Solution for the biggest problem you aren't solving

Every day, financial organizations work to penetrate new markets, grow their customer base, improve the customer experience, manage risk and contain costs. Success is measured in fractions of percentage points.

Meanwhile, data indicates that more than 10 percent of creditworthy applicants fail to meet Customer Identification Program (CIP) requirements based on personally identifiable information alone and require additional effort to reconcile discrepancies and onboard. And onboarding becomes even harder if you're trying to attract younger customers and competing in emerging markets.

In an industry where sophisticated strategies, immediate decisions and access to massive amounts of data fuel every effort to improve growth, customer experience and audit performance, CIP verification remains outdated and chained to limited data, inflexible decisions, and sometimes manual efforts and poor customer experience.

Regulations to watch

Bank Secrecy Act/anti–money laundering (BSA/AML) (1970) — Established to detect and prevent money laundering and other criminal activities.

USA PATRIOT Act (2001) — Established to deter terrorist acts and punish those who commit them in the United States and around the world and to enhance law enforcement investigatory tools.

FACTA Red Flags Rule (2008) — Requires policies and procedures to identify and recognize red flags — i.e., patterns, practices or specific activities indicating the possible existence of identity theft — that occur during account opening, existing account maintenance or new activity on an account that has been inactive for two or more years.

FinCEN CDD Final Rule (2018) — Requires financial institutions to implement policies and procedures to identify and recognize beneficial owners of a business under the same criteria as an individual consumer.

A CIP solution that works for you

To comply effectively, you need a wide range of trusted data providers and authentication services to deliver an intelligent, seamless decision. For example, when using a step-up approach to verification, any initial checks that fail automatically cascade to the next data source or cutting-edge capability, such as document verification or biometrics.

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A solution should be crafted to meet your specific CIP criteria. Only then can you have a consistent, objective and cost-effective outcome across the widest possible range of populations. When assessing your current solution or looking for a new one, these components are a must:

✓ Identity element validation, verification and high-risk conditional checks to ensure ongoing data quality.

✓ Flexible search and match logic to balance verification rates and compliance requirements with performance monitoring and tuning options.

✓ Device intelligence and advanced analytics to recognize good customers and isolate fraud threats.

✓ Step-up authentication that includes one-time pass codes, biometrics, behavior metrics, email/phone intelligence, document verification and/or knowledge-based questions.

✓ Alternative data assets to better identify diverse consumer populations.

✓ Portfolio or user-population monitoring with alerts for identities exhibiting elevated levels of risk or exposure.

✓ A single access point to a flexible application programming interface, which reduces costs and complexity.

✓ Powerful strategy design and workflow decisioning to enable faster testing, implementation and launch.

✓ A layered and flexible approach to identity and account management that quickly responds to guidance or mandates.

Determining if there is a problem

We believe that CIP is the biggest problem many organizations aren't solving — primarily due to outdated technology; insufficient data; and costly, manual and subjective decisions for about 10 percent of the people who want to do business with you.

To determine if this is a problem for your organization, answer these three metric-based questions:

1. How many of your creditworthy applicants fail a basic match to name/address/SSN using the bureau data?

2. What do you spend (on people, additional vendor data, etc.) to work on these cases?

3. How many of these customers don't use their accounts once approved?

We think the numbers will surprise you — and that there's a real impact to be made to your bottom line by revising your approach to CIP. If you need help doing this, let us know.

Benefits are more than compliance

Being compliant is important. But that's not all an improved CIP program can do. With a solid program in place, you can:

• Perform better during audits using repeatable processes with minimal manual or subjective decisions.

• Increase operational efficiency and reduce costly manual processing.

• Create a competitive edge by reducing the friction and false positives that cause customer attrition.

• Scan your portfolio of users and customers to detect potential synthetic identities or compromised customers.

Is CIP verification the biggest problem you aren't solving? We can help you effectively manage the compliance landscape while providing a positive customer experience that reduces risk and promotes growth.

The better you recognize your customers, the better you can serve them. We can help.

Let's Talk

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