RFi Group

GBG

Identification Verification: A Digital Utopia

greenID GBG

Contents

Introduction

In so many ways, the last 12 months have been pivotal. If the COVID-19 pandemic cannot be held responsible for starting trends, then it can certainly be accredited with accelerating change that was already underway. The digitalisation of processes and experiences in financial services can be seen in this light. Before the pandemic financial institutions were already acting on the realisation that customer experience could be enhanced by digitisation. At the same time there was also a realisation that digitalisation could result in cost efficiencies versus more people-dependent processes. COVID both reinforced this mindset and amplified the rate of change. Financial institutions have been forced to operate and engage current and prospective customers differently; change that might otherwise have taken years, took months. Those institutions that already had a digital-first mindset enjoyed a competitive advantage, but by forcing laggard institutions to move more quickly, COVID has contributed to a levelling of the playing field.

KYC/AML represents a key part of the customer onboarding process and contributes significantly towards the overall customer experience. Just like in other areas, COVID has not caused the emergence of a digital-first mindset towards KYC/AML. That mindset was already visible. It has, however, reinforced the view that digital capabilities will be at the heart of KYC/AML long past the end of pandemic. A digital first approach to identity verification and KYC/AML compliance ensures the best possible outcome for both customers and financial institutions. Benefits include, but are not limited to:

- More informed, rounded and accurate decision making
- Enhanced process efficiency
- Maximised flexibility and scalability
- Currency versus evolving fraud threats
- Reduction of human involvement and error
- More rapid customer onboarding

GBG has partnered with RFi Group to produce this report. The report reviews the broader context for the digitalisation of KYC/AML, demonstrating how consumer behaviour, operational and regulatory imperatives and technology are all now coming together. It illustrates why institutions should continue on the path towards further digitalisation and the key learnings as they do so. It demonstrates that institutions that lead in this area can simultaneously provide differentiated customer experiences, enjoy operational efficiencies and minimise risk. In the current environment, and indeed in any environment, these are key corporate goals.

Digitalisation of banking: Consequences for FIs

COVID-19: AMPLIFYING THE DIGITALISATION OF BANKING

While COVID has had so many impacts, both inside and outside of financial services, key has been its impacts on channel use, engagement and expectation. By discouraging face-to-face interaction, COVID has resulted in consumers being more comfortable using digital channels for a wider range of tasks and experiences, and using digital channels in greater numbers, more often and more broadly across generations. As a result, consumers are now more expectant of intuitive, frictionless experiences when interacting with financial institutions. Experiences that do not, for example, require them to visit a branch, provide physical documents or interact with a member of staff.

COVID's impacts on the digitalisation of banking were reflected in a recent announcement from Commonwealth Bank. It revealed that over the last year the number of customers using the bank's app had increased by 5.5% to 6.2 million users. Similarly, the number of digital wallet transactions made by the bank's customers increased by 106% in the 12 months to December 2020. The bank also highlighted how customers were increasingly using the app for more than simply checking balances and transactions.

RFi's data reveals similar trends. These include:

- 40% of consumers indicate that during the pandemic they completed a banking task via digital banking that in other circumstances they may have performed by non-digital channels.
- There has been a ten-percentage point increase in the proportion of consumers who use mobile banking on a weekly basis since March 2019, with a six-percentage increase occurring since the start of the pandemic.
- The proportion of consumers who say they use a mobile banking app had increased from 35% in March 2019 to 59% in September 2020.
- There has been particularly rapid adoption of digital banking channels among older consumers as they catch up with their younger peers. The proportion of consumers aged 45-54 using a mobile banking app increased from 45% in March 2019 to 59% in September 2020. The proportion of consumers aged 55+ who do so increased from 26% to 33% over the same period.
- Close to one-third of consumers say they now use digital channels more often as a result of COVID, or in some cases, are doing so for the first time. 28% of consumers indicate they are now using digital channels more often. 2% of consumers reveal they used a digital channel for the first time during the pandemic.
- 88% of consumers can see no resumption of their branch usage post pandemic, either indicating their pandemic branch usage will now be the norm, or predicting a further reduction in their branch visitation.

https://www.commbank.com.au/articles/newsroom/2021/01/Pandemic-drives-digital-banking.html

GROWING CONSUMER COMFORT WITH DIGITAL PRODUCT APPLICATIONS

While many consumers have long been comfortable managing financial products via digital channels, they have been slower to apply for products digitally. This situation has not been helped by processes that fail to offer a truly end-to-end digital experience or that are sub-optimal versus experiences offered by more traditional channels. Financial institutions have often not helped themselves maximise the potential of digital channels. In so doing they have remained reliant on more costly channel alternatives.

However, further to the previously listed data points, there is now evidence of customers becoming increasingly comfortable applying for financial products via digital channels. This highlights the potential for institutions to realise the opportunity presented by these channels by capitalising on a more progressive consumer mindset.

