

Customer Case Study



Securing the Global Marketplace

As a leading European payment services provider, Metacharge places security at the top of its list of priorities. As a result, the company is piloting 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.

Fighting fraud with 192.com Business Services keeps Metacharge at the top of its game.



The Challenge

Metacharge processes online transactions for many leading e-commerce operations, handling millions of consumer transactions each month.

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.

While the online gaming industry wants to promote broader access and confidential transactions to build 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, before the Act finally comes into effect next year.

¹ According to figures from the UK Home Office Identity Fraud Steering Committee, 2006

² According to CIFAS statistics, 2005

“ We decided to subscribe to 192.com Business Services' entry level ID verification solution because it offered a cost-effective and flexible solution. We bought credit bundles that allowed us to manage our budget, as well as keep our customers safe online. ”

Scott Law, Co-Founder and Managing Director at Metacharge

Against this backdrop, CNP fraud continues to grow, with ID fraud costing the UK economy in excess of £1.7 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 60 per cent per year ². The need for increasingly innovative security solutions is evident.

The Solution

In response to the legal and security needs for fast, cost-effective ways in which to verify both ages and identities, Metacharge chose to work with 192.com Business Services. The firm set out to build a system which would be capable of checking and authorising credit card payments, by verifying the customer's name, age, address and identity in real-time.

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

The Solution Continued...

VYC operates on a simple scoring per customer 'points' basis. Using 192.com Business Services' 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 SHARE file data containing consumer details from banks and lenders - Metacharge can now offer clients an automated process for verifying consumers at a minimal cost to business.

The importance of 192.com Business Services' real-time data was crucial in ensuring accurate and reliable traces. Scott Law commented: "Given that we are querying up to five different databases, we want to ensure the response is timely. VYC adds less than two seconds to card authorisation time."

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

The screenshot displays a web interface for a transaction. At the top, it says "Transaction ID: [redacted] - Payment". Below this, there are options to "Show all transactions with this same card number" and a "Perform" button. The main area is divided into two columns. The left column, titled "Detail:", lists various transaction and customer information: Date and Time, Sales Channel (MCPE Corporate), Card ID (30751294), Card Type (Delta), Card Digits (2325), Description, Customer (with a link to a manual authorisation form), Email, Address, Installation ID, Account ID, Consumer Spend (£10.00), TSC (£1.78), Outpayment (£8.22), v1.5 Payment Response, and Notification Sent? (No). The right column, titled "Metacharge VYC", shows the results of various checks: Name and Address Checks (Electoral Roll: Pass, Directory Enquiries: Fail, Consumer Credit DB: Pass), Mortality Check (Halo Amalgamated DB: Pass), Date of Birth Checks (Consumer Credit DB: Pass), and FraudGuard. Under FraudGuard, there are "Thresholds" (Attempts in last 24 hours with this card, Attempts in last 24 hours from this IP, No. of chargebacks from this card number, No. of chargebacks from this IP) and "Scoring" (Likelihood of IP Address being an Open Proxy, Likelihood of IP Address being a Span Source, Issuing Bank, BIN Country matches user selected country?). At the bottom, "Known Fraudsters Hottel:" lists Card Number match, Postcode match, and Tel Number match.

The Result

Metacharge's VYC System builds upon its original anti-fraud solution, FraudGuard, introduced two years ago. Since 2003, the company has witnessed a dramatic reduction in fraud.

Furthermore, the company has been able to keep costs low. Unlike the typical £15 charge for a one-off manual credit check against a credit reference database, VYC operates in real-time at a cost of £1.50 per query. 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 192.com Business Services' passport and DVLA checking solution to its current system - offering its growing online merchant base an extra layer of security, resulting in improved, trusted working relationships.

“When a new company comes onto the Internet, if its systems and processes are not up to scratch, word spreads quickly among cyber criminals.”

Scott Law, Co-Founder and Managing Director at Metacharge

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**