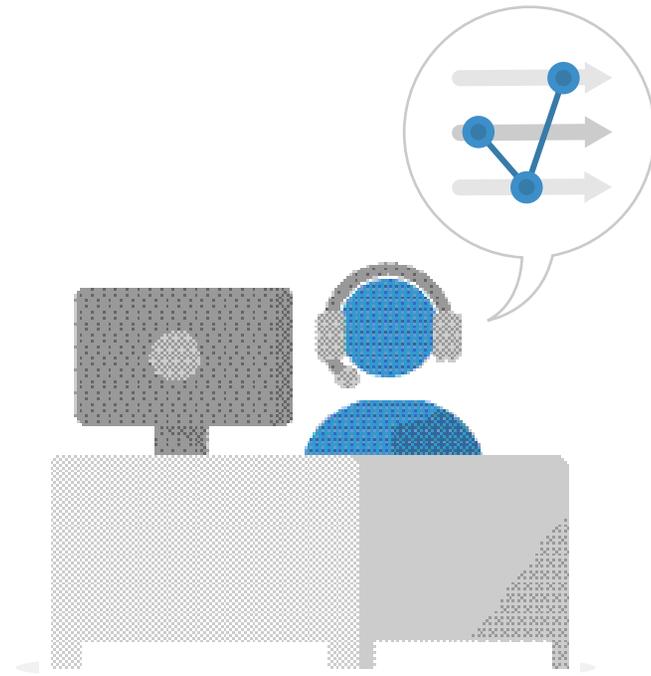


# THE SIX GOALS OF IMPROVED MANUAL REVIEW



Presented by

**whitepages**<sup>™</sup> PRO



# THE STATE OF MANUAL REVIEW

Criminals have become exceptionally sophisticated and routinely deploy attack strategies that evade the risk controls typically available to merchants using just traditional risk management technologies. This leaves merchants highly vulnerable to attacks.

As criminals design orders that look legitimate to risk detection algorithms, it can become necessary for merchants to manually review all orders where billing and shipping addresses don't match, or there is not a perfect AVS match. The latter category includes payments with most cards issued outside the US and Canada. Merchants must ensure that orders from good customers are approved and dispatched quickly to protect revenue and long term customer relationships while simultaneously keeping fraud at bay.

Problems are only getting worse, as CNP fraud rates continue to increase, particularly in relation to the migration from swiped to EMV transactions at point of sale. Traditional risk management technologies don't always provide a viable solution and traditional approaches to manual review don't scale or are too expensive. In order for merchants to survive in a way that maximizes their profitability, they need to re-think and enhance the way they approach the manual review function today.

Many organizations are now focused on improving manual review with the goal of auto-accepting good orders so that manual review agents can focus solely on only the very complicated transactions. With so many diverse tools now available – device ID, fraud platforms, and identity data chief among them – it can be difficult for fraud teams to truly know which tools will help address each organization's specific and unique fraud threats.

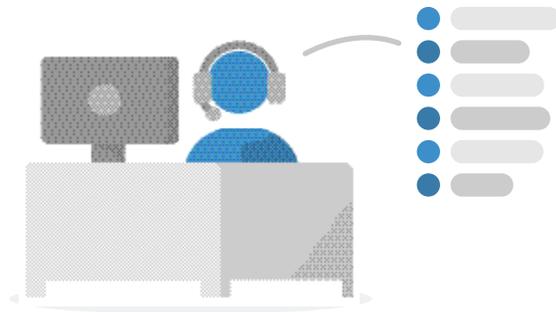
To identify the best available tools, fraud and payments managers should be guided by the six goals of improved manual review. All six are geared toward answering one simple question in the most reliable and efficient way possible:

**"IS THIS PERSON  
AUTHORIZED?"**

# THE SIX GOALS

## A typical manual review process looks like this:

- A fraud system labels orders as high risk and marks them for agent review.
- Agents decide if orders are good or bad.
- Identity verification tasks may have to be performed by an agent to make the decision.



## Taking manual review to the next level requires fraud teams to achieve these six goals:

1. Master difficult decisions on challenging orders and reaching those decisions faster.
2. Handle peak volumes while still keeping fraud under control.
3. Close new attack vectors quickly when they arise.
4. Create resilient verification procedures that will thwart attempts by criminals to avoid detection.
5. Standardize policies and procedures from day to day, office to office, and agent to agent.
6. Manage according to metrics to gain visibility into how fraud operations are performing.