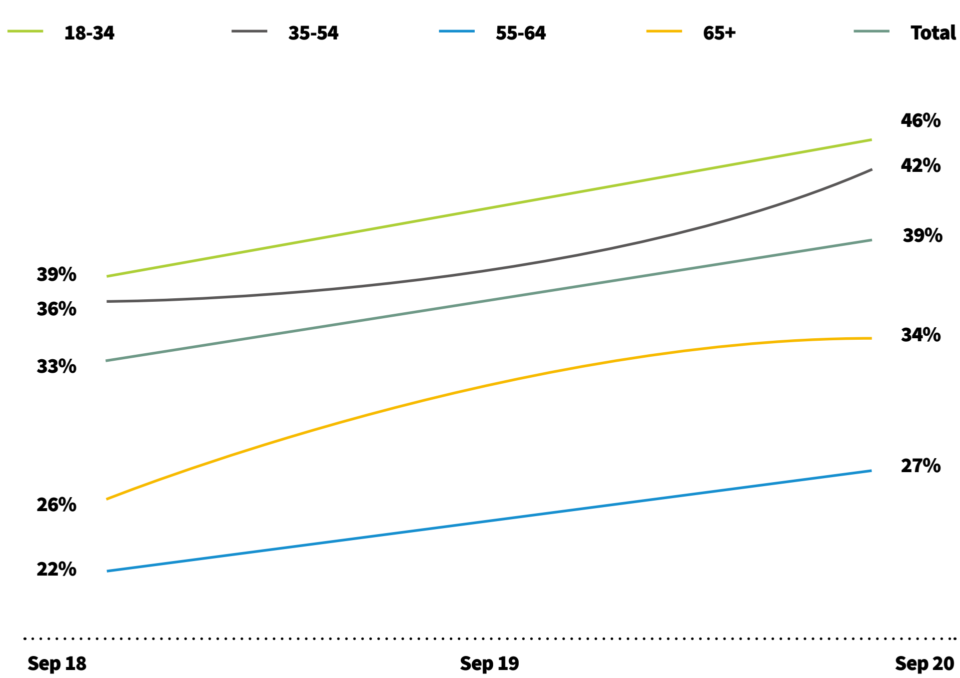
- While 19% of mortgage borrowers say that some part of their loan application occurred online, (increasing to 32% among those who took out their loan in the last two years), As per Figure 1, 39% say they would now be comfortable completing and submitting a mortgage application entirely via a digital channel. This has increased from 33% in September 2018.

- 1 in 5 mortgage holders now say they would rather apply for a mortgage via a digital channel. This proportion has almost doubled since March 2019. Increases are visible across age groups including those aged over 55.

- Similar evidence of digitalisation is visible in their preferences of consumers pertaining to other products. Close to 1 in 2 consumers now say a digital channel would be their preferred means of applying for a credit card, a transaction account or savings account. 40% of consumers say a digital channel would be their preferred way of applying for a personal loan.

FIG.1: HOW LIKELY WOULD YOU BE TO COMPLETE AND SUBMIT A MORTGAGE APPLICATION ENTIRELY VIA ONLINE CHANNEL

HIGHLY LIKELY (8+/10)



CONSUMERS EXPECT MORE FROM THEIR DIGITAL EXPERIENCES

As consumers interact with digital channel more frequently and in bigger numbers it stands to reason that they would begin to expect more of these experiences. Consumers who were frequent digital channel users pre-pandemic will now care more about what their financial institutions offer them in this area and what they enable them to achieve. Consumers who were less frequent digital channel users pre-pandemic will care when perhaps they previously prioritised other capabilities and experiences. Financial institutions need to roll out capability and experiences fast enough to meet the demand of the fastest adopters. These consumers are typically Centennials and Millennials who have only ever had a digital-first mindset. Equally, the rate of change needs to be slow enough so as not to disengage those consumers who are embracing digital more gradually. A recent media release from Commonwealth Bank spoke to this point with the bank referencing the importance of continuing to support non-digital and less-digital customers even as the bank digitises at pace.

APPLICATION AND ONBOARDING: A KEY MOMENT OF TRUTH IN THE CUSTOMER RELATIONSHIP

While providing a great application and onboarding experience provides the platform to develop a lasting, valuable customer relationship, a bad experience is hugely damaging. There is the risk of losing the customer and with them, the investment in getting them to the point of application. If they are onboarded as opposed to being lost, the relationship between the customer and the financial institution starts out on the wrong footing and remains sub-optimal versus those customers who had better experiences. To illustrate this, RFi has compared key metrics among two cohorts of mortgage customers – (1) those who report satisfaction with their application and onboarding experiences and (2) those who report dissatisfaction with their application and onboarding experiences. As seen in Figure 2, the exercise reveals:

- Only 9% of customers who say they were dissatisfied with their loan application experienc now say they are highly satisfied with their loan. In contrast, 82% of customers who say they were highly satisfied with their application experience now report similar satisfaction with their loan.
- Close to 20% of customers who were dissatisfied with their application experience now say they are intending to refinance their loan in the next 12 months. In contrast, among those customers who had a satisfactory experience, this proportion is only 8%.
- 55% of customers who report being highly satisfied with their application experience are likely to consider their current lender first for their future borrowing needs. The same metric among customers who say they were dissatisfied with their application experience is only 25%.

