

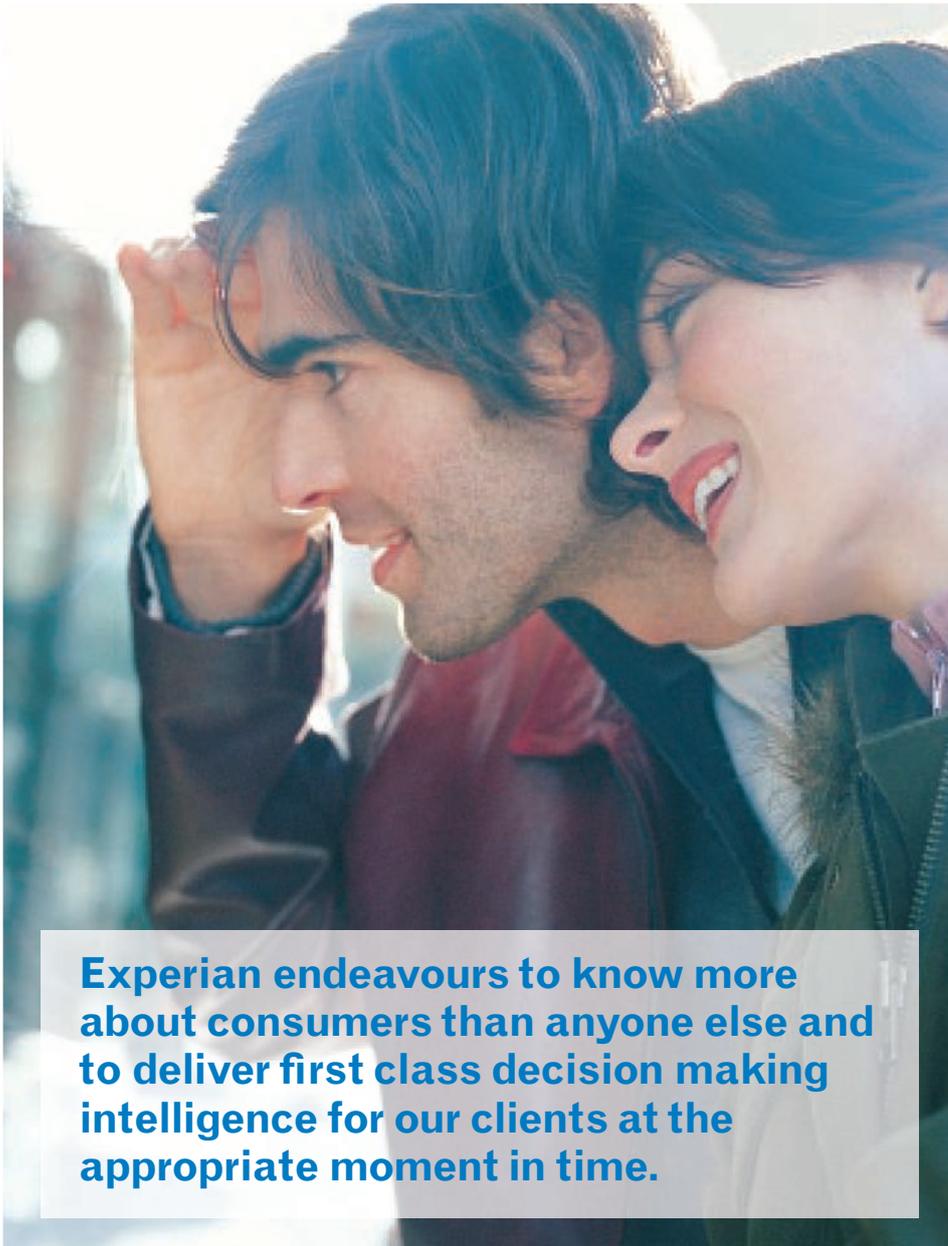
Confidence in an uncertain world

Protect your customers' identities and comply with industry regulations using real-time authentication solutions



Organisations need to protect their customers' personal identities

Identity fraud is a serious problem in the UK that affects both businesses and the consumer. Figures released by the Home Office state that over 100,000 people are affected by identity theft in the UK every year. The incidence of identity fraud cases has also increased by 244% over the last four years, according to CIFAS, the UK's Fraud Prevention Service.



