
Neustar Fraud Detection Solutions Verify Identity to Minimize Risk

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Neustar Research Indicates Nearly Two-Thirds of Financial Institutions Have Been Impacted by Fraud;

Neustar Fraud Detection Provides a Single View of Identity for Risk, Fraud, Compliance and Customer Acquisition.

November 2, 2016 – STERLING, Va. – [Neustar](#), Inc. (NYSE: NSR), a trusted, neutral provider of real-time information services, today announced its Fraud Detection Solutions, which integrate multiple identity ecosystems to provide a single view for fraud, compliance, risk, and customer acquisition, enabling organizations to minimize fraud risk and reduce customer friction with every new account opening, login and transaction. Accompanying its announcement, Neustar has published “Whose Credit Line Is It Anyway?” a research-based report focused on the growing problem of account origination fraud, the process of opening a credit card or bank account with stolen or synthetic identity data.

In June 2016, Neustar commissioned an independent research study of more than 200 senior-level financial executives involved in their organization’s fraud, risk and compliance processes to understand better how account origination fraud impacts organizations and what can be done to stop it. Key findings published in “Whose Credit Line Is It Anyway?” include:

- **Account Origination Fraud is Widespread** – Sixty-three percent of financial institutions have been impacted by account origination fraud. More than half (55 percent) of financial institutions have experienced financial losses, productivity losses and customer attrition as a result of account origination fraud.
- **Account Origination Fraud is Costly** – Seventy percent of financial institutions have reported losses exceeding \$100,000 from account origination fraud with 21 percent reporting losses greater than \$2 million. Productivity losses may also play a significant factor when measuring the true cost of fraud, as organizations spend an average of 24 hours investigating, reporting and remediating incident; 25 percent require three times that amount (76 hours) from investigation to customer communication.
- **Account Origination Fraud is Growing Problem** – There is a growing sentiment among surveyed executives who expect account origination fraud to grow during the next five years. Twenty-two percent of financial institutions believe that account origination fraud is a serious risk today, but 34 percent believe it will be a serious risk five years from now. Additionally, 41 percent believe that account origination fraud is a higher priority than other fraud initiatives.

“Financial institutions continue to invest in identity and verification solutions to prevent fraud and mitigate risk, yet

these measures often fall short, especially when viewed from the vantage point of new attack vectors such as web-based banking and mobile apps,” said Tom Pageler, Chief Risk Officer for Neustar. “Fraud like account origination is a big problem, but it is only going to get bigger, unless organizations take the appropriate steps to protect themselves.”

Neustar matches digital identity data, such as IP addresses and cookies, with traditional off-line identity verification, such as name, address and phone number to provide a holistic view of a new customer and the devices being used to create new accounts, enabling organizations to distinguish new customers from cyber criminals with confidence. Key benefits and features of Neustar Fraud Detection Solutions include:

- **Evaluate Risks During Account Origination** – Match phone attributes, identity risk attributes, IP intelligence and fraud risk models to verify a user’s digital identity.
- **Reduce Fraud and Increase Acceptance Rates** – Validate offline identity with digital identity verification to improve decision making accuracy.
- **Provide Safer Transactions** – Identify users across online and offline touchpoints, including phone identification, digital identification, device identification and user location.
- **Improve The Customer Experience** – Quickly and accurately identify new customers from fraudsters across online and offline touchpoints, including phone identification, digital identification, and user location to protect financial institutions and customers alike.
- **Privacy by Design** – Data collection and matching is accomplished via user opt-in consent.

For more information about Neustar Fraud Detection Solutions, please visit <https://www.risk.neustar/fraud-prevention>

Research Download “Whose Credit Line Is It Anyway?” at

<https://www.risk.neustar/resources/whitepapers/account-origination-fraud-prevention-whitepaper>

About Neustar

Every day, the world generates roughly 2.5 quadrillion bits of data. Neustar (NYSE: NSR) isolates certain elements and analyzes, simplifies and edits them to make precise and valuable decisions that drive results. As one of the few companies capable of knowing with certainty who is on the other end of every interaction, we’re trusted by the world’s great brands to make critical decisions some 20 billion times a day. We help marketers send timely and relevant messages to the right people. Because we can authoritatively tell a client exactly who is calling or connecting with them, we make critical real-time responses possible. And the same comprehensive information that enables our clients to direct and manage orders also stops attackers. We know when someone isn’t who they claim to be, which helps stop fraud and denial of service before they’re a problem. Because

we're also an experienced manager of some of the world's most complex databases, we help clients control their online identity, registering and protecting their domain name, and routing traffic to the correct network address. By linking the most essential information with the people who depend on it, we provide more than 12,000 clients worldwide with decisions—not just data. More information is available at <https://www.neustar.biz>