This last point pertaining to product uptake and ownership illustrates how the impact of the application and onboarding experience crosses over from soft metrics to hard ones and has bearing upon the core performance and profitability of financial institutions. This is particularly pertinent when there is so much organisational focus on deepening customer relationships.

https://www.commbank.com.au/articles/newsroom/2021/01/Pandemic-drives-digital-banking.html

FIG.2:

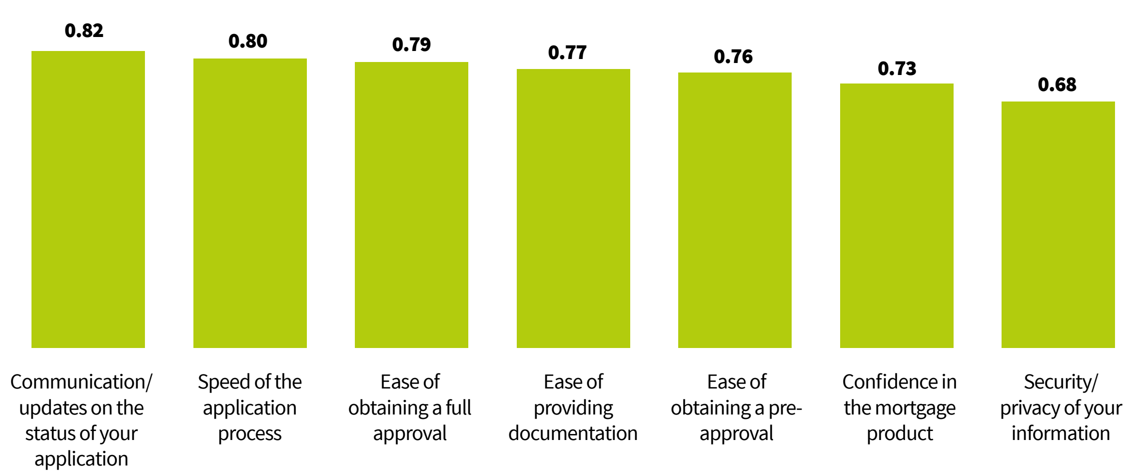
	CUSTOMERS DIS-SATISFIED WITH APPLICATION EXPERIENCE THAT....	CUSTOMERS HIGHLY SATISFIED WITH APPLICATION EXPERIENCE THAT....
ARE HIGHLY SATISFIED WITH LOAN	9%	82%
ARE INTENDING TO REFINANCE THEIR LOAN	18%	8%
WOULD CONSIDER CURRENT LENDER FIRST FOR BORROWING NEEDS	25%	55%

FAST ONBOARDING CAN LEAD TO A COMPETITIVE EDGE

Another critical element of the onboarding experience is speed. Institutions that remove inefficiency and move fastest, have the best opportunity to win the relationship. RFi's home loan customer data reveals a strong positive correlation between the speed of the application process and customer satisfaction – satisfaction can therefore only be maximised if customers feel that the process is advancing quickly. The data also reveals that customers are currently applying with close to two lenders on average with younger consumers tending to apply with a greater number; lenders that move too slowly therefore risk losing out to more fast-moving competitors.

FIG.3: CORRELATION BETWEEN OVERALL SATISFACTION AND ASPECTS OF THE APPLICATION AND ONBOARDING EXPERIENCE

BORROWERS WHO TOOK OUT THEIR LOAN WITHIN THE LAST 5 YEARS



INSTITUTIONS NEED TO BE ABLE TO MAKE ACCURATE AND INFORMED DECISIONS ON WHO TO APPROVE AND DECLINE

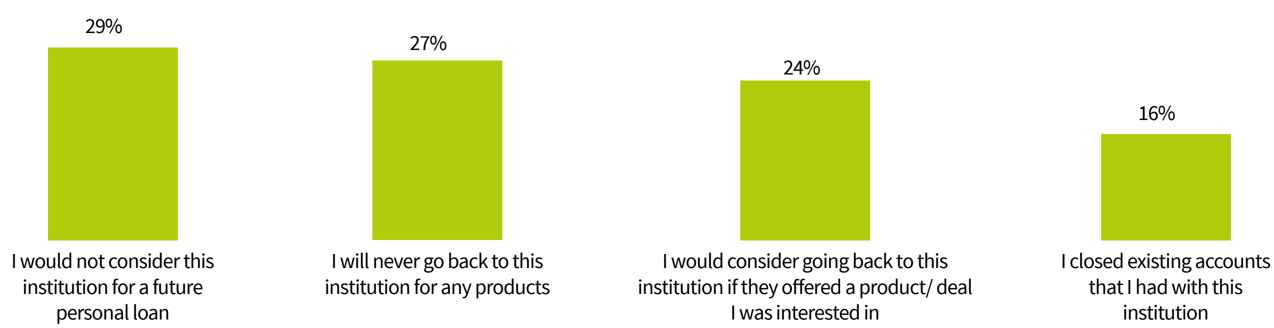
Other analysis undertaken by RFi has focused on the impact of declining a customer for a product. This analysis was not undertaken to suggest that institutions should approve every customer and nor did it ignore that reality that institutions will always have differing risk rules and appetites. The analysis was completed in the context of demonstrating:

- The importance of making informed and accurate, but timely, decisions on which customers to approve and which to decline; and
- The consequences of a declining a customer who, based on better information and a more informed decision, could potentially have been approved.