## GOAL 1

# MASTER DIFFICULT DECISIONS

Manual review is not cheap and the cost of poor decisions can be even greater. The key is to make the correct decision—and do so quickly—in difficult cases like these:

### Student

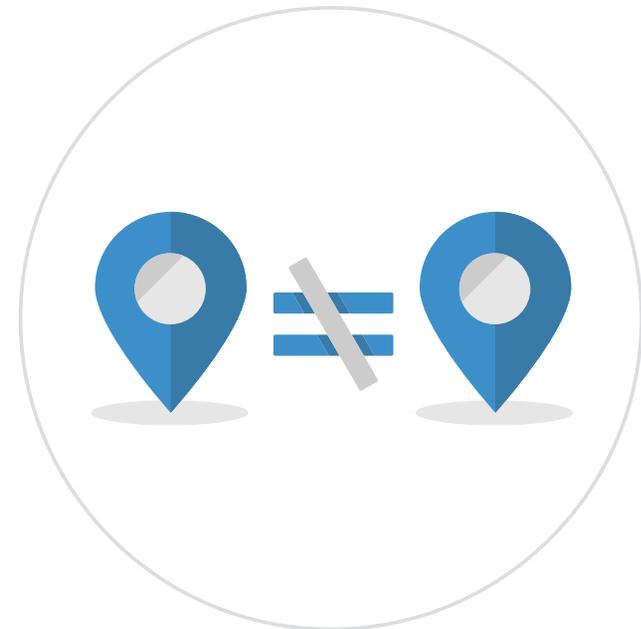
Very often the buyer's billing and shipping addresses don't match. In these situations, internet search engines can be used to place the student at a school or university. A school IP address or an .edu email address can also aid in verification.

### Workers

Sometimes, billing and shipping addresses don't match because the buyer wants a purchase shipped to a workplace. Search engines and social media sites such as LinkedIn can be used to verify the person is an employee of that company.

### Travelers

Property ownership data and vacation rental information can be used in verification. Hotels can verify that buyers are current guests.



## GOAL 2

# HANDLE PEAK VOLUMES

During holidays, promotions, and new product launches, it is vital to ensure quality customer experience and meet service-level agreements while continuing to protect the organization against fraud. Among the keys to success:

### **Effective communication and coordination**

Coordinate with the business beyond monthly forecasts to better handle concentrations associated with events like Father's Day and Cyber Monday.

### **Use identity data**

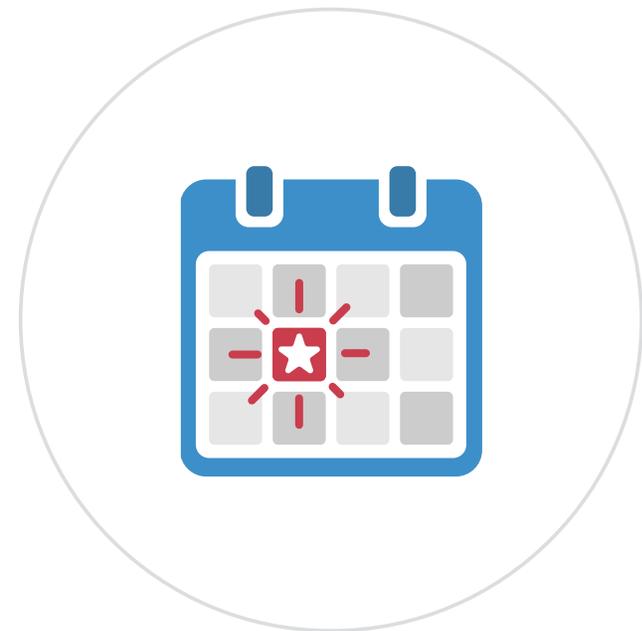
Powerful data can help to pre-approve good orders and move them quickly through the evaluation process.

### **Alternate acceptance criteria for peak periods**

Prioritize orders in the manual review queue and assign agents to the riskiest orders based on the agents' skill levels.

### **Batch-mode processing**

A scalable system can clear hundreds of orders at a time.



## GOAL 3

# CLOSE NEW ATTACK VECTORS

Among the weaknesses of traditional reporting is the delay in chargeback reports. Merchants (and fraudsters) know this delay means that it can take a month or more before an order is recognized as fraud. Improving manual review means quickly identifying new attack vectors and closing control gaps before an attack can escalate in severity. How this is done:

### Daily, weekly, and monthly chargeback reporting

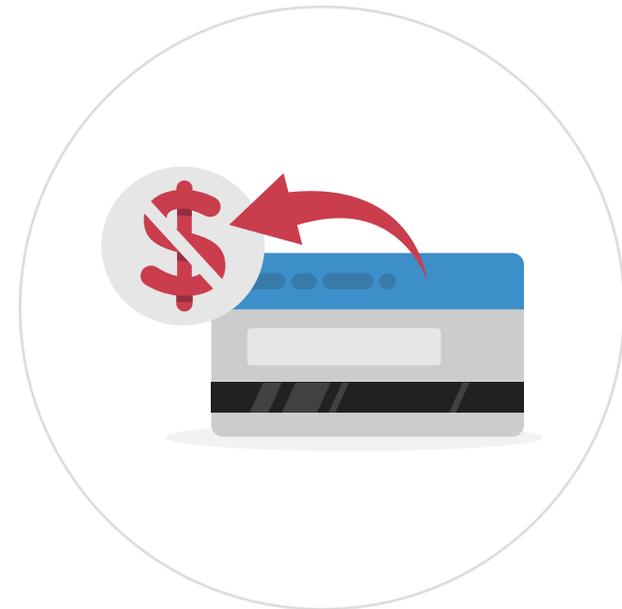
Detail chargeback arrival patterns, link chargebacks to the original transactions, and examine the patterns in which chargebacks are arriving.

