



# THE FINTECH MAGAZINE

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# Halt! Who goes there?

**Zac Cohen**, General Manager of **Trulioo**, explains how companies can protect themselves against a growing army of imposters, while extending financial inclusion to those who legitimately need it



**Global identity verification provider Trulioo is already able to validate some five billion people in more than 100 countries – and its reach is only growing as its market expands.**

The fintech recently entered Georgia, Qatar, Iceland and Bahrain – the last two having both been highlighted by intergovernmental organisation the Financial Action Task Force as requiring extra effort in combating anti-money laundering (AML).

Trulioo's single application programming interface (API) solution GlobalGateway addresses both AML and know-your-customer (KYC) requirements by pinpointing the most effective sources of data for each country. That may be government records, credit bureaux, or mobile network operators in areas with weak governance.

Its digital identity network provides access to more than 400 procured, vetted and trusted data sources around the world – all through a single integration that at the same time complies with local privacy regulations.

Identity verification is particularly challenging in emerging markets, such as India, Indonesia and Africa, where people are less likely to have traditional forms of ID. By helping to create a financial identity for these individuals, Trulioo is not only helping to fight financial crime, but also improving financial inclusion in areas where people may otherwise be left behind.

The Vancouver-based company this year teamed up with Refinitiv, a global provider of financial markets data and infrastructure, in a strategic partnership to enhance and expand access to digital identity solutions. According to Refinitiv's second annual survey of more than 3,000 compliance professionals, up to 72 per cent of businesses around the world are falling prey to financial crime and intend to spend 51 per cent more to detect and prevent it, using Cloud-based data and technology, artificial Intelligence and machine learning. So, with the pressure on and regulatory requirements varying across the world, Trulioo's general manager Zac Cohen discusses how companies can future-proof their services.

**THE FINTECH MAGAZINE:** What advice would you give firms to make sure they keep up-to-date and flexible, for future changes in identity regulation?

**ZAC COHEN:** Even structurally, and I'm thinking of Brexit here, you never know

what's going to happen to the business environment. So, how do we manage that uncertainty? I think the first thing you have to look at is partnerships.

A lot of people go out to the market looking for vendors but you need partners that can help you understand and interpret what's happening today and what's going to happen tomorrow, and help you prepare for that.

The next important thing is interoperability – Trulioo has solutions in place that fit the variety of systems and environments that people do business in.

Lastly, when organisations are launching, they need to have a global perspective, not focus on a single market because areas of your business might be affected by what's happening elsewhere.

**TFM:** So, you're thinking perhaps of things like the Payment Services Act in Singapore, which will probably have a knock-on effect in other parts of the ASEAN (Association of Southeast Asian Nations) region. Are there lessons learnt from different geographies that can be applied to local markets?

**ZC:** Absolutely. What we see in general is convergence of regulatory environments.

Now one might be faster than another but, at the end of the day, we see pieces taken from individual markets and regulators, and shared or applied in different ways. So, we can always learn, and we have to take them into account. We have that type of flexibility in our solutions. You can take the pieces you need and not use those that don't apply.

For us, it means adopting a marketplace approach. We want to provide the services our customers need, when they need them, by layering different types of strategies, solutions and services within a single marketplace.

We can help clients plan their expansion, depending on the regulations or compliance environment, or just the operational effect they want to see as a business, depending on the market they choose and when they launch. »

**Pass or fail:**  
Organisations are most vulnerable during the account creation process



» From our perspective, you do a single integration into our service and then it's a quick configuration to launch anywhere in the world.

**TFM:** There is a big difference, though, between dealing with Wells Fargo, for example, which has an enormous amount of data to be regulated, compared to, say, Monzo in the UK.

**ZC:** I think that comes back to the question of how banks are different to challengers, and how they deal with change in different ways.

The biggest challenge for banks tends to be legacy systems. Our approach has always been to offer them a platform perspective so that they don't have to necessarily change what's happening internally, but can connect to new options that satisfy the existing workflows.

For fintechs, neobanks and challenger banks, the biggest thing is scaling their business. What they want to achieve is access to global markets, very quickly. With our product, it's a simple API that can connect you to more than 100 countries. It's centralised compliance, so you can manage all of those different markets with a flexible solution, through a single integration.

The other interesting contrast between banks and fintechs is the developer-friendly focus. Most fintechs don't want to have a phone call. They want to see your API. So, Trulioo has launched the world's first

Embed ID, which, with a single snippet of code, allows you to verify the entire globe, and use our services within minutes. It makes launching your services that much easier.

**TFM:** When are organisations most vulnerable to bad actors infiltrating their systems?

**ZC:** It's really the account creation process. It's that first interaction with the end user, that first handshake. At that point, you are most susceptible to fraud, because if you allow a nefarious individual, or bad actor, into your system at the start, it's going to be that much more likely that you'll have fraud problems later. It's very rare that a legitimate user will later defraud or cause problems in your systems.

Our identity verification solution is key to that initial onboarding. You want to make sure that the individual accessing your service is real. The best technique is a

“ With a single snippet of code, you can verify the entire globe, and use our services within minutes. It makes launching services that much easier

comprehensive identity verification solution and that will change depending on your user base, your demographic, your regulatory burden and the various issues that companies need to address for their service. But you also need to find that balance between a strong compliance regime, that identifies your users appropriately and securely, and also making sure it's frictionless and quick, and that the user experience is enjoyable, so that you get that traction with your customer base. That's what we provide.

When a new technology is launched we often see that the first individuals to experiment are the ones you don't want. You need to stay one step ahead of them and to do that you need a dual approach.

By that I mean it's not a point solution. It's not a single technology. It's not a single process. You need a workflow that complements various stages, depending on the user that you're onboarding. Through our marketplace, for instance, you can access a variety of tools and services within the same technology suite and then you must be constantly reviewing your user base to ensure that, if something changes in the environment, or changes with your solution, you can apply the appropriate safeguard to compensate for that change.

At the end of the day, access is key, and modernised organisations first and foremost require flexibility and versatility built into their fraud prevention systems.



# Providing financial services is your business, Knowing Your Customer is ours.

- ✓ Validate company vitals & screen against AML watch lists
- ✓ Analyze ownership structure & stakeholders
- ✓ Identify beneficial owners
- ✓ Perform AML/KYC checks on UBOs

**Trulioo**