The analysis reveals close to 40% of customers who report being declined for a credit card say they went on to apply and be approved by another provider. Figure 4 shows 29% of customers who report being declined for a personal loan say they will never consider that lender for a personal loan in the future. 27% say they will now not consider the lender for any products and 16% of these customers say they closed other products they had with the lender following the decline of their application.

FIG.4: WHEN YOUR APPLICATION WAS DECLINED, WHAT IMPACT DID IT HAVE?

PERSONAL LOAN HOLDERS WHO HAD AN APLICATION DECLINED



Regardless of the outcome of the decision, when it comes to assessing applications, institutions need to be confident that they are making decisions based on the most accurate and complete information available to them. This requires institutions to be receptive to new types and sources of information and to be confident making decisions based on it.

APPLICATION AND ONBOARDING HAVE REMAINED PAPER, PEN AND PEOPLE DEPENDENT

Despite the fact that speed of application is key, to-date, investment in application and onboarding processes have played second fiddle to developing capabilities and experiences for existing customers. Processes and experiences have remained people, pen and paper dependent. Some elements of the process have been outwardly digitised, but a digital front end often masks a less digitised back-end. The result is a sub-optimal experience for customers and inefficiencies and elevated risk for financial institutions.

Application and onboarding can be a particular tension point because financial institutions are increasingly required to ask and expect more of their customers. More information, more documentation, more disclosure. The Australian financial sector is currently confronted with the urgent need to implement safe harbour measures such as 'Know Your Client' (KYC), follow Anti-Money Laundering (AML) protocols and strictly observe Counter-Terrorism Financing (CTF) regulations as they bring clients on board.

Yet, in spite of these heightened requirements, customers are increasingly expectant of frictionless experiences and are less forgiving of process impairment. The challenge for incumbent institutions is magnified by competitors like Buy Now Pay Later (BNPL) providers, neo-banks and other fintechs. These providers are engaging with an ever-growing section of the population and RFi's data reveals that more than 30% of Australian consumers have now used a Buy Now Pay Later service, 6% have used a neo-bank and 43% have used a fintech. While these players sometimes benefit from a lower regulatory impost, this goes unnoticed by customers who increasingly expect the experience they provide to be the norm.

Collectively these trends highlight how financial institutions that provide sub-optimal digital experiences will be increasingly exposed by forward-looking challengers, responsive incumbents and associated elevated consumer expectation. Indeed, given this landscape it is perhaps no surprise that we have seen an increasing coming together of fintechs and banks. NAB recently announced intent to purchase 86,400. Westpac has a partnership with Afterpay, as does Commonwealth Bank with Klarna.

FIG.5:

CONSUMERS WHO HAVE....	
USED A BUY NOW PAY LATER SERVICE	30%
USED A NEO-BANK	6%
USED A FINTECH	43%

Identity verification: A digital utopia

Key Takeaways:

- COVID has accelerated the existing rate of digitalisation in financial services.

- Consumers are becoming increasingly comfortable applying for products via digital channels.

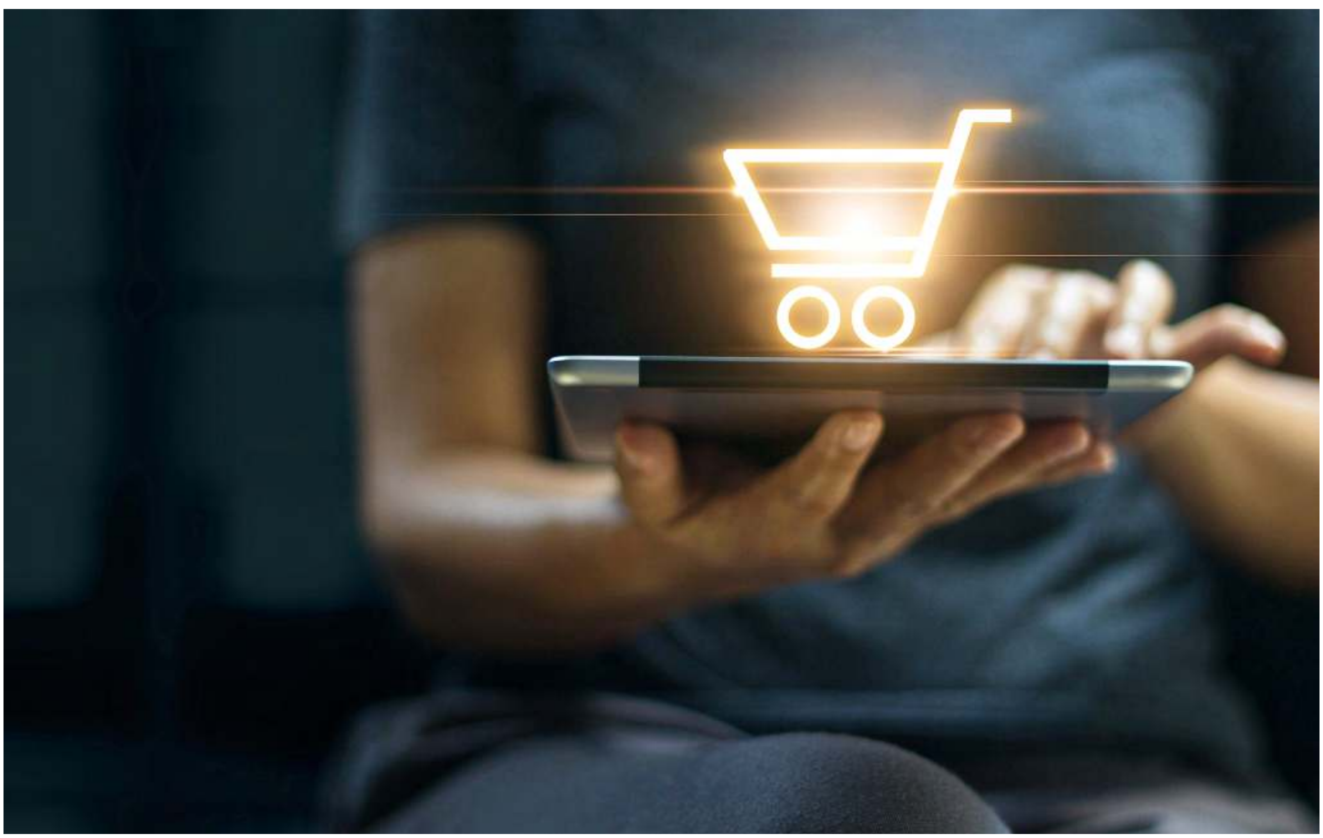
- Banks need to cater to the needs of customers at varying points on the digital adoption curve. This ranges from Centennials and Millennials at the cutting edge of adoption to older consumers who remain non or lightly digital. For Centennials and Millennials it is about keeping pace with demand and expectation. For other segments the focus needs to be on taking customers on the digital journey, not moving too quickly to avoid disengaging customers in the process.

