



US Neobank stops application fraud with risk management



THE CLIENT

US Neobank



CHALLENGE

As a new digital-only player in the banking sector, this neobank invested heavily in marketing to attract new customers and launched a generous onboarding reward scheme. While this campaign drew in many genuine customers, it also attracted fraudsters who saw an opportunity to quickly cash in by setting up fraudulent accounts.

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Banking & Payment Services

Our delivery

Before launching the neobank, their fraud managers worked closely with our fraud managers to try and anticipate what kind of attacks they could be subject to, and how we could detect and mitigate those with the risk management technologies in Gemalto IdCloud. Since they were launching a new bank there were no prior knowledge of attacks to build a model upon. Our fraud managers used experience from similar neobanks to setup risk management that would be able to detect any potential irregularities.

Even before public launch, while running in friends and family mode, our risk management were able to detect and mitigate fraud. This shows how quick fraudsters operate and that fraud mitigation tools must be a priority topic already from the start.

But the real challenge began when they went public and launched a marketing campaign with a reward scheme for new customers. This also attracted fraudsters who wanted to quickly cash in by setting up fake accounts.

In the first year and a half following launch, the neobank was subject to regular waves of attacks, with fraudsters constantly modifying how they tried to bypass the digital onboarding security features. Our fraud experts worked closely with the bank to implement counter-fraud measures and make sure new types of attacks were detected and stopped.

Some of the fraud techniques we noticed and mitigated were **breached devices, disposable emails, velocity attacks, IP masking and spoofed networks**. At the peak of the attacks, almost **four in ten attempted new account openings were spotted as fraudulent** and thus denied.

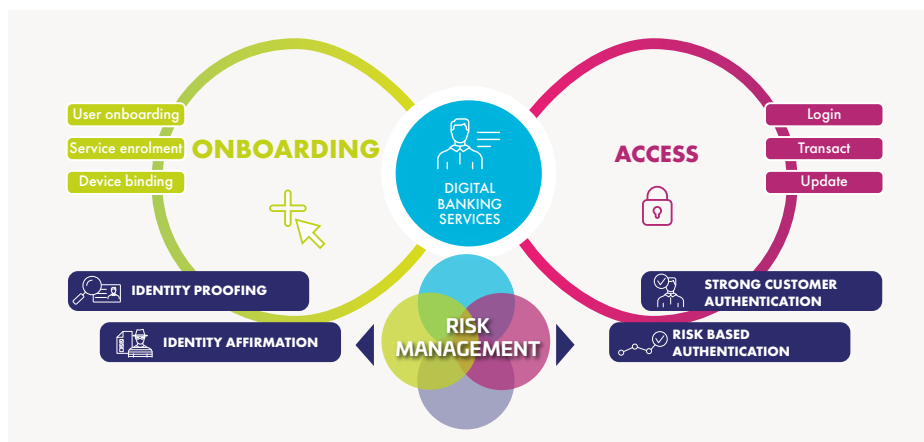
Without a powerful and flexible risk management solution in place, and vigilant fraud managers, this marketing campaign could have proved very costly for the neobank.



To protect the whole customer journey, the neobank also uses Gemalto IdCloud to secure daily access to their online banking services. With device intelligence and behavioural analytics they can securely recognise returning good users and treat them with trust they deserve for the best frictionless user experience.

Thales Gemalto IdCloud - a cloud platform to secure onboarding and access to digital banking

Our cloud based managed services lets financial institutions secure onboarding and access to digital banking with identity proofing and strong customer authentication. Risk management further increase security and enhance the customer experience with identity affirmation and risk based authentication. With one single platform.



Want to learn more?

If you want to hear more about how we can help you secure and enhance your digital onboarding journey, then book a meeting with one of our experts. You will also find lots of useful assets on our web site.

BOOK A MEETING