

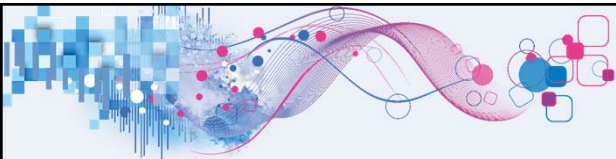


Fraud-- Staying out of the Crosshairs

Perspectives on Identity, Digital Commerce and Trade Credit Fraud



07/10/2019 Private and confidential Presentation Title



Topics

1. Deterministic vs. Probabilistic Systems
2. Challenges and Opportunities
3. Best Practices

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Deterministic vs. Probabilistic

Deterministic Systems- a system in which no randomness is involved in future states of the system. A deterministic model will always produce the same output from a given starting condition or initial state.

Probabilistic Systems- a system where events and occurrences cannot be predicted with precise accuracy. Unlike a deterministic system, what has just occurred is not always an accurate predictor of what will transpire next.

Deterministic Identity

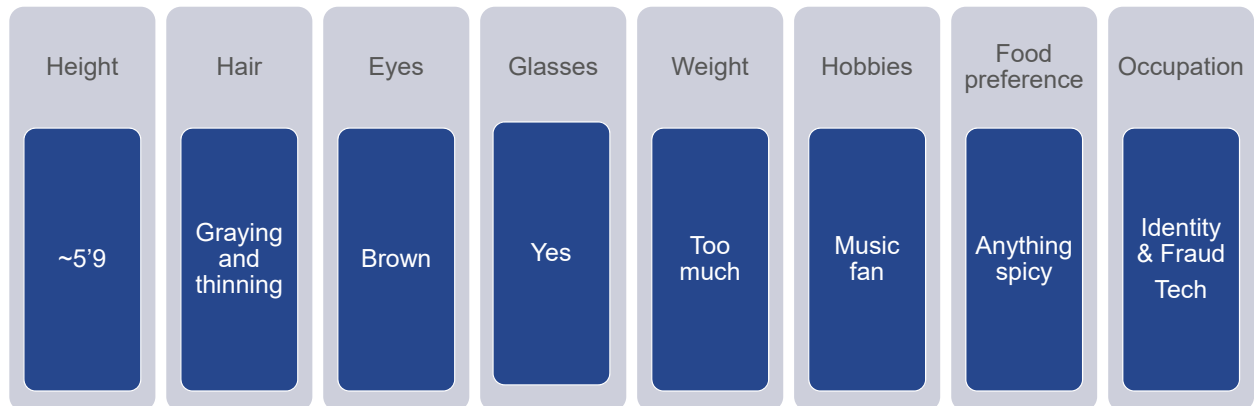
XYZ Inc

Address- Google Map-
Tax ID- Website- Order
History- Credit History
Stability

Owner

Name- Address-
Phone Number- SSN-
Date of Birth- Email
address- Login
Credentials

Probabilistic Identity



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Deterministic Approach seems prevalent in Trade Credit

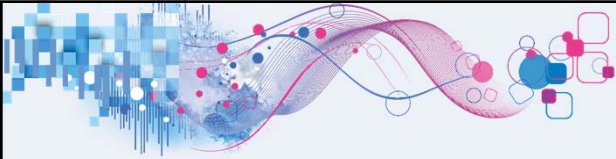
From an August Webinar regarding Best Practices to Identify Fraud Risk Flags for new accounts

- Verify the email address-
- Internet Search for company name-
- Use LinkedIn or social media to verify person placing the order-
- Google Earth search for the physical address-
- Check Tax ID Number-
- Check D&B Number-
- Names of principals-
- Addresses and Phone Numbers

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Challenges with Deterministic Identity

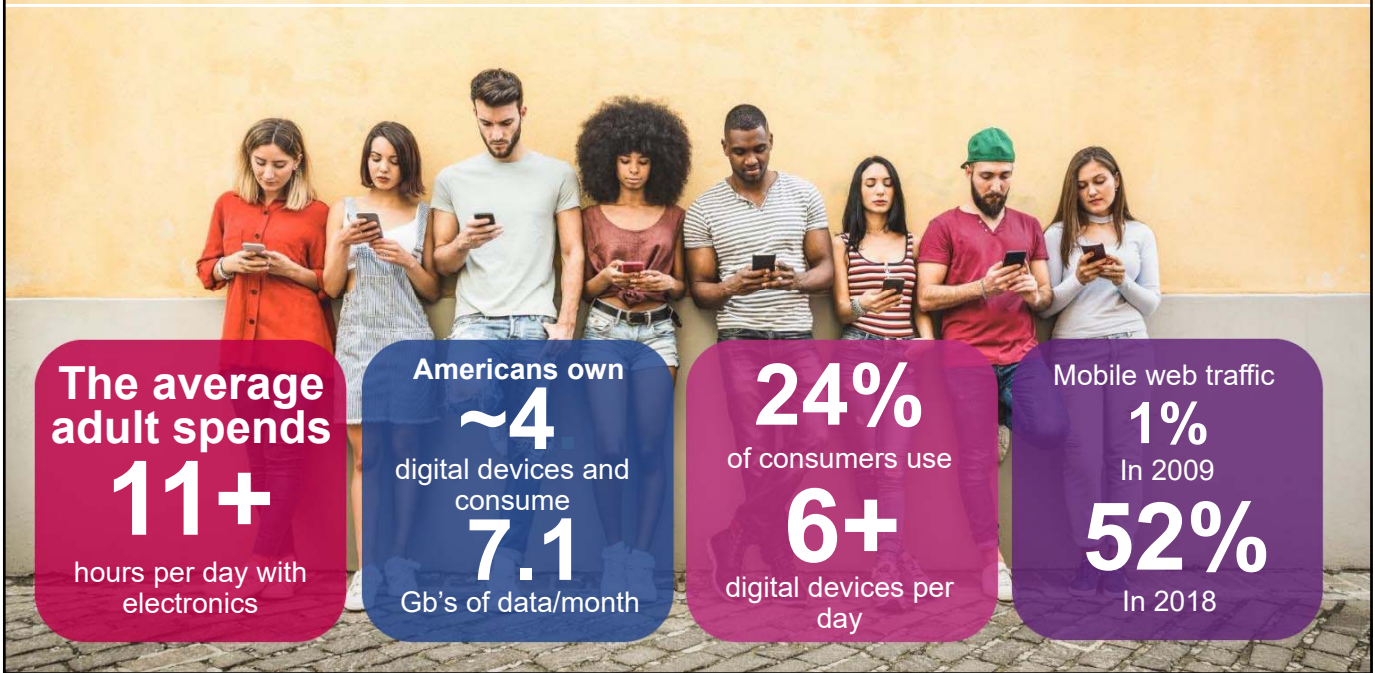
Personal and Business Data Available on line