- Good application and onboarding experiences need to be a critical focus because bad experiences are detrimental to a host of soft and hard metrics including satisfaction, advocacy, switching intention, product ownership and uptake intention.

- Institutions that deliver the fastest onboarding experiences have the opportunity to derive a competitive edge.

- Institutions need to make decisions on which customers to approve, and which to decline based on the most accurate, rounded information available. In seeking to do this they need to be open to the use of a full range of information sources and types.

- Application and onboarding are particular tension points in the customer relationship because while customers are more expectant of seamless, frictionless experiences, institutions are expected to do and ask for more. New entrants in financial services like the Buy Now Pay Later providers, the neo-banks and other fintechs are adding to the pressure by designing better experiences from the ground up and/or being able to operate with a lower regulatory impost.



EMBRACING DIGITAL IDENTITY VERIFICATION REPRESENTS THE PATH FORWARD

Responding to these changes in consumer behaviour and preferences, many institutions are now embracing digital identity verification as a path forward. Technological advances are making this possible by offering institutions a compelling alternative to more traditional methods of verification. Digital Identity verification offers financial institutions a host of advantages. These include:

- Empowering institutions to grow their customer bases more quickly without the operational constraints of more people and paper-dependent processes.

- Reducing the reliance on manual verification, ensuring institutions experience fewer errors and false results.

- Ensuring institutions can make more rounded, more informed decisions on which customers to serve, enabling them to channel resources at customers who present the greatest value.

- Enabling institutions to keep risk and compliance in check without compromising customer experience. This is critical given heightened compliance obligations, the associated increased cost of compliance and financial, brand and customer risks of non-compliance. In this sense, digital identity verification enables financial institutions to simultaneously achieve a host of corporate objectives not least cost reduction and control, enhancement of the customer experience and regulatory compliance.

- Helping institutions face up to an evolving and increasingly sophisticated fraud threat.

- Providing institutions with efficiency gains allowing resources to be channeled at more value-adding aspects of the customer experience and interaction.

REMOVING GROWTH CONSTRAINTS AND PROVIDING OPPORTUNITY FOR DIFFERENTIATION

In providing a solution to financial institutions, digital identity verification is simultaneously removing constraints to growth and providing opportunity for differentiation. Research published in GBG's report Future-Proofing Fraud Prevention in Digital Channels: An Australia FI Study (published in June 2020) revealed:

- 53% of Australian financial institutions see identity verification as the most challenging factor inhibiting growth in digital transactions. 46% point to the prevention of new types of cyber fraud and 36% point to the management of compliance with regulations.

- 59% of Australian financial institutions believe the most concerning factor in expanding their digital offerings is the associated requirement for fraud prevention. Institutions see identity verification of new customers at account opening as the most challenge phase for fraud detection.

- More than 40% of financial institutions identify increased costs of compliance as a principal factor restricting the growth in their digital products and experiences.