### Chargeback projections

Based on reporting that can identify spikes within 1-2 weeks that would otherwise take 5-6 weeks to discover.

### A formal triage process

Find the root causes of chargebacks and help close the appropriate control gaps. This process has become so precise that it frustrates some fraudsters.



## GOAL 4

# CREATE RESILIENT VERIFICATION PROCEDURES

Merchants are always looking to develop an order verification process that is as difficult as possible for criminals to circumvent. Merchants also want to confidently approve orders from good customers who may have made keystroke errors. A call-to-confirm process should be guided by rules such as:

### Contact the customer only at a verified phone number

Don't rely on just the number on the order.

### Ask questions that only the known identity can answer

And questions that the fraudsetter cannot.

### Use the card brand Code 10 process

This is useful for foreign cards and when question information is not available.



## GOAL 5

# STANDARDIZE POLICIES AND PROCEDURES

On many fraud teams, each agent is left to make his or her own decisions on the most complex orders. While the intent to let agents use their own insights and intuition is admirable, this individualistic approach opens the door for fraudsters. Agents are more effective when they are given better tools and operate in tandem.

Fraud managers should provide their agents with the following:

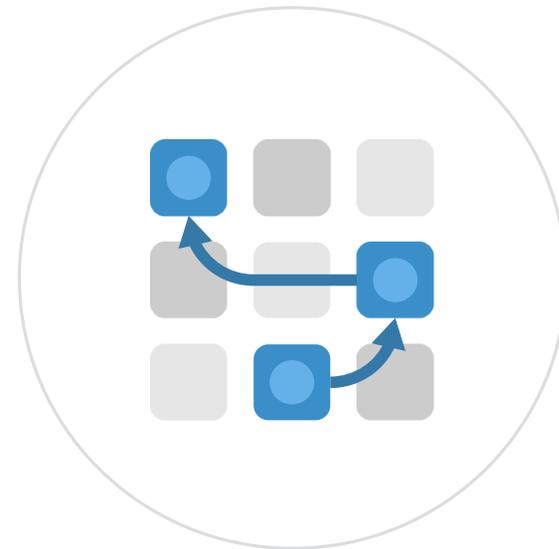
### **Precise flowcharts and policy guidance**

Agents should follow these in all cases to make decisions. Formal policies can capture and codify the wisdom and experience of individual agents.

### **Training and audits of agent performance**

Reporting can assist specific agents with recurring chargebacks and false positives.

A well-trained fraud team will result in faster decisions, a synchronized and less permeable approach, and easier onboarding and new agent training. When the process has a control gap, it can be closed across the organization.



## GOAL 6

# MANAGE ACCORDING TO METRICS

The strength of a manual review team is confirmed through its performance against meaningful metrics. Similarly, metrics can be used to gauge the performance of specific team members with respect to the group. In implementing metrics, an organization should:

### Identify the KPIs

These include the manual review rate, chargeback rate, insult rate, call-to-confirm rate, and shipping SLAs.

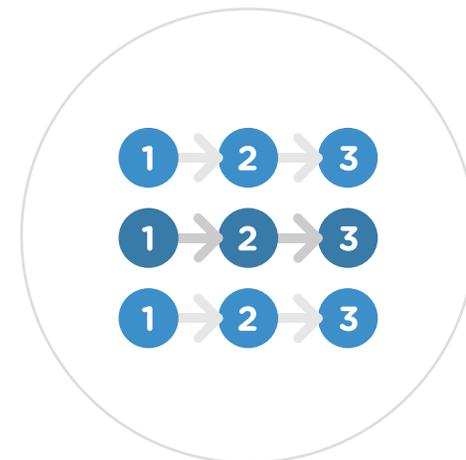
### Use agent scorecards

Scorecards measure individuals' productivity. How many orders can they review in a shift? How many chargebacks result from orders an agent approved? How many false positives is that agent creating?

### Coach the agents

Use the scorecard information you've collected combined with the actual transaction data.

Metrics are helpful not only in agent coaching, but also in assessing and managing the entire team. Fraud team managers should know which of their agents is more likely to accept and which is more likely to reject on complicated orders. Knowing information about each employee helps the team set achievable metrics, which are good for the business.



