

INNOVATION



TEAM WORK

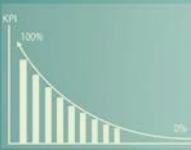


100%



PROJECT

BUSINESS PLAN



goals



CUSTOMER



SERVICE

marketing



production



ON LINE



SUPPLY CHAIN



Financial Crime and Fraud Report 2021

How to Fight Fraud and Master KYC, Onboarding & Digital ID

Endorsement partners:



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Signicat's John Erik Setsaas explains why consumers have simply had enough of poor onboarding experiences and demand for digital identity solutions when opening a bank account



About John Erik Setsaas: John Erik Setsaas is VP of Identity and Innovation, with over 20 years' experience in identity and over 30 in software product development. He is also a board member of the EEMA, Europe's leading digital identity think tank.

John Erik Setsaas ■ VP of Identity and Innovation ■ Signicat

Could you please take us through the state of digital onboarding in the EU? Has COVID-19 changed onboarding expectations?

For the last few years, Signicat has published **The Battle to Onboard Report** to provide insight into the experiences and expectations of European consumers when onboarding to a financial service.

For **The Battle to Onboard 2020: The impact of COVID-19 and beyond** we have asked consumers in different countries about their onboarding experience, and one of the results was that 67% of the people had abandoned onboarding to a financial service, which according to P.A.ID Strategies, amounts to about EUR 5 billion in yearly loss for financial institutions.

“ In ten years there will be a focus on privacy and control of data. And we will for sure have better mechanisms for identifying online, which will simplify onboarding. ”

Many financial providers still require physical information, and printing and sending in an envelope interrupts the process and causes abandonment. Visiting a branch during COVID-19 has been difficult or in many cases impossible.

The COVID-19 pandemic has accelerated the need for digital transformation and digital identity solutions for traditional banks, and as people are doing more and more online, they expect onboarding to be smooth, fast, and easy.

Despite the widespread adoption of federated eID schemes, there is still no overall indication that onboarding is improving for traditional banks. Why?

With modern trusted technical solutions (such as the identity platform delivered by Signicat) there are no excuses for requiring the users to provide any physical information in the process. It can all be done digitally, from proving who you are by using an eID or scanning identity documents, to signing a contract using electronic signatures.

In many cases, digitisation is done by retrofitting existing processes digitally, instead of revisiting and improving the processes. The problem banks face is that big tech and fintech have altered customer expectations forever. Users now expect access to be as simple as a social media log-in where banks sometimes underestimate how much a seamless onboarding experience matters, a process where fintechs and neo-banks take the lead.

Through existing know your customer (KYC) processes, experience with fraud monitoring and detection, banks have the infrastructure in place and customer base but not all have capitalised on their expertise for seamless digital end-user experiences. →

As in previous Battle to Onboard reports, banks still enjoy high levels of trust despite delivering a poorer onboarding experience, but for how long?

We do need trusted entities. And banks are in a good position. They still have trust. They have the users. They have experience with fraud monitoring. They already have mechanisms in place for transferring physical assets to next of kin, something which is currently missing for digital assets.

One thing we saw from market research was the difference between different age groups. One trend was the clear correlation between age and acceptance to bad user experience. Younger people are less tolerant in this respect, and 40% of those who went through with the onboarding, found the user experience 'difficult', 'very difficult' or 'painful', as opposed to less than 10% of those over 65 years of age. This should be a serious reminder to banks to improve their processes. We also found that while the older generation was more focused on security and the possibility to get in touch with a human, Generation-Z wanted privacy and 100% digital.

Is 2020 the end of learned helplessness?

Learned helplessness is a behaviour exhibited by a subject after enduring repeated aversive stimuli beyond their control. In this context, aversive refers to all the bad user experiences we have. While there are really bad websites, there are also some good ones, where we are learning that this could be a lot better. The younger generations are not putting up with all the sucky experiences the older generations are and can in that way put more focus on better experiences. But this will take time, and the learned helplessness will not go away any time soon.

As digital identity promises to boost the digital onboarding experience, how would consumers expect the financial product application process to be different in ten years?

Predicting for 2031 is not easy, especially considering how much has happened since 2011. One thing which I think is clear is that there will be an increased focus on privacy and control of data.

And we will for sure have better mechanisms for identifying online. One example is dynamic biometrics, which combines several sensors from your phone, smartwatch, and possibly other body devices. The way you walk, breathe, talk, and even your heartbeat will make it virtually impossible for somebody to impersonate you.

