

Customer Case Study

FP PayPoint.net
ONLINE PAYMENTS

Securing the Global Marketplace

As a leading European payment services provider, PayPoint.net places security from the risk of fraud at the top of its list of priorities in providing service to clients.

As a result, the company has established technology that reduces online and Card Not Present (CNP) Fraud by allowing businesses to undertake real-time background checks on customers, resulting in notable long-term cost and time savings.



The Challenge

PayPoint.net processes online transactions for many leading e-commerce operations, handling millions of consumer transactions each month. Among these relationships are both large scale gaming clients and merchants who turn to PayPoint.net for management of all aspects of their payment processing, a complete service which inherits many of the responsibilities of the bank itself.

Online businesses not only have to bear the financial cost of fraud, but are also liable for fines and legal proceedings if they are unable to prove due diligence in relation to their online transactions. In relationships where PayPoint.net inherit bank responsibilities, this risk is a clear and present danger to both client and provider alike. It cannot simply be deferred.

Meanwhile PayPoint.net gaming clients, although in an industry seeking to promote broader access to build on its extraordinary growth, it is now heavily regulated by the 2005 Gambling Act. In 2004, researchers revealed that children as young as 12 could gamble online - leading to a public outcry. Following this, and the 2005 Act's Section 63 - which states gaming companies must have 'reasonable belief' that players are of legal age to gamble - most operators have implemented robust age verification checks.

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Electing to work with 192business has not only proven financially beneficial, offering a cost effective solution to us and our merchants, but also, more importantly, offered the flexibility a leading payment provider requires.
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Alessandro Hatami,
Managing Director of PayPoint.net

Against this backdrop, CNP fraud continues to grow, with ID fraud costing the UK economy in excess of £1.2 billion annually ¹. Fraudsters are also growing ever more creative, with the impersonation of the dead currently Britain's fastest growing identity theft crime. Increasing at a rate of approximately 66% per cent since January 2007 ². The need for increasingly innovative security solutions is evident.

¹ According to figures from the UK Home Office Identity Fraud Steering Committee, 2008

² According to CIFAS statistics, 2008

The Solution

In response to the legal and security needs for fast, cost-effective ways in which to verify both ages and identities, Metacharge, now known as PayPoint.net, elected in 2005 to work with 192business to deliver a premium identity verification service which could supplement existing fraud screening by providing accurate information to key clients.

The firm set out to build a system which would be capable of checking and authorising their clients' card payments, by first verifying the customer's name, age, address and identity in real-time.

By integrating 192business' ID verification technology with its card payment authorisation platform, Paypoint.net developed a system called 'Verify Your Customer' (VYC). The solution is capable of checking not only the ages and addresses of credit card holders in multiple premium data sources, but also by referencing mortality data it prevents the fraudulent impersonation of the deceased.

Using 192business' multiple and wide-ranging commercial and public data sets - including current and historical UK electoral rolls, BT and global DQ lists, in addition to Companies House and credit reference data containing consumer details from banks and lenders - Paypoint.net can now offer clients an automated process for verifying consumers against a range of sources, at a minimal cost to their business.

Following these quick and simple checks, PayPoint.net clients can opt to decline applications from low scoring individuals, or to automatically pre-authorise cards, giving firms seven days to make further checks.

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Given that we were querying up to five different databases. VYC verifies the individual in a sub-second providing an extremely timely response

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Alessandro Hatami,
Managing Director of PayPoint.net



The Result

PayPoint.net's VYC builds upon its popular anti-fraud solution, FraudGuard, first introduced in 2004. Since then the company has witnessed a dramatic reduction in fraud. Positive feedback from clients has underlined their continuing efforts, a key part of which is increasingly their 192business backed identity services.

Furthermore, the company has been able to keep costs low. This allows online businesses to purchase the solution, whereas previously many were forced to make the choice between cost and risk. In light of this success, the company is now planning to add 192business' passport, international phone files and DVLA checking solution to its current system and extend the service into new territories - offering its growing online merchant base an extra layer of security, resulting in improved, trusted working relationships.

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By integrating 192business' identity verification system into the PayPoint.net platform we have been able to provide our merchants with that extra reassurance against fraudsters

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Alessandro Hatami,
Managing Director of PayPoint.net

To find out more

Call our team on **08000 192 044**

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

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