10 Tips to Achieve the Best Identity Verification Workflow for FinTech

Preventor

The world is experiencing a boom in technology-based financial services that today has led to at least %69 of active consumers in China accessing fintech services, while in India that number is %52 and in the UK %42. This expansion is unfortunately also accompanied by a spike in digital fraud, placing these companies in a challenging position: managing to grow in number of clients while maintaining a high level of security in their onboarding process.

Here are ten keys that will help fintech companies to strengthen the identity verification of new clients.

1 A %100 mobile experience

Accessing and starting to use financial services has never been easier thanks to fintech companies, which have simplified the process for users to the point that to open an account they only need to download an application, complete some basic registration data, scan their identification, take a photo and wait for confirmation. Today, offering a %100 mobile experience is vital to compete in the financial services market and to seduce the customer. According to a survey by specialist firms nCino and IDology, %51 of Americans were using a mobile phone when they left the process of opening a new account due to different reasons, including experience.

2 Verification, a selfie away

Investing in artificial intelligence systems can make a difference in terms of security. In fact, it is increasingly common to adopt systems that allow verifying the identity of a new customer through operations as simple as taking a selfie. Facial recognition, a technology widely adopted in mobile phones, allows platforms to verify the identity of users immediately when it comes to simple cases. In the most complex cases, a specialized team can carry out this task manually.

3 Voice biometrics, a great complement

Artificial intelligence systems allow today to validate the identity of new users of fintech platforms through voice biometrics, a tool that combined with other solutions allows them to reduce paperwork while saving costs. By capturing and analyzing the voice of users, the systems allow operations to be processed remotely and securely.

4 Deep analysis of social networks, within the reach of fintech companies

Analyzing a variety of user variables will help fintechs to understand and more effectively approach their potential clients or their existing base. A case of success in taking advantage of solutions such as big data is the fintech Lenddo, based in Singapore, which collects and analyzes information on social networks and other data stored on smartphones, to which users have previously given access, to issue credit ratings. "Likewise, Lenddo's identification product confirms the identity of the borrower when the rating is unreliable," according to the IDB Invest blog.

5 Fraud prevention, essential key

Adopting tools to assess the potential risks associated with your clients, carry out continuous monitoring and control payments and transactions are increasingly important strategies to avoid fraud. Today, this is possible thanks to platforms such as Preventor, which works on preventing financial crime through a cloud solution that allows companies to easily access this strategic information for decision-making.

6 Cybersecurity

As this boom of technology-based financial services has been generated, attacks focused on these services have also increased, as stated by the cybersecurity company ESET in a recent report based on a survey of 1,200 senior managers in a variety of industries in the UK, US, Japan and Mexico.

The financial sector has traditionally been one of the most prone to these types of attacks, but now business leaders are more aware of it. In fact, the survey revealed that %81 of senior managers surveyed agree that the current crisis resulting from COVID19- "increased the need to improve the financial security of their organizations."

7 An efficient credit scoring

Knowing the credit rating of users and their financial viability is key within the verification strategy of any fintech; however, the effectiveness of the process can determine whether the company gains a new customer or loses it. This is why algorithm-based predictive models are leading more companies to optimize this process and obtain a quick response to capitalize on these new opportunities.

8 Do you really know your customers?

Do you know who your customer really is and do you maintain a clear communication flow? This is a question that hundreds of companies in the fintech sector are trying to solve worldwide. Today, Preventor solves this dilemma through a tool that is able to offer an overview of all compliance processes with a customer-centric and integrated end-to-end view. These technology solutions are capable of performing tasks ranging from customer onboarding to understanding their business, applying watch or penalty lists, case management, reporting, and auditing.

9 Voice assistant

Having a total traceability of verification and monitoring also requires advanced tools such as voicebots (virtual voice assistants), systems based on machine learning that help fintech companies to answer questions from their users in real time based on data and generate efficiency in those communication mechanisms that are so essential to avoid abandonment of the new account registration processes.

10 Different layers of security

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