

## Insight Guide

# Stop Telecommunications Fraud While Speeding Up Good Customers.



**Customer authentication and fraud prevention solutions are essential for communications.**

A differentiated customer experience is critical within the highly competitive communications industry, where new standards have emerged for seamless, instant access to sites, services and mobile apps.

However, heightened access and elevated experiences need to be balanced against the realities of rising fraud. TransUnion's global fraud and identity solutions offer solutions that satisfy the communication industry's competing demands of catching fraud, authenticating good customers and providing a safe, secure and friction-right experience.



80% of customers report they have improved their customer experience by reducing friction with device-based reputation.

**TechValidate**  
by SurveyMonkey

<sup>1</sup> Source Tech Validate (<https://www.techvalidate.com/product-research/iovation/facts/FIC-505-405>)

## Our Experience

### Types of communications providers that use TransUnion:



Wireless



Internet providers



Wireline







Media



Cable and satellite



Streaming services

Transactions protected by TransUnion over the past 12 months	Communications customers	All customers
 Number of transactions protected	<p>216 million</p>	<p>10.1 billion</p>
 Number of risky transactions stopped	<p>3.1 million</p>	<p>497 million</p>
 Number of reputation reports submitted by analysts	<p>411,000</p>	<p>22.8 million</p>
 Percent of devices previously seen by TransUnion	<p>73%</p>	<p>72%</p>



# Create an Outstanding Experience and Shut Down Fraud

The telecommunications industry is fast evolving, and facing a number of challenges. Consumer saturation has been reached in most mature markets, forcing providers to diversify into value-add services such as streaming media, advertising services and digital content to remain competitive. Cross-pollination of services has added complexity for carriers trying to manage the same account across multiple offerings. This is problematic because, in this increasingly competitive market, the need to provide a seamless and differentiated customer experience has never been more paramount.

Another key challenge is the need to free up cash in a very capital-intensive market. To this end, many in the industry have begun financing handsets and other assets. This allows carriers to lower the upfront expense of gaining new customers, but it also creates new intricacies within credit risk decisions and introduces new fraud vulnerabilities.

Skilled fraudsters will look for workarounds to every fraud-fighting technique you try. Combating this threat requires resources that will evolve with new trends and fraud vectors: smart tools, machine learning and crowd-sourced intelligence. Of course, it's critical to implement friction-right solutions for establishing identities, authenticating customers and preventing digital fraud in order to keep customers both happy and protected.

<sup>2</sup> Identity Fraud Hits Record High with 15.4 Million U.S. Victims in 2016, Up 16 Percent, Javelin Strategy & Research, 2018

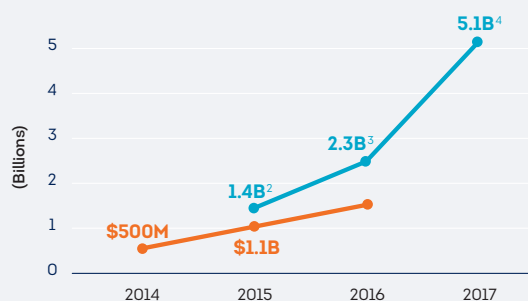
<sup>3</sup> Ibid.

<sup>4</sup> Identity Fraud Hits All Time High With 16.7 Million U.S. Victims in 2017, Javelin Strategy & Research, 2018

<sup>5</sup> Digital Lending Fraud, Javelin Strategy & Research, 2017

## Fraud Losses

- Account takeover
- New accounts <sup>5</sup>





Customers expect a consistent experience across all of their devices.

## Your Customers Expect a Friction-Right Experience

Today's telecommunications consumers want a secure and easy online experience, from login to checkout. Too much friction at any point paves the way for your customers to easily click over to a competitor that offers a smoother digital experience. Instead, give your customers secure protection while reducing friction and keeping fraudsters out.