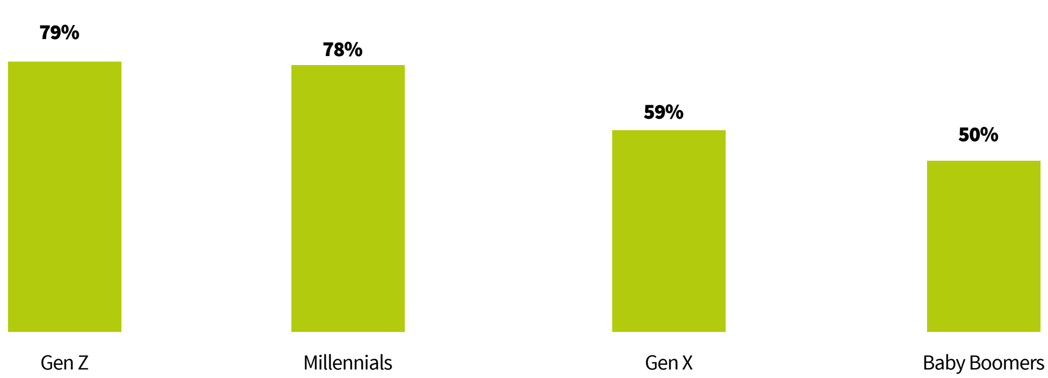
- A 55% year-on-year increase in instances of identity theft.

- 70% of Australian financial institutions believe providing faster KYC and straight through process during digital onboarding is a competitive differentiation.

FINANCIAL INSTITUTIONS CAN ACT UPON HEIGHTENED CONSUMER COMFORT WITH BIOMETRICS

As financial institutions embrace digital identity verification, it is important they embrace and respond to consumer concerns and move in a direction that consumers are already heading. The increasing consumer comfort with biometrics is relevant here as it reflects the fact that consumers are embracing an emerging technology that offers significant potential in the identity verification space. As figure 6 shows, a minimum of 50% consumers now say they are comfortable with the usage of biometrics for the purposes of identification for financial products, a proportion which increases to almost 80% among Gen Z and Millennials. A host of financial institutions have already introduced biometric solutions. In Australia, Latitude Financial and 86400 are using biometrics to assist with customer identity verification. In the UK, banks including Natwest, Monzo, Metro Bank and Starling enable customers to provide a photo or video of themselves as part of a product application. This is verified against ID documents also provided by the customer.

FIG.6: PERCENTAGE OF CONSUMERS THAT ARE COMFORTABLE WITH BIOMETRIC AUTHENTICATION



What KYC & AML Category Leaders can do for Australian and New Zealand financial institutions

FINANCIAL INSTITUTIONS NEED TO CHOOSE TECHNOLOGY VENDORS WITH THE GREATEST COMPLETENESS OF OFFERING

Greater focus on identity verification has resulted in an increase in the number of technology vendors operating in the space. It has also led to existing players expanding their offering to serve clients more broadly. Financial institutions can choose to engage several vendors to collectively address their needs or a single provider that prioritises completeness of offering. A recent report by Chartis Research explored this choice in more detail. The report details how the number of vendors operating in the KYC and AML spaces has increased as new entrants have challenged more entrenched players and providers have prioritised verticals, geographies and capabilities. On the basis of a range of criteria, the report identifies category leaders for both KYC and AML solutions. GBG is one of a small number of providers to be identified as a category leader for both KYC and AML solutions.

CATEGORY LEADERS FOR KYC SOLUTIONS

To identify category leaders for KYC, the Chartis report considers a range of criteria including customer onboarding time and experience and customer profile enrichment via additional data. Chartis rightfully places data at the heart of its assessment reflecting the fact that access to, use and management of good quality data is the foundation of accurate and reliable KYC compliance. Providers with the greatest data assets therefore achieve the highest market potential scores.

ASSESSMENT CRITERIA FOR VENDORS OF KYC SOLUTIONS, 2020

COMPLETENESS OF OFFERING	MARKET POTENTIAL
Entity resolution	Customer satisfaction
Reporting and dashboarding	Market penetration
KYC risk scores	Growth strategy
Customer profile enrichment with additional data	Financials
Customer onboarding	Business model
Workflow engine	

Chartis RiskTech Quadrant® for KYC Solutions, 2020

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CATEGORY LEADERS FOR AML SOLUTIONS

Chartis adopts a similar approach to identifying category leaders for AML solutions again placing data at heart of its assessment. Criteria include strength of screening and transaction monitoring capabilities, regulatory compliance reporting and controls and analytics capabilities.

ASSESSMENT CRITERIA FOR VENDORS OF AML SOLUTIONS, 2020

COMPLETENESS OF OFFERING	MARKET POTENTIAL
Name and watchlist screening capabilities Breadth of name screening sources offered Transaction monitoring capabilities Regulatory compliance reporting and controls Alert/case management Advanced analytics Visualizations and dashboarding	Customer satisfaction Market penetration Growth strategy Financials Business model

Chartis RiskTech Quadrant® for AML Solutions, 2020

EXCELLING IN A DIGITAL-FIRST AND MOBILE-FIRST LANDSCAPE

greenID – A GBG END-TO-END DIGITAL IDENTITY VERIFICATION PLATFORM

Technology for digital identity verification has rapidly advanced to enable organisations operating in a digital and mobile-first landscape to provide faster and hassle-free customer experience. Conversely, the rise in identity crimes has left Australians more vulnerable to scam and fraud activity. The ACCC estimates Australians have lost $22 million to scams related to identity theft in 2020[4].

