

# Identity verification

Low-friction, streamlined identity verification that empowers you to onboard customers quickly and efficiently, whilst meeting global regulatory requirements.



**LSEG** RISK INTELLIGENCE



## The growing need to verify identity

Identity fraud is an increasing concern across the globe. Against a backdrop of financial crime that is ever-more sophisticated, prevalent and successful in today's digitised economy, it is crucial that organisations verify the true identities of any customer, supplier or other entity before engaging with them.

Added to this, a rapidly evolving regulatory landscape and growing enforcement actions mean that organisations must remain vigilant and comply with all relevant know your business (KYB) and know your customer (KYC) requirements.

Whilst verifying identity is clearly non-negotiable, it is also essential to protect the all-important customer relationship, especially when one considers that market research shows that the highest rate of abandonment by interested customers occurs in the electronic identity verification stage of onboarding.

Driven by poor user experiences, an inability to collect and verify data, poor data quality and other challenges, KYC abandons can range from 15% to 80% in some extreme cases, but average around 40-50%.

On the other hand, reducing friction and increasing matching at this critical stage can drive increased net-new users and boost the lifetime value of customers. This is why it is so important to optimally manage the identity verification process.

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**Last year, we identified over 930,000 potentially fraudulent identity transactions.**

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## LSEG Identity Verification: an overview

Our identity verification platform addresses these complex challenges and empowers you to verify that customers (both individuals and businesses) are who they say they are – and to do so quickly and efficiently.

Our service is fully General Data Protection Regulation (GDPR) compliant, with a zero-persistence model that ensures your personally identifiable information (PII) is safe and secure.

Supported by a combination of document verification, biometric checks and third-party data validation, our service covers all your business and consumer verification needs.

### Business verification

With global coverage of over 60 countries, our service allows you to validate the identity of a business, its type, its status (active/solvent) and date of registration in real time.

### Consumer verification

With data from over 50 countries and backed by the industry's largest document library, our services will support your digital KYC and onboarding needs, striking the right balance between compliance and customer experience.

### Our identity verification solution:

- Is supported by verified, locally sourced identity data that offers real-time access to the most up-to-date data available and complies with local data privacy and access regulations
- Is backed by a rigorous due diligence process that includes both initial and ongoing evaluation of data partners and sources
- Prevents fraud and assists in compliant remote onboarding by using advanced document authentication and passive liveness features

### The solution aligns with a range of regulations and guidelines, including:

- The UK digital identity and attributes trust framework, which delivers extensive guidance designed to enable digital identities in the UK<sup>1</sup>
- The UK government's Good Practice Guides, in particular GPG 45: Validating and Verifying the Identity of an Individual in Support of HMG Online Services<sup>2</sup>
- The UK's eIDAS (electronic identification and trust services) regulations that relate to verifying the identity of individuals and businesses online and verifying the authenticity of electronic data<sup>3</sup>
- The UK government's Money Service Business (MSB) guidance aimed at preventing money laundering and terrorist financing<sup>4</sup>
- The European Telecommunications Standards Institute's (ETSI's) standards for identity verification<sup>5</sup>

### Drilling down: the details

We offer the right tool for the right situation – data, document verification, biometrics and combinations of all three, to suit your individual needs.

### Data

Data-based verification is particularly useful when speed is vital (the average processing time of an identity verification transaction is 0.5-2 seconds); when friction equals lost revenue; and when additional assurance is needed.

1 <https://www.gov.uk/guidance/digital-identity>

2 <https://www.gov.uk/government/publications/identity-proofing-and-verification-of-an-individual>

3 <https://ico.org.uk/for-organisations/guide-to-eidas/what-is-the-eidas-regulation/#:~:text='eIDAS'%20is%20shorthand%20for%20,the%20authenticity%20of%20electronic%20documents.>

4 <https://www.gov.uk/government/publications/anti-money-laundering-guidance-for-money-service-businesses>

