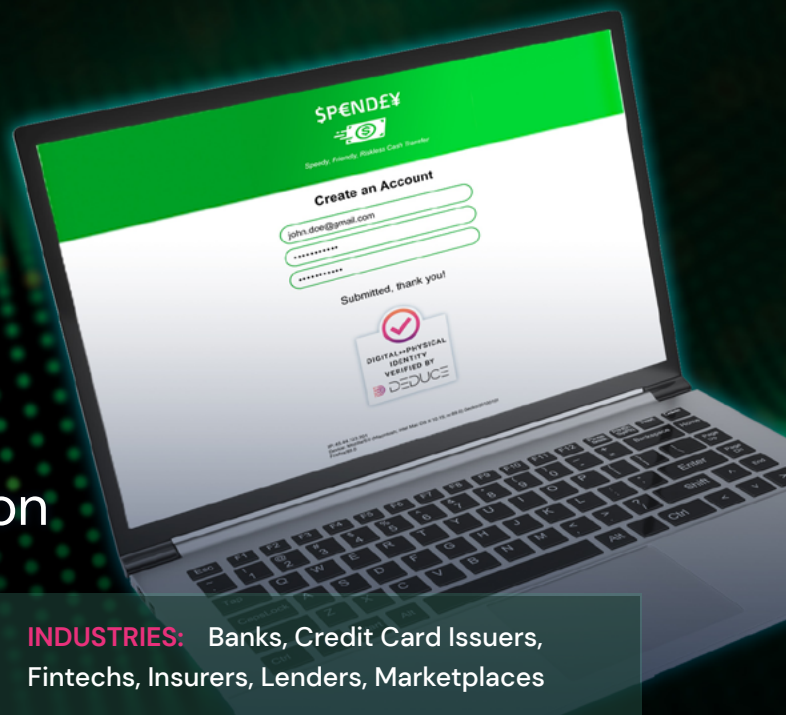# DEDUCE

SOLUTION BRIEF

Prevent Stolen & Synthetic Identity Fraud—Reduce Manual Review & User Friction

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INDUSTRIES: Banks, Credit Card Issuers, Fintechs, Insurers, Lenders, Marketplaces

The New Account Challenge: Prevent Fraud, Reduce Costs and Friction

In principle, a new account represents the very first customer interaction for banks, fintechs, finservs, and insurers, so verifying that customer is critical. While organizations lack historical data for these new identities, fraudsters have access to stolen PII they can use to synthesize identities that either evade verification safeguards or result in step-up calls and manual reviews. These step-up calls and manual reviews can reduce fraud but they increase onboarding costs, slow things down, and too often generate false positives.

Companies spend billions more every year on identity access management and other fraud prevention solutions, but fraud and friction remain expensive, frustrating problems. It doesn't have to be this way.[4]

It's Time to Rethink Identity Fraud Prevention

Fraudsters often exploit systematic weaknesses created by available PII, and by manufacturing identities and related activity. However, manufacturing identity activity at scale is very expensive. Unless fraudsters commit to living the same online lives as their victims, Deduce will see them for what they really are.

Deduce accomplishes this with its Identity Graph—the largest online-activity consortium in the fraud and risk space. The Identity Graph continuously captures, correlates, and analyzes the online activities of most U.S.

PROBLEM

Synthetic and stolen identity fraud are big problems for banks, fintechs, and other regulated businesses. Synthetic identity fraud cost U.S. banks $20B in 2020,[1] and identity fraud affected 42 million U.S. consumers in 2021.[2] Secondary step-up calls and manual reviews raise costs and create friction that drives customer churn. And when those fraud controls lack accurate data, another big problem impacts top-line metrics: false declines.

SOLUTION

Deduce continuously correlates and analyzes digital and physical activity for more than 660M U.S. digital identities to close the gaps in legacy fraud prevention stacks. Deduce sees 89% of new customers before they reach a site or app—43% within hours.[3]

RESULTS

- Prevent up to 350% more identity fraud.
- Reduce manual review and step-up calls by 2x.
- Rescue false declines and approve 10% more users.
- Optimize the entire decisioning funnel.

digital identities. That's currently 660M+ identity profiles, engaged in 1.5B+ daily activities, across more than 150,000 sites and apps. This lets us see most of the U.S. online population several times every week—sometimes just before they arrive at a new site.

Deduce Identity Insights in Action

Leading Subprime Credit Card Issuer

THE CHALLENGE
Significant issues with synthetic identity fraud despite a sophisticated, multilayered stack including market-leading providers.

THE DEDUCE ADVANTAGE
Deduce sees **89%** of applicants before they apply, including **43%+** within hours of their application.

RESULTS WITH DEDUCE

- **95%** more fraud capture with **2x** more precision than the rest of the stack combined
- **26%** of good users spared DocV and/or manual review, with **99%** precision
- **5%** of users rescued from false declines

Leading SMB Lender

THE CHALLENGE
Identify synthetic identity fraud involving sole-proprietor SMBs, despite a lack of data to validate these kinds of businesses.

THE DEDUCE ADVANTAGE
Deduce observes **63%** of these businesses actively transacting across the Identity Graph.

RESULTS WITH DEDUCE

- **315%** more fraud capture
- **2x** more precision
- **23%** of good users spared selfie, DocV, or manual review
- **10%** of users rescued from false declines

Top 3 Credit Card Issuer

THE CHALLENGE
Improve the performance of an existing stack of more than 15 identity solutions.

THE DEDUCE ADVANTAGE
Deduce sees **85%** of applicants before they apply, including over **45%** within hours of their application.

RESULTS WITH DEDUCE

- **66%** more fraud capture, including:
  - Fraud missed by the issuer in real time
  - Fraud missed during manual review

Easy POV, Simple Integration, Fast Results

Deduce integrates quickly with existing fraud stacks via API, with no waiting for JavaScript. But you can run your New Account Opening proof of value today, without integration or engineering support.

See for yourself how Deduce:

- Immediately improves your fraud detection model
- Reduces false positives
- Reduces step-up and manual review requests
- Prevents more fraud

Request your Deduce POV now.
(visit: https://www.deduce.com/contact-us/)

ENDNOTES:

1. ABA Banking Journal, October 20, 2021
2. Javelin Research, March 29,2022
3. Based on data from multiple Deduce financial institution customers
4. Gartner, October 13, 2022