Correctly verifying the identity of an individual is therefore critical to increasing security and reducing crimes. However, identity verification systems in Australia have failed to keep up with the digitalisation of the economy or the expectations of consumers. This inefficiency is costing Australia's economy up to $11 billion in missed opportunity, according to a study by Australia Post and the Boston Consulting Group.

The advances in biometric technology have already started to transform eKYC processes to deliver not just a better customer experience, but also to prevent identity fraud during the onboarding phase. Fraud typologies such as synthetic ID, impersonation and stolen ID could be mitigated by the use of advanced facial biometric verification concurrently with the identity proofing process.

greenID, a GBG solution, offers an end-to-end digital identity verification platform that addresses this by proving an individual's identity, while also supporting digital onboarding and meeting the latest AML, KYC and customer due diligence (CDD) regulations.

greenID's end-to-end digital identity verification platform allows organisations to build fully integrated, omnichannel workflows that include everything from facial biometric verification to document validation to identity data verification, from watchlist screening to business verification, all powered by machine learning (ML) and artificial intelligence (AI). The greenID digital identity verification platform helps financial institutions connect the customer journey from start to finish.

4 https://www.abc.net.au/news/2020-08-17/identity-theft-soars-with-coronavirus-scams-accc-reports/12558622

- **Biometric and document verification at your fingertips.**

For customers of greenID, adding on biometric and document verification requires simple code changes or SDK integration, which can be completed in a few hours to just minutes.

- **Full onboarding automation**.

For organisations that prefer to have automated document and facial verification in their onboarding process, they can do so with one single interface and one single vendor, where the integration between document, facial verification and identity verification is a complete suite.

- **Onboard and transact with more legitimate customers**

Owing to the constant growth in the number of unique and independent data sources, greenID is able to verify diverse cohorts and higher volumes of consumers with higher level of accuracy. As data elements available in each source may vary, more data sources work to plug the gaps.

- **Secure higher pass rates with quality customers**

Often times, good customers are not onboarded because they have erroneously input the wrong info into fields or they make mistakes and have typo errors. Certain times, it could also be due to the way the UI is constructed which causes users to miss out information or put info into the wrong fields. Automated biometric and document data capture, and address lookup and autocomplete means that information is automatically populated into the fields to reduce error in human input.

- **International identity verification**

The greenID platform has been upgraded to verify international passports and visas. As such, industries serving immigrants and expats would be able to quickly and easily onboard them using a standard automated system.

SOLUTIONS WITHIN THE greenID DIGITAL IDENTITY VERIFICATION PLATFORM

IDENTITY VERIFICATION

Conduct real time KYC verification

• Verify exact name, address & date of birth data against government-issued document library and 25+ data sources within Australia and New Zealand, including Document Verification Service (DVS), Australia Death Check and Australian Electoral Roll.

• International identity verification using passport and visa.

DOCUMENT VALIDATION

Fraud checks on identity documents

• OCR (Optical Character Recognition) technology extracts and populates corresponding form fields.

• Authenticates wide range of documents including international passports against official document library.

BIOMETRIC VERIFICATION

Real-time facial verification and liveness detection

• Face match and liveness check conducted using the same selfie image mitigates spoof attacks by fraudsters and eliminates requirement for additional user action for faster onboarding.

• Supports omnichannel integration with ready codes, API and SDK for web, mobile or native apps.

• Achieved through combination of unique deep neural network machine learning and calibrated real-world data analytics.

WATCHLIST SCREENING

Manage risk with global AML/CTF/PEPs and sanction screening

• Comprehensive coverage of global watchlists for cross-border compliance.

• Screening choices to suit budget and compliance requirements.

BUSINESS VERIFICATION

Efficiently onboard business customers

• Verify business registration number, name, and key parties of interest.

• Verify complex business entities including trusts, partnerships, companies and sole traders.

DATA INTELLIGENCE

Assess and validate accuracy of contact information

• Reduce human error in address input.

• Validate if email and phone number provided are active and accurate.

CUTTING EDGE TECHNOLOGIES FOR DIGITAL IDENTITY VERIFICATION AND KYC COMPLIANCE

greenID's end-to-end digital identity verification platform is embedded with advanced and innovative technologies to help businesses implement a truly frictionless digital customer onboarding experience.

DOCUMENT VALIDATION

SMART CAPTURE

• Automatically assesses and captures the best quality image for the user.

• Removes reliance on the user capturing a good image.

OPTICAL CHARACTER RECOGNITION (OCR)·

• Extracts and validates data to auto-fill forms to minimise entry errors.

• Checks addresses from ID documents against our global address databases.

• Proprietary OCR technology is specifically designed to overcome problems related to old, damaged, mistreated and non-machine readable ID documents.

BIOMETRIC VERIFICATION

INSTANT FACIAL VERIFICATION

• Instant validation of selfie image captured by smart device with photo ID.

• Algorithm recognises natural changes between the ID image and the selfie, including changes in hair style, facial hair, make up, skin imperfections, varying facial expressions and small age gaps.