5 <https://www.etsi.org/>

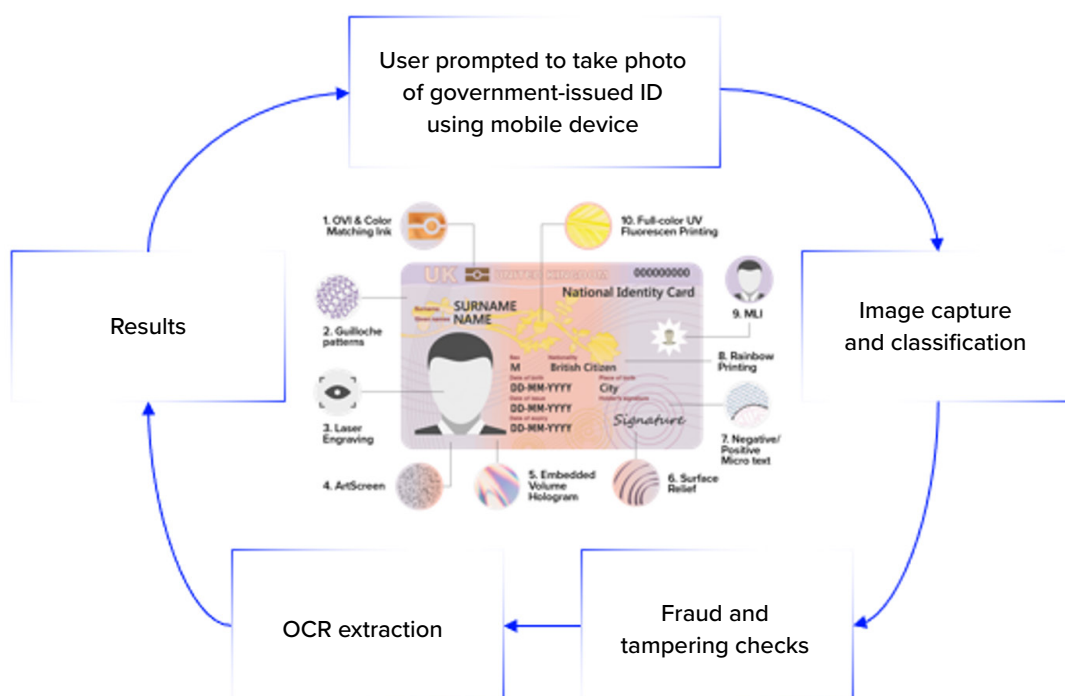
## Document and biometric identity verification

### Document authentication

Our solution extracts the biometric and alphanumeric data contained in an identity document, and authenticates this data by applying more than 50 forensic, document-specific tests.

### Image capturing

We combine one of the largest identity document libraries in the industry with a comprehensive ML-enabled, document-proving algorithm to optimise remote client onboarding and third-party due diligence.



\*NB. non-Roman characters may have a slightly lower OCR quality

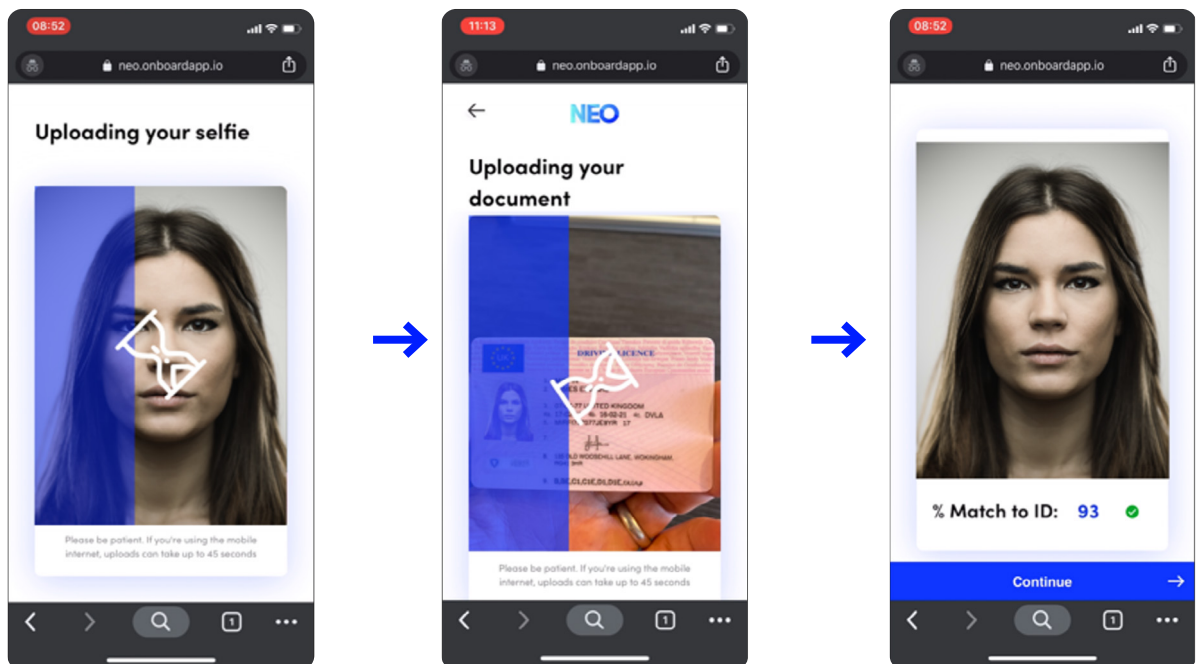
### NFC verification (ePassports and eIDs)

