



Case study: Stake

Our holistic approach provides a much higher level of confidence in identity proofing than elsewhere in the market because it allows for cross-checking different facets of identity like documents and data. By combining both speed and security within identity verification, we offer customers world-class digital experiences and provide businesses with peace of mind.

We worked with one of our customers, Stake, an Australian-based investment platform, to address its AML/Know Your Customer (KYC) compliance and onboarding goals. With the aim to go global from the get-go, Stake needed an identity

verification partner that could assist in verifying people around the globe, not just Australian citizens. For the Stake team, the objective was to source and implement an identity verification solution that provided ultimate breadth and scale, but was also flexible enough to meet changing demands in what is a highly dynamic and constantly changing sector of the economy.

After a thorough deliberation process, Trulioo GlobalGateway was selected as the identity verification solution that had the breadth and scale to meet Stake's needs.

“We needed a seamless onboarding process ... We were also looking for a partner that has a global footprint and is able to scale with us as we grow. There was only one option, and that was Trulioo.”

— Dan Silver, COO of Stake



Learn more about how Stake uses Trulioo GlobalGateway to solve its identity verification needs.

[Download the full case study ►](#)

Step two: Define what success looks like



Summary

Develop a holistic and robust framework for measuring the success of identity verification processes and investment.

Understand what identity is

The first layer of defense in any identity verification process is to make sure that the person exists and that they are providing a real identity. This is quickly followed by a second layer — that they are actually who they say they are. But it isn't enough to just tick this box. Businesses need to understand the multi-faceted nature of identity in order to address this. A single person or organization has one identity, but that identity has many different attributes — both physical and digital — and it's important to know which are being assessed and verified, which are being tracked and how these break down in terms of business results.

Identify metrics and measure results

Before you can start to measure success, you need to determine what metrics and data you're going to track and monitor. What data points do you need?

Here are a few considerations:

- Pass/match rates
- Response times and speed of onboarding
- Time savings (for example, improvements from shifting from manual to automated onboarding)
- Reduction in fraud and bad actors
- Reduction in abandonment during account creation

Along with considering what data points you need, you'll also need to address how you will access and interpret the data. The Customer Success team at Trulioo provides dashboard analytics capabilities to help customers with this, so this should be a prime consideration in any evaluation of potential identity verification providers.

It's necessary to understand what an increase in performance actually means for your business and how it can best be measured. Customers don't like friction and neither do businesses. The objective is to maximize risk mitigation while minimizing friction and invasiveness for customers. According to analyst firm IDC⁴, 73% of customers say a positive experience is essential to brand loyalty. If organizations fail to deliver on these expectations, people will simply click elsewhere. And businesses must meet customer expectations from the start — when they create an account.

⁴IDC, Building Relationships Through Empathy at Scale, 2020.

This is further supported by independent research in our Consumer Account Opening Report⁵, which found that 62% of consumers prefer a slower account creation process with more rigorous identity verification to protect them from risk, rather than a faster process with fewer identity checks. But one can't be sacrificed for the other. Fervent consumer concern relating to fraud and identity theft has triggered regulatory crackdowns and is harshly penalized by regulatory bodies.