OMNICHANNEL INTEGRATION

• Configured for web, mobile web, and app.

• Straight forward code package for easy integration to websites and web-based applications.

• Mobile SDK (Software Development Kit) support for iOS or Android applications.

• Comprehensive API for integrations to website and applications.

• Fully customisable for a seamless brand and user experience.

PASSIVE LIVENESS DETECTION

• Artificial intelligence utilising up to 30 deep neural networks to analyse texture, face composition, pixilation, surrounding, background, lighting condition all in a split second.

• Performs face match and passive liveness check using the same selfie image - Utilising one single frame to determine if it matches the person and if it is a real person without needing the user to do anything additional

• First passive liveness detection technology to be iBeta level 1 and 2, and ISO 30107-3 compliant.

• High accuracy with very low classification error rate. Achieved perfect score in iBeta level 2 certification with zero errors and zero false positives detecting all spoofs and identifying all real users (bona fide) correctly in ISO/IEC 30107-3 Presentation Attack Detection (PAD) test.

• First in the market to be certified for single image passive liveness efficacy for both Android and iOS operating systems.

• Facebook Deepfake Detection Challenge gold medal winner.

DATA INTELLIGENCE

CONTACT VALIDATION

• Verifies address, email and phone data.

• Address lookup and autocomplete to reduce human input error.

• Validation for global addresses within 8-10 keystrokes.

• Regular updates of address data from Sources of Truth (SOTs) including Australia Post's Postal Address File (PAF) and New Zealand Post's NZAD and GEOPAF.

Conclusion: The present and future of KYC/AML are digital

The ongoing digitalisation in financial services unquestionably provides a conducive backdrop for a digital first approach to identify verification. As this report has shown, as consumer behaviours become increasingly digitised, their expectations relating to digital experience and capability heighten. Consumers increasingly expect experiences that are seamless, frictionless and fast. Institutions can win where they deliver experiences that prioritise these attributes. While verification processes that are people, pen and paper dependent can be slow, inefficient and error prone, digital processes can enable institutions to maximise operational efficiency while enhancing customer experience and prioritising compliance. In this sense, a digital first approach to identify verification and KYC/AML is a key route to achieving multiple corporate objectives.

About GBG

GBG (AIM: GBG) is a global technology specialist in fraud and compliance management, location and identity data intelligence with offices in 17 locations worldwide. For over 30 years, GBG has been accessing and verifying identities, to the standards set by financial regulator. GBG works with over 20,000 customers across 70 countries, and has a network of over 270 global partnerships connecting to more than 510 datasets to provide data with accuracy and integrity. The industries we serve include traditional banks, financial services, BNPL, fintechs, telco, government services, retail, and wagering organisations.

GBG is ranked as a global category leader across KYC, AML and enterprise fraud, and manages the entire customer journey from KYC/AML to digital onboarding to ongoing transaction monitoring. In the fraud category, GBG's award winning enterprise digital risk management and intelligence platform manages end-to-end fraud and compliance needs providing layered data intelligence and machine learning to enhance fraud detection and accuracy. GBG's solutions primarily serves the finance and banking industry deployed by international, regional and local banks, auto finance companies, P2P lending, mutual companies and credit unions. Some of our customers include 90% of top tier banks in Malaysia, BUKU 4 banks in Indonesia, BNP Paribas Personal Finance in Spain, regional banks like HSBC, and major wagering players like Tabcorp.

In the identity verification category, GBG provides a complete and integrated suite of digital identity verification solutions from biometric, document, data verification to data intelligence. In Australia, GBG is the market leader in identity verification with our acquisition of VIX Verify and the greenID solution, and is an approved DVS provider. The greenID solution is ISO 27001, ISO 9001, ISO/IEC 30107-3 compliant and iBeta Level 1 and Level 2 certified. Some of our customers include Suncorp, Ubank, Latitude, National Australia Bank, Western Union, Pointsbet, and Optus.

GBG IN AUSTRALIA AND NEW ZEALAND

16 YEARS

In Australia since 2005. Homegrown Australia organisation.

21 MILLION+

Verifications per year.

1ST

Private sector organisation to be appointed as a DVS licensed provider.

LARGEST

Identity verification provider for the wagering segment.

27% YoY growth in digital identity verification and customer support for Melbourne Cup 2020.

14+

Verticals and sub-verticals served.

3

offices in Australia.

120+

employees in Australia including R&D, technology, product, sales, consultation, marketing, professional services and customer support.

31
YEARS DELIVERING VALUE

1000+
EXPERTS IN 17 LOCATIONS

20,000+
CUSTOMERS GLOBALLY

270+
DATA PROVIDERS

About RFi Group

RFi Group is a global data-driven insights provider exclusively focused on financial services. We specialise in data and information gathering, customer-based insight generation and business decision support for the world's leading financial service providers, as well as challengers, disruptive market participants and companies aligned to the FS sector.

We combine global intelligence and local knowledge to provide insightful, valuable and actionable recommendations, with a core focus on the provision of exceptional client service.

Covering 48 key global markets, with regional offices in Toronto, London, Singapore and Sydney RFi Group consistently provides clients with tailored advice and insights relevant to their specific market and business needs.