We offer a secure, accurate and user friendly solution to validate ePassports and eIDs for users with near-field communication (NFC)-enabled mobile devices, when integrated into your native app.

### Biometric identity verification

Our biometric identity verification features seamless, omnichannel capabilities and offers a low-friction, passive liveness test. Data and images are encrypted, but never stored.

## Process



A user simply captures an image of their government-issued ID and then takes a selfie.

The selfie image is compared to an extracted photo from the identity document such as a driver's license or passport.

The match is verified, and a confidence score is provided.

## Flexible delivery options

Identity verification is available via a range of flexible delivery options.

- API: suited to organisations that wish to consume discrete, best-of-breed services
- World-Check One ID Check: suitable for organisations that rely on teams of analysts to investigate or manually process new customers
- LSEG digital onboarding: suited to organisations that require one single vendor for their onboarding needs

## Identity verification matching engine

Our matching engine allows you to transact with your customers with speed and confidence.

- By leveraging the expertise of our local, in-country data partners, we can account for nuances and complexities with identity elements like name (multiple first names and multiple surnames) and address (localised, country-specific address formats)
- By utilising a wide variety of the most up-to-date, independent and authoritative data sources available, including government, telecommunications or communications services, credit, utility, postal, commercial and business and tax registries, we maximise coverage for hard-to-match demographics
- By following a waterfall methodology, we maximise match rates and optimise performance. The process continues to run until the identity data is matched or all sources are exhausted. Results are returned as either a partial match, no match or unable to verify

## Key benefits

### Authoritative identity verifications

We help you reduce fraud and increase user trust – conduct authoritative, data-first identity verifications backed by a name that is a global market leader in data and finance.

### Comprehensive, global coverage

Our global coverage lets you validate the identity of an individual or business against more than 200 country-specific sources spanning over 55 countries, and supported by more than 500 analysts in 158 jurisdictions, speaking over 70 languages and monitoring 30,000 official sources.

### A better customer experience and reduced costs

Our rapid, low-friction service boosts efficiency, protects your customer relationships and lets you onboard more customers at pace, while lowering your overall customer acquisition costs.

### Ease of use and seamless capabilities

Superior customisation and integration capabilities via API mean that our identity verification tools can easily be embedded into your existing processes, offering seamless verification that facilitates smooth onboarding.

### Better compliance

Near-instant verification of identities and documents means that you can maintain optimal levels of compliance and satisfy identity verification requirements in a process compliant with FinCEN, FINTRAC, EU AML/D and many other regulations.

### Fully auditable

Our service is fully auditable, since each transaction is given a unique transaction ID, and detailed matching metadata is retained.

## Last year, we:



Identified over 930,000 potentially fraudulent identity transactions



Improved clients' digital onboarding acceptance rates by an average of 21% and reduced abandonment rates by 17%



Achieved 99.9% service availability on all of our key systems and databases



Added 350 new sources to our existing 30,000-strong data sources



Averaged a 90% success rate in retrieving/matching identity data across our customer base (we have achieved this for three years running)



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