### Your challenges:

- Stop account takeover (ATO) without adding unnecessary customer friction
- Fight fraud and abuse across ever-changing vectors
- Improve the login experience without sacrificing security
- Stop hardware losses without losing potential new customers
- Curb rising call center fraud
- Provide a unified login experience across all channels

<sup>6</sup> Javelin, <https://www.javelinstrategy.com/press-release/identity-fraud-hitsrecord-high-154-million-us-victims-2016-16-percent-according-new>



### The solution: Focus on your customer's device

Every purchase. Every engagement with your brand. Every attempt at fraud. They all rely on a web-enabled device, and TransUnion's powerful device recognition technology can confirm the reputation of over seven billion devices

## How TransUnion Prevents Telecommunications Fraud

TransUnion's patented technology identifies and helps to quickly shut down coordinated fraud rings by recognizing connections between accounts and devices, regardless of business or industry.

This technology is further supported by our global network of fraud and security analysts, who submit millions of device reputation reports that detail the type of fraud or abuse a device is confirmed to have committed, such as:

- New account fraud
- Account takeover (ATO)
- Commercial ATO
- Synthetic and true identity fraud
- Prepaid card fraud
- Call center fraud

Your Challenges	Our Solutions
<p><b>ATO losses are rising.</b> ATO can lead to major losses due to lost hardware, chargebacks and lost service revenue. Adding more layers of authentication decreases the risk of ATO, but can also negatively impact the user experience.</p>	<p>Prevent account takeover fraud across the entire customer journey with a friction-right experience. If a customer is logging in from an authorized device for a low-risk activity, they'll be authenticated immediately as a trusted connection. For higher risk activities, step up to strong or multifactor authentication.</p>
<p><b>Shipping fraud is increasing.</b> Fraudsters often access the order tracking system to see where orders are in the shipping process, and have shipments redirected by the logistics companies.</p>	<p>TransUnion can track device reputation over time, across different accounts, and over multiple geographies, allowing you to easily spot shipping fraud and uncover otherwise invisible associations. We also monitor for risk signals such as high transaction velocities for devices or IP address.</p>
<p><b>New account fraud.</b> Criminals use stolen identities to create new accounts, bypassing ATO defenses and making it almost impossible to distinguish fraudulent applications from new customers.</p>	<p>Our multilayered approach to device recognition analyzes thousands of permutations of device attributes to recognize every visiting device while minimizing false positives. Devices with poor reputations are stopped in real time from creating new accounts, along with associated devices.</p>
<p><b>Commercial account fraud is rising.</b> Once a fraudster successfully infiltrates a commercial account, they can create a new sub-account and/or add a location where they can send stolen hardware. This often results in substantial equipment loss that may go unnoticed until the customer files a dispute.</p>	<p>Device-based authentication enables customers to register devices to accounts, adding a layer of authentication that doesn't include friction. After the initial pairing, returning devices are recognized and transparently authenticated, resulting in a seamless login experience for trusted customers that also shuts down ATO attempts.</p>

## How to Provide Fast and Secure Access

The flood of breached credentials over the last decade has made it easier than ever for criminals to take over good customers' accounts. While businesses race to strengthen their authentication and identity proofing solutions, customers still expect the best possible online experience, beginning at login.

Common Challenges	Our Solutions
<p><b>Contact center fraud is rising.</b> Fraudsters gather data about individuals, combine high-pressure tactics with spoofing technology to socially engineer your agents, and take over user accounts.</p>	<p>Mobile multifactor authentication strengthens your online and offline security without slowing down service, while transparent two factor authentication and One Time Passcode (OTP) solutions give your call center agents confidence that your customers are who they say they are.</p>
<p><b>Credentials are everywhere.</b> Over 9 billion credentials, account details and passwords have been dumped on the dark web in the last decade.</p>	<p>You can no longer rely on single- or even two-factor solutions. Our comprehensive and real-time authorization solutions allow you to layer in multiple authentication options, from transparent to fully integrated, all easily embedded within your mobile application.</p>
<p><b>Your current tools miss risk signals.</b> Does your customer just want to view their statement or make a payment? What if they want to change their account settings? Each action represents a different level of risk, but most authentication solutions treat all actions the same.</p>	<p>Device-based authentication adds an essential dimension of context and risk to the authentication process, delivering insights on access requests, step-up authentication processes and device history. This allows you to create a friction-right experience for good customers while keeping criminals out.</p>
<p><b>Unifying the login experience across all channels.</b> The addition of value-added services through industry mergers, acquisitions, and services cross-pollination has added complexity for carriers trying to manage the same account across multiple offerings.</p>	<p>Our multifactor authentication solution manages all digital and physical authentication processes right through your mobile app, providing the broadest set of user-selected authentication methods and unifying the customer experience.</p>