Experian endeavours to know more about consumers than anyone else and to deliver first class decision making intelligence for our clients at the appropriate moment in time.

Consumers are more aware of the issues surrounding personal identity – they feel increasingly at risk and want organisations to ensure that their identity is protected. In order to offer this kind of protection, organisations must ensure that they have a clear picture of each individual customer, both at the start of the relationship and throughout the customer lifecycle. Without this, effective customer relationships cannot survive or reach their full potential.

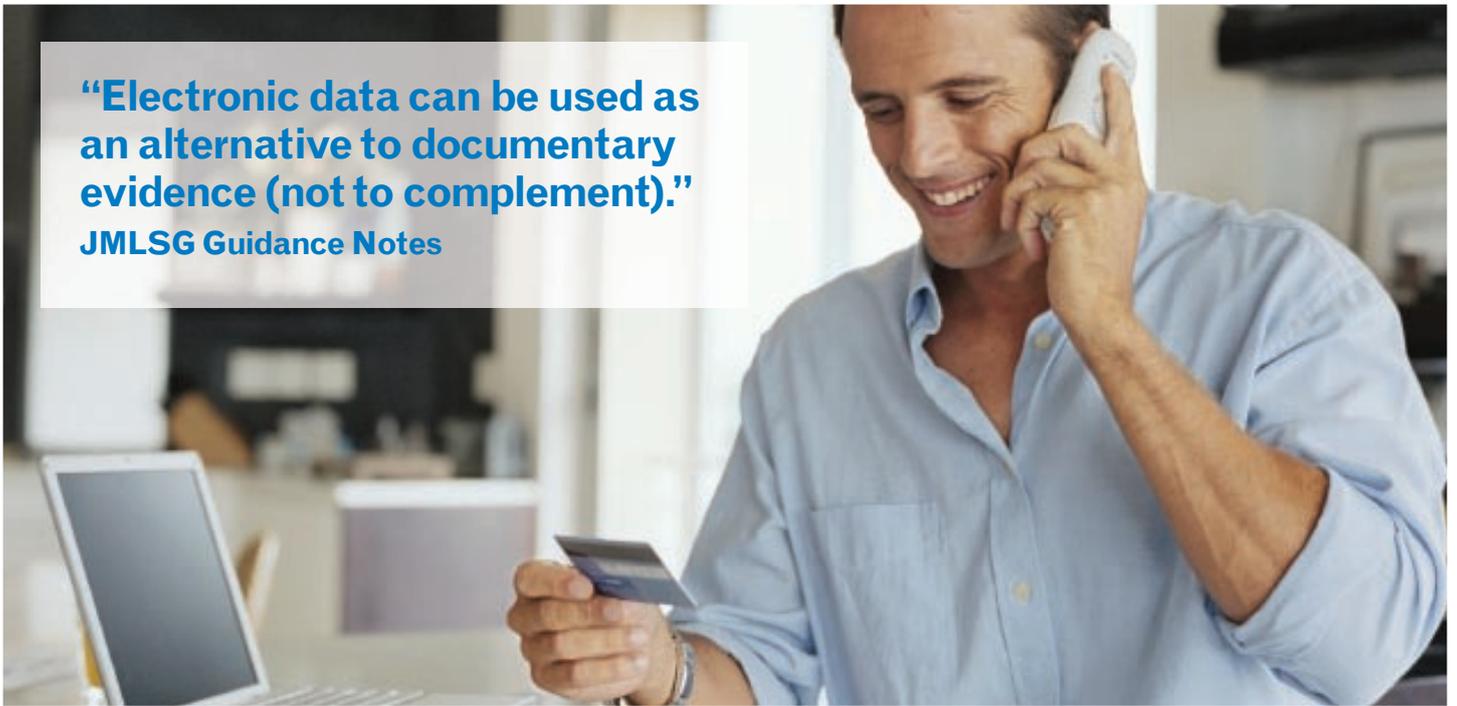
Why paperwork does not work

Traditionally, documentary evidence – such as passports, driving licences or utility bills – are used to confirm a customer's identity. However, this does not always mitigate the risk of identity fraud as:

- Identity documents can be easily forged or bought
- Genuine documents can be obtained falsely
- Documents are used to breed other documents
- Forgeries can be hard to detect

Documentary proof is also intrusive. The onus is on your customers to bring the correct documentation to the branch or store, or to send it off for approval. This process can be lengthy and increases the risk of documents being lost or stolen. It also prevents customer acquisition, particularly in the case of website applications.

“Electronic data can be used as an alternative to documentary evidence (not to complement).”
JMLSG Guidance Notes



Experian – a leading provider of authentication solutions

Our authentication solutions use an electronic, risk-based approach to validate and verify customers. An individual's biographical data, given at point of purchase, is compared against our authoritative data sources.

Each individual's data is measured in three dimensions – the breadth, depth and quality. We look at the number of electronic records it can be matched against, how far back in time they go and the processes that were in place when the records were created.

We provide authentication decisions in real-time, with no need for paper-based proofs.

Who benefits from electronic authentication?

- Financial services providers, including major mortgage lenders, credit card providers and automotive finance providers
- Solicitors, estate agents, accountants
- Money services businesses (e.g. foreign exchange dealers)
- High value dealers (e.g. jewellers, auction houses)
- Retailers
- Mail order companies
- Public sector organisations (e.g. revenue and benefits)
- Telecommunications providers
- Utility companies

Our authentication solutions build confidence

Experian has a range of authentication solutions that are designed to give you total confidence in your dealings with customers. They help you to achieve a range of business objectives:



Customer acquisition

- Approve an application in seconds
- Positively identify customers with no further requirement for identification documents
- Reduce waiting times and increase customer sign up rates
- Provide a more efficient customer service
- Reduce customer 'drop-off' rates during website applications
- Increase customer acquisition capacity, whether via the web, call centre or in branches

Business processing

- Save space and budget by not having to copy and store paper-based documents
- Improve staff efficiencies by managing authentication electronically
- Reduce registered mail costs by not having to return documents
- Significantly reduce the cost per transaction
- Shorten the processing time for each identity check
- Create an electronic audit trail

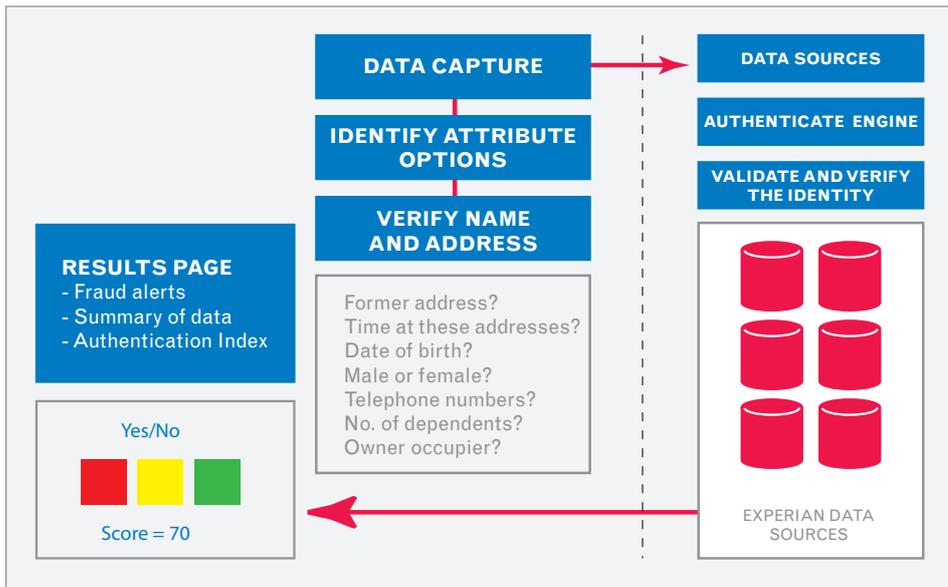
Compliance

- Achieve compliance with the Financial Services Authority (FCA) anti-money laundering (AML) controls – including 'know your customer' (KYC) regulations – and the Joint Money Laundering Steering Group (JMLSG) guidance
- Choose from different templates to suit multiple risk requirements
- Maintain an electronic audit trail