## SUCCESS STORY

# HOW GETAROOM IMPROVED MANUAL REVIEW WITH ENRICHED IDENTITY VERIFICATION DATA

The fast-growing travel company used an improved process to better verify identities and reduce the number of transactions requiring a lengthy manual review.

### Challenge

Getaroom analysts were struggling to accurately validate identities. The fraud team was caught in a free search siphon, often completing up to six searches on each attribute. The free search tools were inconsistent and analysts were spending too much time on each individual order. The team's performance average and morale were down and fraud was up.

### Solution

Getaroom implemented Identity Check from Whitepages Pro® to validate, verify and match a customer's name, address, phone number, email address, and IP address all at once and all on one screen. The single search saves substantial search time and

allows agents to approve good orders quickly, keeping customers happy.

### Benefits

After adopting Identity Check, Getaroom was able to reduce its time spent in manual by more 50% and reduced order fraud by 20%.

*"Since integrating Whitepages Pro, we have reduced manual review time and increased the accuracy of order reviews. The ability to access Whitepages Pro Web from our fraud platform has also significantly reduced review time. Identity Check is especially useful in verifying our customers from the first resource used."*

**CHRISTINA FORRESTER**  
FRAUD OPERATIONS MANAGER  
GETAROOM.COM

# THE CURAXIAN CONNECTION

Curaxian helps merchants develop efficient and resilient manual review processes that maximize revenue while protecting from fraud. For many years, Curaxian has been working with Whitepages Pro® and is an expert partner at helping merchants integrate Identity Check into their automated and manual decision flows.

Curaxian also offers a software service that quickly tells merchants when chargebacks are increasing so merchants can fix the issue and stop the fraud. It includes predictive analytics that allow merchants to discover new fraud attacks in just 1-2 weeks. With traditional reporting, it could take 2-3 months for a merchant to discover they are approving fraudulent transactions. Curaxian's fraud solution is a critical component of next-level manual review and has helped merchants achieve significant savings by identifying and solving fraud attacks much faster than they otherwise would.





# VERIFY AT VELOCITY WITH IDENTITY CHECK

There are several companies benefiting from improved manual review with Identity Check. Virgin America, Kohl's, Under Armour, Garmin, Priceline.com, and a host of online retailers and global travel companies rely on Whitepages Pro during transaction review. All are employing Identity Check, the industry's leading lightweight identity verification solution. Identity Check helps merchants verify identities at velocity, saving fraud teams time and money.

Identity Check takes customer order information – including name, addresses, phone, email, and IP information – and determines if they all align to paint a clearer picture of who is behind a request. Identity Check is built to assess applications and orders with ease, accuracy, and speed.

## Five Searches in One

Instantly cross-check name, address, email, phones and IP geolocation.

- **Name checks** – Verifies if the name matches the addresses, email, and phones.
- **Phone checks** – Confirms that the phone number is valid, in

service, and matches the name provided.

- **Email checks** – Shows whether the email is valid, active, and if the registered name matches the name provided.
- **Address checks** – Shows if addresses are real, active, and if the resident matches the name provided.
- **IP address checks** – Shows whether the IP address is a proxy and verifies its location.

## Why Identity Check?

- **Approve smarter** – Approve good applications and weed out fraud faster with distinct match statuses.
- **Accelerate the process** – Clear good orders faster with a single search.
- **Mitigate risk** – Research chargebacks and catch discrepancies with instant access to accurate data.

To learn more about Identity Check, request a live demo, or start a free seven-day trial of **Whitepages Pro**, visit us at [pro.whitepages.com](https://pro.whitepages.com).



## ABOUT WHITEPAGES PRO

Identity Check, the industry's leading identity verification solution, was developed by Whitepages Pro, whose unique approach is based on the belief that the a mobile numbers is the unique identifier for individuals around the world. Whitepages Pro delivers the most up-to-date identity insights to businesses of all kinds, along with powerful analytics and tools to maximize the power of that information. Whitepages Pro products and pricing support businesses of all sizes from local retailers to the Fortune 50. Whitepages Pro is the B2B solution from Whitepages, which uses its extensive data insights to monitor phone-based threats for consumers and businesses.



## ABOUT CURAXIAN

Curaxian helps merchants and payment processors stop fraud, increase sales, and reduce payment costs.

Curaxian offers a software service that quickly tells merchants when chargebacks are increasing so merchants can fix the issue and stop the fraud.

Curaxian also offers software services to help merchants manage authorization declines and interchange downgrades.

In addition, Curaxian offers consulting services to help merchants develop best-in-class risk and payment operations.

Since 2006, Curaxian has helped more than 50 large merchants and processors representing more than \$400 billion in sales.

# INTERESTED IN IMPROVING YOUR MANUAL REVIEW PROCESS? LET US KNOW.

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