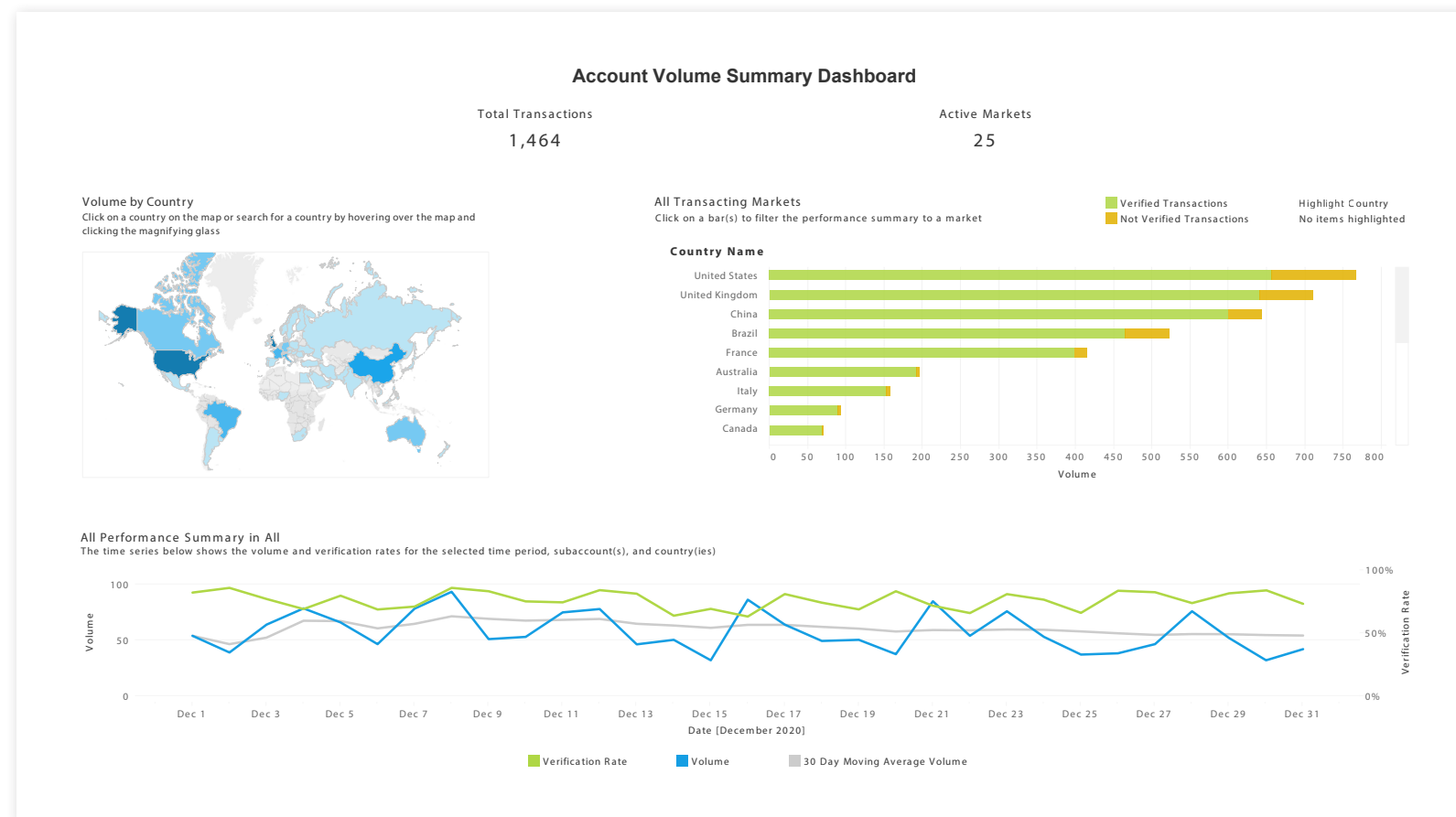
Recent regulatory standards on data management include Customer Due Diligence updates to the Bank Secrecy Act⁶ of 1960 and the 2001 Patriot Act⁷ in the U.S., and the EU's General Data Protection Regulation⁸ (GDPR). Non-compliance with these regulations results in reputational damage and fines, like the €50 million fine the French National Commission on Informatics and Liberty brought against Google in 2019 — the largest GDPR fine to date. Stricter KYC and AML procedures have also been imposed on institutions to ensure new customers are who they say they are and don't pose a fraud or terrorism financing threat.

⁵Trulioo, Consumer Account Opening Report 2020, 2020.

⁶James E. Eldridge, The Bank Secrecy Act: Privacy, Comity, and the Politics of Contraband, 1986.

⁷Public Law, Uniting and Strengthening America by Providing Tools Required to Intercept and Obstruct Terrorism, 2001.

⁸Official Journal of the European Union, Regulations, 2016.



▲ Dashboards provide quick visualizations of key metrics and data to deliver business insights and help drive strategy.