Personal Identity Solutions  
with TransUnion

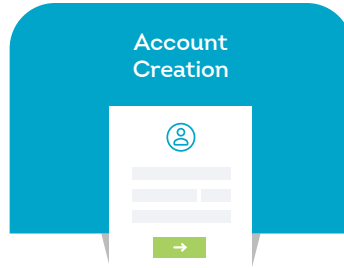
# Protect and Enhance the Entire Customer Journey



Digital  
Identity Solutions

1

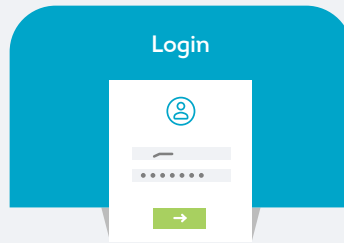
Verified pre-fill to reduce abandonment  
Email and phone verification  
Address validation  
Uncover synthetic and stolen identities



Prevent promotions abuse  
Detect high velocities  
Prevent new account fraud

2

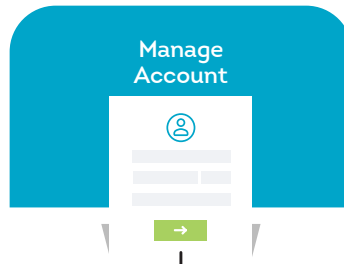
Knowledge-based authentication  
One-time passcode (OTP)  
Account recovery and lockout support  
Call-center authentication support



Stop account takeover  
Authenticate customers  
Reduce login friction  
Provide multifactor authentication

3

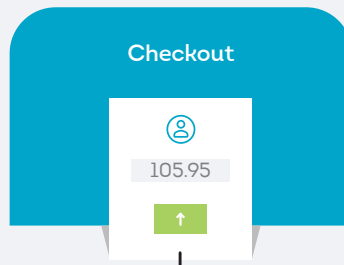
Validate account changes to email  
Verify account changes to phone  
Validate account changes to identity  
elements



Step-up authentication for  
account changes  
Stop account takeover  
Prevent call center fraud

4

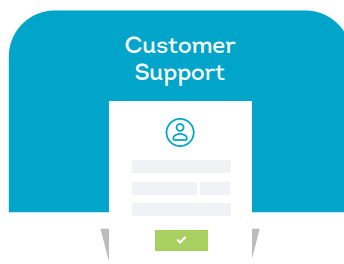
Verify delivery and billing address  
IP matching  
BIN matching  
Detect re-shippers



Prevent payment fraud  
Detect pre-paid card fraud  
Prevent friendly fraud  
Reduce chargebacks  
IP and geolocation mismatches

5

Reputational history  
Knowledge-based authentication  
Account recovery and lockout support  
Call-center authentication support



Prevent returns fraud  
Stop social engineering with MFA  
Prevent call center fraud

<sup>1</sup>Not available in all regions

## Fraud Prevention and Authentication Solutions

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To remain competitive, communications providers must balance experience with security. That's what our products are built to do. Learn more about the solutions by visiting [iovation.com](https://iovation.com).



### Establish Identity

Establish identity with greater confidence by verifying against a broad set of personal and digital data.



### Authenticate Consumers

Secure each point of the customer journey with authentication methods tailored to the transaction risk level.



### Prevent Fraud

Proactively identify fraudulent transactions and behaviors of any given device in real time.

## Get in Touch

Find out more about our authentication and fraud prevention solutions. Contact us for a demo or visit [iovation.com](https://iovation.com)