



# Sigma Identity Fraud

## For Identity Verification & Fraud Risk Prevention

### THE PROBLEMS



#### Changing Demographics

3+ billion adults, including 1.5 billion millennials, have “thin-file” credit histories worldwide



#### Data Breaches

11.5B accounts have been compromised worldwide as the result of data breaches



#### Ever-evolving Fraud

Account opening fraud is growing 3X annually as transaction fraud detection matures



#### Ongoing Friction

Authentication tools undermine a smooth digital and mobile experience, leading to abandonment

Socure’s Sigma Identity Fraud is the industry’s most accurate identity fraud solution, utilizing every dimension of consumer identity—name, email, phone, address, IP, device, velocity, network intelligence, and much more—all in a single machine learning (ML) model. These models are trained to detect attempted fraud patterns across a broad set of Socure’s customers, enabling Socure to deliver the most robust, inclusive, and accurate fraud prediction on the market. Sigma Identity Fraud models achieve the highest fraud capture rates along with the lowest false positive rates in the industry, consistently capturing fraud in the riskiest 3% population by up to 90%.

Socure continuously explores live digital data, correlating thousands of identity data points—both online and offline—and uses the power of ML to create a holistic, accurate customer identity profile. The models provided by Socure utilize a broad array of data sources across the consumer’s entire identity, including email, phone, online/social, device, address, IP, and geolocation, along with traditional sources, such as offline credit header, DMV, and insurance data to create 17,000+ predictive variables through a unique proprietary variable creation engine. These variables are fed into Socure’s Sigma machine learning models to provide unsurpassed identity verification coverage and accuracy.

### Benefits

Socure’s Sigma Identity Fraud will help your digital business:

#### Reduce Identity Fraud Losses:

Socure’s approach to data science enables flexible, advanced ML model development on the largest identity graph and set of performance feedback data in the industry. The attack may be new to you, but it is highly likely that Socure has already seen and learned from the fraud attack elsewhere in our customer consortium.

## SOCURE SIGMA FRAUD TECHNOLOGY HIGHLIGHTS:

- **Superior Data**

Sigma Identity Fraud models are informed by redundant sources of the very best data across phone, email, address, identity, IP address, and more. This unique combination is augmented with insights from Socure's device solution.

- **Enhanced Feature Creation for Industry-Leading Results**

Socure has invested heavily in feature creation and a feature creation platform that has enabled us to explore 17,000+ features associated with negative data, velocity, linkages, and more. Superior feature creation enables superior model performance.

- **Machine Learning First**

Socure has a unique focus on applying data science to the digital identity verification challenge. 25% of Socure's employees are data scientists, a figure that we have maintained from the company's founding.

- **Consortium Network Feedback Data**

Feedback from a vast customer consortium of over 750 enterprises and growing, including 4 of the top 5 banks and 7 of the top 10 credit card issuers, enables rapid insights into fraud patterns and facilitates continual model improvements.

- **Device Intelligence for Enhanced Precision**

Sigma Identity Fraud is the first account onboarding fraud solution to natively incorporate device intelligence for superior risk identification. Device intelligence at the account onboarding stage contributes to greater accuracy in predicting fraud.

### Increase Auto-Approvals:

Socure delivers the most accurate ID fraud classification model in the industry. By driving down false positives caused by legacy solution providers, Socure is able to help you verify the largest number of good customers and substantially reduce manual review rates while also reducing fraud losses. No other provider solves for both fraud and revenue production.

### Reduce False Positives, Friction, & Manual Reviews:

By delivering the highest degree of classification accuracy in the industry, Socure reduces manual reviews by more than 80%, due to substantially more accurate decision making. When you're right more often, you can manual review less frequently, and give your customers a more friction-free experience.