Questions to consider at this stage

1. Do we have any metrics to measure identity verification success?
2. If so, what metrics are we currently using, and are they working?
3. What KPIs are critical to your organization?
(For example, compliance adherence, fraud reductions, frictionless onboarding.)
4. What else do we want to be measuring?
5. How does our existing identity verification process impact customer onboarding?
6. How can we improve our onboarding process?
7. What data do we need to collect at each stage of our onboarding process?
8. Are we collecting too much information during account creation?
9. Do we have tracking capabilities on our website or app to provide insights about our onboarding experience?
10. What is our abandonment rate during account creation?
11. Where is friction being created within our existing identity verification process?
12. Can friction be reduced without compromising security?
13. What upcoming regulations may impact our business and processes? How are we preparing for it?



Key takeaway

Measure the impact of identity verification against a considered set of business metrics that link to customer activity. For example, pass rates, response times and time and resource savings.



“Trulioo has definitely helped our business scale in a compliant way. We are excited to continue improving the customer onboarding experience with further help from Trulioo.”

— Adam Goldman, Founder and President, Bitbuy

Case study: Bitbuy

Developing key metrics and achievable goals from an identity verification program is essential to success. One of our customers, Bitbuy, a Canadian digital currency platform, wanted to expedite its customer onboarding process, while ensuring compliance with global AML and KYC regulations.

Prior to using GlobalGateway, Bitbuy's verification processes were onerous and slow. One of their measurements for success was to improve the onboarding process by providing a fast, secure and frictionless customer experience.

“It was a slow, unscalable solution that needed to change in order to sustain our growth,” explained Adam Goldman, founder and president of Bitbuy.

Bitbuy conducted an extensive search to identify a reliable, compliant identity verification provider. After considering a variety of alternative solutions, Bitbuy decided to opt for GlobalGateway, which has resulted in seamless and compliant onboarding, increased protection against fraud and the ability to grow on a global scale. Bitbuy will continue to work with Trulioo's dedicated Customer Success team to ensure its continued success and deliver on its business goals.



Learn more about how Bitbuy uses Trulioo GlobalGateway to solve its Know Your Customer needs and seamlessly onboard customers.

Download the full case study ►

Step three: Apply the right tools



Summary

Engage the best tools available — ones that suit your requirements and that can be connected together to create a dynamic verification process to mitigate fraud and compliance risks and eliminate friction.

Remove customer friction

By following steps one and two, your business will be in a prime position to select the best tools available to better understand the risk profile of your customers and reduce friction. This means factoring in various identity verification methods, including electronic identity verification, ID Document Verification, MobileID verification, bank accounts and more. All are designed to be configured so a business can build an end-to-end verification process for onboarding in any scenario. It also means companies can identify and assess customers according to their risk levels — and tailor experiences accordingly.

Implement a multi-layered approach

Having an in-depth understanding of the full range of identity verification tools is critical as multiple levels of identity verification are usually required — a layered approach. This is because single-method authentication doesn't go far enough in reducing risk.

While the need for identity verification is increasing considerably, there is pressure on budgets and developer resources, so being able to understand and build an identity verification strategy that is configurable to your systems and budget constraints should be a key focus. A key consideration for selecting identity verification must be an orchestration service that enables your business to bring multiple verification activities together in a single solution.

Questions to consider at this stage

1. What identity verification tools do we need?
(For example, identity verification, identity authentication, AML watchlist screening.)
2. How do they integrate with our existing systems?
3. Can our existing identity verification tech stack handle our requirements, especially if the business grows?
4. Do we have the ability to evolve and adapt our identity verification program?
5. What types of checks does our identity verification solution run — and are these right?
6. Can we orchestrate multiple identity technologies based on evolving business needs?
7. How will conversion rates and customer acquisition costs be affected after implementing identity verification?
8. What cost savings will we see as a result of increased efficiencies and reduced fraud, financial crime, and regulatory fines?
9. What is the likely impact to customers?



Key takeaway

Ensure your identity verification program is built using best-in-class tools that match the risk profiles of your customers, but is also designed to reduce customer friction.

Step four: Focus on optimization



Summary

Ensure your identity verification program is optimized for performance at every stage of the customer journey.

Employ field-proven techniques

Onboarding effectiveness can be increased dramatically by using a series of field-proven and cost-effective techniques. Identity verification services leverage innovative technologies, like biometrics, AI, ML, computer vision and verification experts, to quickly verify that a person's real-world identity matches their digital identity. It empowers businesses to scale by easily onboarding new customers without compromising security. Using previously mentioned innovative technologies, GlobalGateway enables companies to design, test and roll out verification workflows that are optimized for speed and security. Fueled by hundreds of identity data sources and partnerships, our identity marketplace offers unmatched global coverage for our clients.