Fraud prevention

- Identify developed identities, impersonation or other high risk conditions
- Reduce card-not-present fraud
- Highlight potential delivery fraud
- Remove the subjective nature of the documentary check
- Mitigate the risk of fines from industry bodies and regulators, such as the FCA

How our solutions work



Name and address confirmation

By accessing names data from the Electoral Register, a full address – along with the name of the person(s) living there – can be returned from as little as a postcode and premise name / number. This means that the name and address are quickly verified at point of capture, providing an accurate starting point for the identity check.

Validation and verification

Once the name and address details have been verified, further biographical details are captured on the applicant. Via an internet or leased line connection, these details are then validated against Experian's data sources to prove that the identity exists.

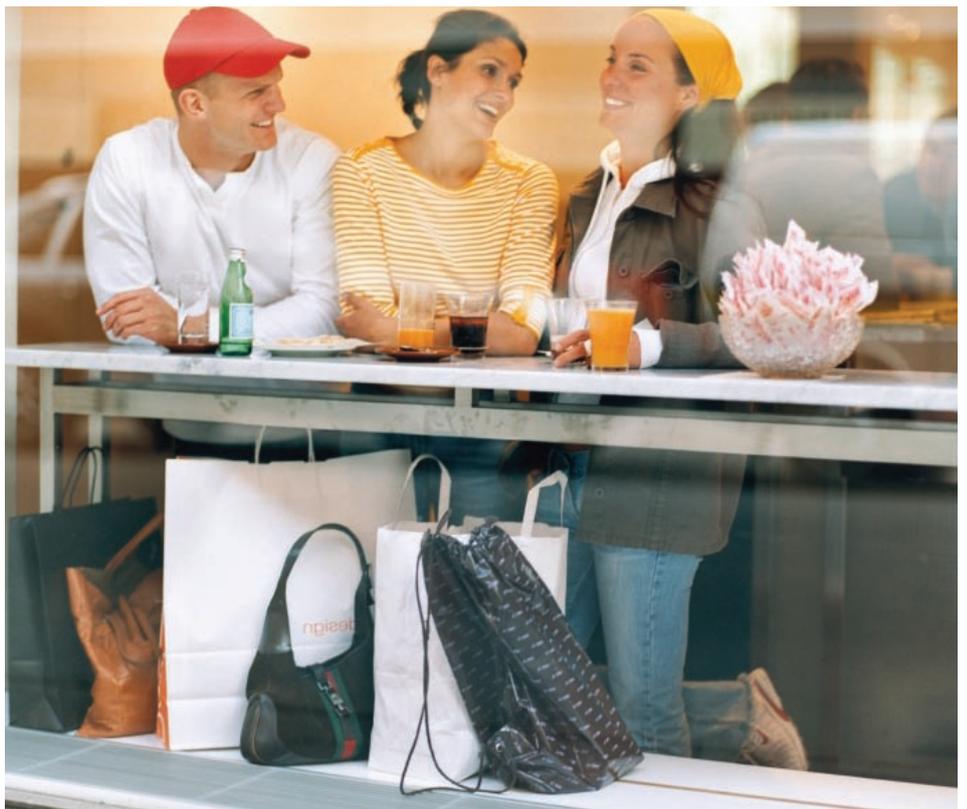
Once the information has been validated, the data is examined to establish whether the customer you are dealing with is the 'owner' of the valid identity references. The results are then supplemented with checks on a number of additional 'high risk' data sources.

The Authentication Index – providing a level of confidence

All the appropriate data is passed through a scorecard to generate an overall measure of the degree of confidence that may be placed in your customer's identity. This is referred to as the Authentication Index.