14.7 billion records lost/stolen since 2013

Increasing automation of attacks

50%+ of consumers reuse passwords

The digital world isn't just dangerous, it's crowded



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Deterministic Identity Verification is a bad fit for a digital world

1. Data is vulnerable
2. Misuse of data is cheap, replicable and anonymous
3. On-Line channel is full of good customers, too

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How does Probabilistic Identity help?



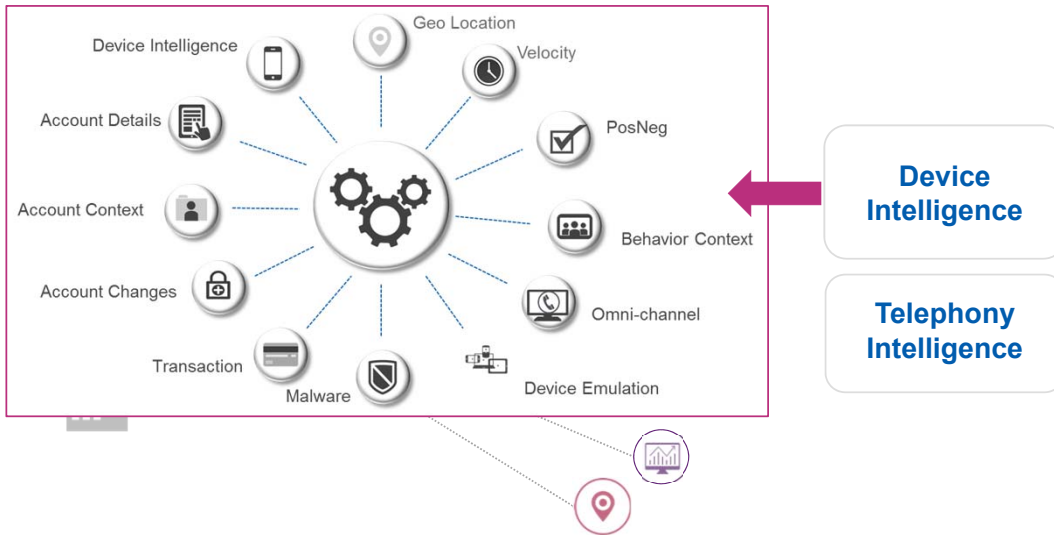
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Probabilistic Identity



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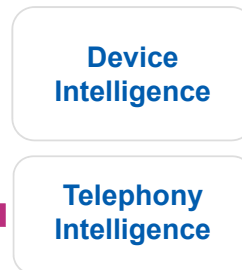
Probabilistic Identity



Probabilistic Identity



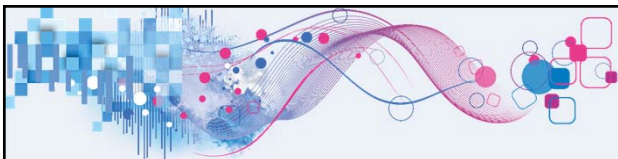
Attribute Group	Attribute
Service Info	Service Provider
	Service Type
	Country Code
	Service Plan
Account Info	Account Status
	Account Type
	Primary Account
	Account Tenure
	MDN Tenure
	Last Port Date
Device Info	Ported From
	Device Model
	Device Vendor
TokenInfo	Mobile Number Token
	Device Token
	SIM Token



Probabilistic Identity data levels the playing field

Probabilistic Identity Data

- Is available now
- Is objective / not reliant on constant training
- Through the digital devices/channels that customers prefer to use
- Add important context to Deterministic Data
- Can be used without adding friction to customer interactions
- Already proven in consumer applications



Where does this lead us?

A new set of best practices

- A layered approach to identity, where as much work is done behind the scenes using
 - Traditional Deterministic Data
 - Probabilistic Data hidden in the transaction and devices used
 - An objective, automated result that can be tracked and measured
- Thoughtful use of “step-up” verification processes when needed.