Consider your customer risk profiles

Optimization has two benefits. First, it means the cost to the business accurately reflects customer risk profiles. Second, it ensures identity verification processes are fit for purpose. This is important as an organization's identity risk profiles differ throughout the customer journey. Consider an online casino. When a player opens a gambling account with a small sum, the casino only requires proof of age, because the transaction value is low. But if the player gambles with amounts over \$1,000, the risk profile changes and the casino must comply with KYC regulations. If the amounts go over \$10,000, the risk profile changes again, because the fraud risk also increases.

A risk-based approach provides flexibility for handling different risk profiles. Gartner⁹ references the significant challenges that businesses face in evaluating multiple identity data sources and verification processes. Gartner notes the need for tools that enable the orchestration of multiple vendors and capabilities, allowing for frictionless workflows and unified processes to cross-check data. This is one of the reasons we created our low-code solution, EmbedID — so businesses can instantly verify customers in multiple markets by easily embedding a snippet of code, without integration or development overheads.

⁹ Gartner, Market Guide for Identity Proofing and Corroboration, 2019.

Questions to consider at this stage

1. Do we have clear visibility into our customer risk profiles?
2. What level of identity risk are we willing to consider for the various stages of the customer lifecycle?
3. What data source types are available in each market?
4. How can we optimize the data sources to increase verification performance?
5. Should we consider alternative data sources for maximum coverage?
6. How can we add these sources and integrate them into our identity verification process?
7. Can we match data to data source partners to ensure a person is who they say they are?
8. Can we add additional layers, like biometrics, to our identity verification program?
9. Can we implement dynamic routing to the best service provider in each market for optimal results?
10. What is the best identity verification workflow to maximize pass/match rates?
11. Is our existing identity verification program optimized for spend?



Key takeaway

Understand customer risk profiles and take a risk-based approach to optimize performance.



GlobalGateway use case

Access to a global marketplace of identity data and services gives businesses the flexibility to deploy verification and authentication products based on varying levels of identity risk across diverse use cases and business requirements.

Businesses that deal with the exchange of funds need to know who they are dealing with to mitigate the risks associated with bribery, corruption, terrorist financing, and money laundering. This means creating and implementing robust Know Your Business (KYB) policies and procedures with a risk-based due diligence approach. A risk-based KYB approach acknowledges that low-risk transactions should not require the same level of due diligence as that of high-risk transactions.

A Trulioo client, a global eCommerce marketplace, leverages our single API to verify their global business partners and identify Ultimate Beneficial Owners as part of their KYB practices. They employ this risk-based approach, ensuring that businesses and individuals deemed medium- or high-risk can be escalated for Enhanced Due Diligence. This means low-risk customers experience frictionless onboarding, while those considered to be higher risk will be routed through additional due diligence measures.

Step five: Implement tiering and effective data practices



Summary

Implement tiering to ensure that you are using the best identity verification methods for each type of customer and develop a program to gather, update and maintain customer data.

Apply tiering

Tiering is an approach to identity verification that allows businesses to always use the best source to verify identity based on each individual case. It allows for dynamic routing, which drives performance, eliminates fraud and improves the customer experience.

Tiering means developing, delivering, monitoring, refining and retiring identification methods as your customer base and risk profiles evolve. It ensures the best solution is in place for each customer type (and is therefore the most cost effective). It also causes organizations to think differently and delivers tangible results more quickly and sustainably. It's something we covered in our [Identity Network Research paper](#).

Manage and maintain customer data

The most important ingredient for successful onboarding is a foundation of quality customer data. Onboarding is a classic garbage-in/garbage-out scenario. This requires companies to develop a robust data management program to manage, update and remove customer information and maintain data hygiene. By building profiles of real people that won't fade over time, you can drive connected customer experiences.

Knowing each customer's preferences, behaviors and history is the key to determining the next best interaction with them, ultimately driving greater customer experiences while also improving security.