### Streamline Your Risk Program:

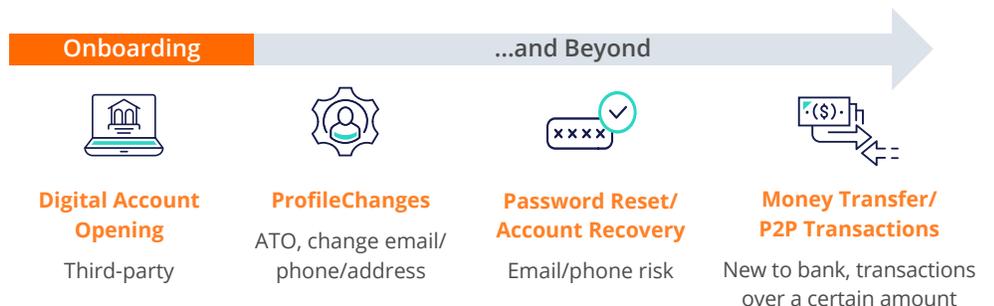
Legacy approaches suffer from compounding false positives as multiple vendors don't work together, complex vendor management, unnecessary latency, and redundant data sources that add no value. Socure's holistic approach leverages a single ML model that's been trained to deliver from a one API the most accurate identity fraud classification model in the industry. Socure maximizes approval rates with the least amount of fraud, lowest false positives, and one best-in-class partner to manage.

## How to Use Sigma Identity Fraud

Socure's Sigma Identity Fraud is built to provide identity verification and fraud detection at account onboarding and also meet specific verification and authentication needs as new identities are presented.

Sigma Identity Fraud models rank-order applicants with the highest likelihood of committing identity/third-party fraud. The service then returns an extensive set of reason codes that explain the reasoning behind the scores. Together, the score output and the reason codes are then used for application decisioning that is based on each customer's individual level of risk tolerance—all from a single RESTful API.

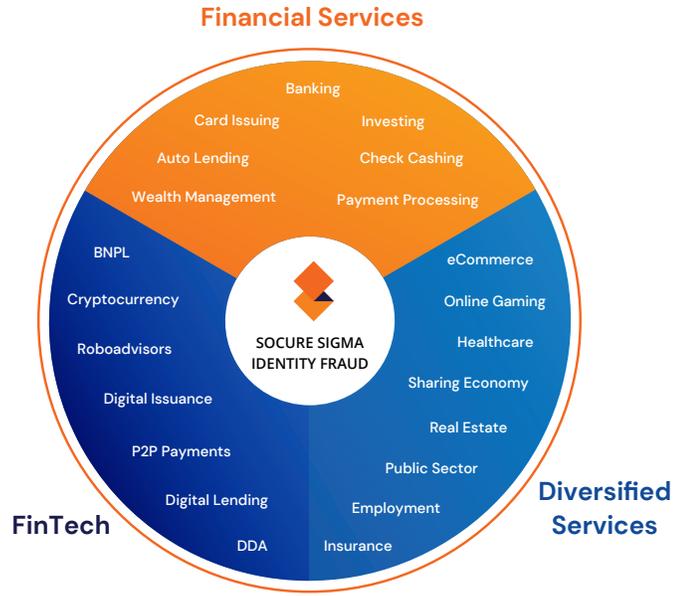
Providing further differentiation and competitive advantage, Socure continuously improves fraud model performance based on direct client data feedback. Additionally, Socure employs a contributory and proprietary alert list database to notify clients of the confirmed and declined identities that are reported by the hundreds of other customers across the Socure consortium. Socure's solutions are refined using the hundreds of millions of known outcomes processed by our platform each month.



**Top 5 international money transfer provider** reduced fraud by **45%**, along with a **70%** decrease in manual review and a **20%** decrease in false positive rates.

**Top 5 bank's card portfolio** fraud prediction accuracy increased by **>4x** over an existing solution, resulting in an incremental **+\$26M** in annual revenue.

**Clients** consistently increase auto-accept rates by **30-60%**, reduce fraud losses by **35-45%** and reduce manual review time/ knowledge based authentication by **>50%**.



### Sigma Identity Fraud Solution Flexibility

Sigma Identity can be deployed across a wide variety of industries for use cases including account opening, account changes, high value transactions, and more.

|                        | Legacy Services | Socure | The Socure Difference |
|------------------------|-----------------|--------|-----------------------|
| <b>Fraud Capture</b>   | 35-55%          | 85-90% | 35-45% increase       |
| <b>False Positives</b> | 6:1             | 2:1    | >13x more effective   |

### For More Information

Contact [salesinfo@socure.com](mailto:salesinfo@socure.com) to learn more about how Socure can transform your business.