FraudIQ Authenticate Questions
Identity proofing with knowledge-based questions

Identity theft has become one of the fastest-growing crimes in the United States, and, unfortunately, it is fairly easy for a fraudster to obtain personal information for fraudulent use. That is why businesses and agencies with a significant investment in their online or mobile channels need an authentication tool that goes beyond simple fraud checks.

FraudIQ® Authenticate Questions is an internet-based service that helps authenticate an applicant's identity by presenting multiple-choice questions to the applicant that should only be known by that actual person. This patented interactive session binds the applicant to the identity information entered and leverages a statistical model that provides a fraud index score as part of the overall assessment.

How does it work?
FraudIQ Authenticate Questions helps uniquely authenticate an applicant's identity through a five-step process which works by asking intelligent questions related to the applicant's history — like past residences, employment, and credit data.

Integrity check
The integrity check standardizes and screens applicant-provided information to test for data inconsistencies and irregularities. This includes checking for details such as data that has been reported as belonging to a deceased consumer, the validation of Social Security numbers and driver's license formats.

Pattern recognition
Pattern recognition algorithms are conducted on each transaction. For example, a velocity parameter determines the number of times an applicant has applied for authentication in a specific time frame.

Key benefits

Positively confirm an applicant's identity

Improve pass-rates for underbanked or younger applicants

Reduce portal abandonment rate by limiting more interactive procedures to high-risk applicants

Better comply with USA PATRIOT Act and FFIEC authentication guidelines

Identity validation

To help confirm an identity's legitimacy, Questions uses a waterfall approach in gathering validation information from multiple data sources. This means that if the identity cannot be validated with the first data source, the system will proceed to the next data source until the identity can be validated.

Assessment and scoring

Questions then applies a statistical model that generates a fraud index that can be leveraged in the overall assessment of an applicant.

Questions

The number of questions and the required score can be varied based upon your fraud mitigation strategy, such as the risk of the transaction or the risk that the claimed identity is not authentic (for example, in the case of a known stolen identity or mismatch). Applicants must answer an enterprise-established percentage of consecutive questions correctly, making it extremely difficult for an imposter to gain access to your web-based applications.

Adaptive quiz capability

- Determine the number and/or category of questions to present based on applicant data and/or ID verification results
- Determine whether to ask questions or not based on applicant data and/or ID verification results
- Present simulated questions to thwart fraudsters
- Optionally present a second set of questions based on how well the applicant answers the first set
- Specify how many additional questions to ask individuals should they miss too many questions

No repeat questions

- Include both credit and non-credit interactive question types
- Select from more than 40 types of questions, leveraging highly accurate, non-public data sources to minimize false positives
- Avoid previously asked questions until all possible questions have been exhausted

Differentiated data sources

- Includes demographic marketing data that improves the coverage of population not found in the credit file, and provides content for non-credit questions
- Includes employment data which provides content for non-credit questions
- Includes utilities and telecommunication account data to help identify under-banked populations

Upfront identity verification means that the only questions asked are specific to the applicant.

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