Improve match-rate processes

Depending on your existing identity verification, your match rates could vary, as providers have different data partnerships and agreements which, in turn, develop differentiated networks of known customers to match against. It's best practice to send the same customer file with the same matching logic to each of the onboarding partners you are evaluating. This will give you a good idea of how much matched records differ. You can also request match-back files to determine which records weren't matched and compare with each provider. This should help you select the identity verification partner to best suit your customer base.

Ultimately, you should apply the right identity verification levels without doing too little (which exposes the business to risk) or doing too much (which creates friction for the customer). To do that you need the tools and visibility over how your identity verification account is structured. This should include your transaction and verification history to obtain key recommendations on how you can improve overall match rates and verification performance.

Questions to consider at this stage

1. What are our most important or effective sources of information?
2. How do we measure these, in comparison to other data sources?
3. Do we have a clear definition of a match and a pass?
4. Do we need to tighten or loosen the rules on matching criteria?
5. How can we normalize APIs to add and remove sources quickly and efficiently?
6. Do we have benchmark match rates for each market?
7. Are our current match rates higher or lower than what is available in the market?
8. What is causing failed passes or matches? How can we improve the results?
9. Do we have visibility into our verification history?
10. Does our identity verification partner provide recommendations for ways to improve performance and results?



Key takeaway

Implement tiering and a robust data management program to better understand your customers, improve verification match rates and reduce business risk.



GlobalGateway use case

The Customer Success team at Trulioo worked closely with a global trading and brokerage client to implement tiering.

The brokerage tested tiering across five worldwide markets where they operate. In three of those markets, we were able to recommend changes in configurations that resulted in a significant increase to the number of clients successfully onboarded without the need for manual reviews, saving them time and money. This illustrates how our team helps to ensure client success and optimal ROI when using GlobalGateway.

Delivering enhanced ROI in identity verification

The benefits of a holistic approach

By following the five steps we've outlined, your business will be in a prime position to maximize the value of your identity verification program because it will be built on a solid foundation. It will mean that you can react quickly and cost-effectively to evolving business challenges like regulatory amendments, expansion into new markets and geographies, or changes to your customer risk profiles.

The central aspect of the five steps is to implement a multi-layered approach. Doing so can set the stage for future generations of global citizens and customers, including wider efforts to create digital IDs.

A holistic approach to identity verification enhances security and increases confidence in your risk mitigation program. Organizations can vary their approach, depending on risk levels and business needs. With the addition of sophisticated data profiling, which can help gauge specific risk situations, identity proofing reduces risk, creates smoother user experiences and enables effective implementation of online and mobile transactions.

Taking this approach to identity verification also offers businesses the strongest defense against increasingly sophisticated bad actors. From addressing complexities to implementing tiering, your identity verification program will not just be built for the challenges of today, but also be agile enough to adapt to the requirements of the future. Best of all, it will maximize your ROI in identity verification thanks to cost savings, increased efficiencies, reduced fraud and fewer regulatory fines.



Considering identity verification for your business?

Learn to navigate the complex identity verification landscape so you can make the best purchasing decision when it's time to invest.

[Download the Buyer's Guide for Identity Verification.](#)



About Trulioo

Trulioo is a global identity and business verification company that provides secure access to reliable, independent and trusted data sources worldwide to instantly verify consumers and business entities online.

Trulioo GlobalGateway, the global identity verification marketplace, helps organizations comply with Anti-Money Laundering (AML) and Customer Due Diligence (CDD) requirements by automating Know Your Customer (KYC) and Know Your Business (KYB) workflows.

Trulioo supports clients worldwide to instantly verify 5 billion people and 330 million business entities in over 195 countries — all through a single API integration. Named as a CNBC Disruptor 50 Company, the company's mission is to solve challenges associated with verifying identities by powering fraud prevention and compliance systems in an effort to increase trust and safety online.

Contact Us

For over a decade we have worked with hundreds of companies across the globe to help them overcome regulatory hurdles and identity verification challenges. We have developed the expertise and experience needed to be the authority on best practices for identity verification.

From addressing your unique needs to providing a dedicated Customer Success team to help you maximize your identity verification program, we're here to help. Contact us and one of our Identity Specialists will detail how GlobalGateway and our multi-layered identity verification approach are the perfect choice for your business needs.



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