

**Daon®**

Case Study

Delivering passwordless digital services to telco customers, secured by strong FIDO authentication

Client:

Market-leading telecoms provider

Business Objective:

Reduce costs associated with identity fraud and improve the security and convenience of customer apps

Solution:

A single identity platform, shared across multiple business units, that brings secure passwordless authentication to every telco customer

The Challenge

A telecoms provider, the largest in its market, needed to reduce fraud costs. But identity fraud, a recognized industry problem that costs tens of millions annually, can be hard to detect when telcos rely on outdated authentication techniques like challenge questions or usernames and passwords. And because it had grown through acquisition, this particular telecoms provider was saddled with a diverse and aging technology base, encompassing multiple outmoded identity systems and authentication methods. Recognizing that obsolescence and complexity were driving more fraud instances and greater losses, the provider set its sights on a single system to securely authenticate customers across every channel and business unit. The aim was to leverage innovative yet proven identity technologies that would offer a superb customer experience, while also reducing fraud and opening new possibilities for digital services.

The Response

The telco examined its options in the market and chose Daon, the most established partner in the region who also offered the assurance of a FIDO-certified product—IdentityX. Using Daon's SDK, the telco incorporated IdentityX into its mobile app and introduced the new experience to its full customer base of millions. The simpler, stronger authentication would lead directly to less fraud and greater customer convenience in every channel, including non-digital ones. Customers ringing into the call centre, for example, would be sent a push notification to authenticate via the telco's app, as opposed to being asked a series of irritating challenge questions that have been shown to frequently let in fraudsters while keeping out genuine customers.

"Lacking strong identity, the cost of fraud prohibits telcos like us from expanding our digital services. Daon's value—providing a robust means of identifying customers—was essential to our digital transformation."

The Results

The impact on the telco was immediate; it reduced the amount of money it was losing to fraud, and its mobile app became more feature-rich, allowing customers to complete high-value digital transactions within the app if they've opted into multifactor authentication using a combination of device, PIN, and biometrics. Many millions of the telco's customers are now using FIDO authentication. Calls to the contact center are also dealt with more quickly and conveniently—customers no longer need to answer long sequences of challenge questions; they can simply click on a notification the agent sends to their mobile app and be instantly and securely authenticated.

The Benefits

In addition to reducing the costs of fraud connected to account takeovers, Daon's technology has opened the door to new possibilities for digital services. Most recently, the telco has begun the process of using IdentityX not just for authenticating known customers, but for verifying the identities of new digital customers as well. As opposed to a traditional account opening process—whereby new customers must bring identity and proof-of-address documents to one of its retail outlets—IdentityX makes the experience entirely digital. Customers can use the telco's app to scan their driver's license and passport, then take a selfie with liveness detection to confirm they're the same person appearing in the identity documents. For those customers who still wish to visit a retail outlet, the sales assistant there can leverage IdentityX to make the in-person experience faster, simpler, and safer too.

BENEFITS AT A GLANCE: IDENTITYX FOR TELECOMS

- Cost savings from an immediate reduction in fraud associated with account takeovers
- Reduced complexity and lower operating costs from using a single identity system for all business units
- Improved security from replacing username and password authentication with robust identity technology
- Better convenience for customers, who now get faster service from the call centre
- Opens possibilities for new digital services now that identity can be strongly authenticated in the app
- Lets customers perform high-value self-service options in the app, like changing their address

For more information on IdentityX and how the telecommunications industry is benefiting from strong customer authentication, visit Daon.com/telcos

