

Case Study



The background

Screwfix is the UK's largest online supplier of trade tools, accessories and hardware products, offering trade prices and next-day delivery to trade and enthusiastic home improvers throughout mainland UK.

The award-winning supplier stocks over 17,000 products and dispatches thousands of orders per day, with the average customer spending £80.

The company is owned by the Kingfisher group which also owns hardware stores worldwide, including B&Q, Castorama, Hornbach.



The problem

Changes in the retail market - notably the uptake of chip and PIN technology - have driven card fraud online. Card Not Present (CNP) fraud cost the UK £212.6 million in 2006 - 16 per cent more than in 2005, according to a report by the UK Payments Association (APACS).

In addition to being perpetrated by more casual fraudsters, CNP fraud is increasingly becoming the work of organised criminal gangs, often with East European connections that seem to prefer delivery addresses in London areas such as SE19. Screwfix was at one time, one of many online retailers that could have been affected by this problem.

The challenges facing Screwfix were multiple: they had to ensure their business was protected against fraud while allowing legitimate customers to transact without hassle. They needed customer verification technology to be invisible to customers in case they were put off making a purchase.

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Like many companies, we not only want to protect our customers but also defend ourselves from potentially crippling card chargebacks.

We needed to find a solution that would enable us to validate customers' identities quickly but comprehensively.

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Steve Hicks
Credit manager at Screwfix

The Solution

Screwfix decided to implement 192 eShopper-ID, the identity validation solution for retailers from 192.com Business Services. This enabled Screwfix to immediately verify customer Name, Address, Telephone Number, Date of Birth, Driving Licence and Passport information during the transaction process.

Now, staff at Screwfix can run checks on customers that appear suspicious - including those whose delivery addresses are in well-known fraud hotspots, and where there are discrepancies between cardholder and delivery address. Around 1,000 orders per day go through Screwfix's fraud department, with a reasonable proportion put through 192.com Business Services.

The Solution Continued...

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Previously, we used a different identity checking service, but found 192.com Business Services' solution to be more intuitive, comprehensive and user-friendly.

The aerial photography option in particular makes the offering a much more rounded product. Often the look of an area can be quite telling - lots of expensive and heavy duty equipment being delivered to a tiny bedsit can flag an anomaly to our fraud team.

Using 192 eShopper-ID now saves Screwfix an average £45,000 per month in charge-backs. The return on investment to our company of employing this technology is nearly 10,000%. The cost of paying to verify customer identity is easily outweighed by the cost of not doing so.

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Steve Hicks
Credit manager at Screwfix

The Benefits

The staff at Screwfix's credit department see the implementation of 192 eShopper-ID as an important part of the on-going battle against CNP fraud.

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Fraudsters will always try to attack at the weakest point. We still see systematic attempts to get around our systems. Online crime is definitely becoming more sophisticated.

To stay a further step ahead of the fraudsters, we're also using the new 192 Fraud-ID alert database that enables us to share fraud alerts with other retailers and act as a further defence against fraud.

It's important for online retailers to keep up the fight against fraud. With solutions like 192 eShopper-ID, we can keep up our side of the bargain.

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Steve Hicks
Credit manager at Screwfix

To find out more

Call our team on **+ 44 (0)20 7909 2192**

Learn more at **www.192business.com**

E-mail us your questions at **id@192.com**