The Authentication Index returns a score between 20 and 90 – where 90 indicates the highest level of confidence. The authentication thresholds are set by your business, depending on your levels of risk.

With our assistance, these rules are predetermined through templates in the solution. The staff member or customer will simply receive guidance on how to proceed.



Our data sources – breadth, depth and quality

We access an unrivalled breadth and depth of quality data sources to authenticate a customer:



Accommodation Address File – over 8,000 addresses

Contains data taken from Experian's Limited Company and Thomson databases. It is used to identify fraudsters (making credit applications or buying goods using stolen credit card details) using addresses that are not their current residential address, but from where they can collect any mail sent to them.

Address links – over 330 million records

Identifies previous and forwarding addresses that are linked to the current address provided by the applicant.

Aliases and associations – over 127 million records

Provides known aliases and financial associates of the applicant.

Application databases – in excess of 180 million records

Includes the Credit Application Previous Search (CAPS) file – the UK's largest file of credit reference enquiries, relating to applications for credit made by individuals.

BT OSIS file – over 15 million telephone numbers

Contains details of UK telephone numbers, including cable and mobile.

CIFAS, the UK's Fraud Prevention Service – over 500 thousand records

Information on suspected and known fraudsters.

Credit Account Information Sharing (CAIS) – over 400 million records

An industry shared file that contains information about credit accounts and their status.

Electoral Register – over 45 million individuals

A list of every person resident in the UK who is registered to vote.

Mortality file – over 5 million records

Data on deceased individuals gathered from undertakers and associated with the process of probate.

Postal Address File – over 28 million addresses

Contains all known addresses, including postcodes, for all known, mailable properties in the UK.

Public information file – 6 million records

Contains County Court Judgments, Decrees in Scotland, bankruptcies, administration orders and voluntary arrangements.

Redirect Check™ database – almost 2 million addresses

Data from the Royal Mail used for fraud prevention purposes to identify where a fraudster has set up a postal redirection away from the current supplied address.

Sanctions data – over 41 thousand records

Data from Complanet relating to high risk individuals in the context of money laundering activities. Includes data from the U.S. Treasury Office of Foreign Assets Control (OFAC), the Bank of England and the list of Politically Exposed Persons (PEP).

Why Experian is the confident choice

Experian's authentication solutions already benefit hundreds of organisations across the UK and around the world. Our expertise has been established through regular contact with industry groups, the industry regulators and through close working relationships with our clients.

Fast and always available

We process millions of transactions daily and billions annually across the globe. Our databases are constantly being updated – many in real-time. In the UK alone, we hold information on over five billion consumer 'touchpoints'. This consists of real-time and historical data. We realise that our systems are business critical and, therefore, deliver high levels of service availability and fast response times to our clients.

Accountable and compliant

We engage with the regulators as part of our product development work, to understand the range of issues facing our clients and shape our solutions accordingly. We also influence the regulators' agendas, by advising on what is possible within the guidelines of relevant legislation. The regulators and industry bodies that we work with include the Information Commissioner's Office, the Treasury, the Financial Services Authority, HM Revenue and Customs, the Office of Fair Trading and the Department of Trade and Industry.

Flexible solutions

To accommodate your implementation requirements, our authentication solutions are provided in two ways:

- As software, which can be integrated into your own application processing systems
- Through an Experian-hosted website, for standalone enquiries over the internet

All our systems are capable of providing a full audit trail, with records being stored at Experian. A help desk is available between 8am and 5pm, Monday to Friday.

“When evaluating solutions to help us cut back fraud, Experian was the clear favourite. We were impressed by the volume of data that Authenticate uses to prove identity and highlight fraudulent transactions. Since using the product, we have seen a noticeable reduction in time spent on fraud and as such, our ordering process is much slicker.”

**Kyle Heywood,
Beaverbrooks Jewellers**



For further information, please contact your Experian Account Manager, call us on 0800 197 7950 or visit www.experian.co.uk/authentication.

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