I would also hope that we have legal and technical frameworks in place around pseudonymity. We all claim to want anonymity, but that would also grant anonymity to any criminals, including those stalking your teenage daughter.

Given the above, I would hope that onboarding in 2031 would be a very smooth process.

About Signicat: Signicat is a pioneering, pan-European digital identity company with an unrivalled track record in the world's most advanced digital identity markets. Its Digital Identity Platform incorporates the most extensive suite of identity verification and authentication systems in the world, all accessible through a single integration point. The platform supports the full identity journey, from recognition and onboarding, through login and consent, to making business agreements which stand the test of time. Signicat was founded in 2007 and is headquartered in Trondheim, Norway. For further information about Signicat, please visit www.signicat.com.

www.signicat.com

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Company	Signicat
	<p>Signicat is a pioneering, pan-European digital identity company with an unrivalled track record in the world's most advanced digital identity markets. Its digital identity platform incorporates the most extensive suite of identity verification and authentication systems in the world, all accessible through a single integration point. The platform supports the full identity journey, from recognition and onboarding, through login and consent, to making and signing business agreements which stand the test of time. Signicat was founded in 2007 and is headquartered in Trondheim, Norway.</p>
<p>Website</p> <p>Target market</p> <p>Contact details</p> <p>Geographical presence</p> <p>Year founded</p> <p>Investors</p> <p>Member of industry association and/or initiatives</p> <p>Company's motto</p>	<p>signicat.com</p> <p>Banks/FS Fintech Crypto exchange/Blockchain and crypto companies Payment processors Assurance Governmental services Health ICT</p> <p>https://www.signicat.com/en/contact</p> <p>Europe</p> <p>2007</p> <p>Primary investor: Nordic Capital</p> <p>Cloud Signcature Consortium, EEMA, ETSI, ISF, Norstella, Swedish FinTech Association</p> <p>Trusted digital identity for a safer world</p>
<p>Core solution</p>	
<p>Core solution</p> <p>Fraud and financial crime hub – decisioning platform</p> <p>Transaction fraud</p> <p>Account fraud</p> <p>ATM fraud</p> <p>Financial crime data provider and intelligence</p> <p>AML transaction monitoring</p> <p>KYC/CDD</p> <p>KYC remediation</p> <p>Digital identity service provider</p> <p>Identity verification</p> <p>Authentication</p>	<p>Signicat helps organisations to know who they're dealing with online and build trusted relations with cross-border solutions for identity management, secure authentication, electronic signing, and consent. Signicat's Digital Identity Platform incorporates the most extensive suite of identity verification and authentication systems in the world, all accessible through a single integration point. The platform simplifies digital customer engagement, including onboarding, identity verification, authentication, electronic signing, and digital (qualified) time-stamping, seals, and archiving.</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>Yes – proprietary capability and via third party</p>
<p>Technology</p>	
<p>On-premises</p> <p>Cloud-enabled, native cloud, hybrid</p> <p>Native cloud</p> <p>Hybrid</p>	<p>Partly, connectors</p> <p>Yes – proprietary capability</p> <p>Yes – proprietary capability</p> <p>Yes – proprietary capability</p>

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Data input: Identity verification capabilities	
Identity document scanning	Yes – proprietary capability and via third party
Video scanning	Yes – proprietary capability and via third party
Personally Identifiable Information (PII) validation	Yes – proprietary capability and via third party
Small transaction verification	Yes – proprietary capability and via third party
Email verification	Yes – proprietary capability
Phone verification	Yes – proprietary capability
Social verification	No
Credit check	No
Compliance check	No
Data input: Online authentication capabilities	
Behavioural biometrics	No
Physical biometrics	Yes – via third party
Device fingerprinting	Yes – via third party
Geo-location	Yes – proprietary capability
Remote access detection	Yes – via third party
Mobile app push	Yes – via third party
3-D Secure 2.0	Yes – via third party
Hardware token	No
SMS One-time passwords	Yes – proprietary capability
Knowledge-Based Authentication	Yes – via third party
Data input	
Abuse list	Yes – via third party
Financial crime data	Yes – via third party
Sanctions data (sanctions, enforcements, PEP, and adverse media)	Yes – via third party
Watchlist screening	No
Address verification	Yes – via third party
Credit Bureau	No
Information Sharing	No
Data input: Intelligence – Data	
Stateless Data Ingestion and Augmentation	No
Methodology: Machine Learning	
Rule-Based	No
Supervised ML	No
Unsupervised ML	No
Hybrid	No
Methodology: Decisioning	
Manual review	Yes – via third party
Case management	No
Decision orchestration	Yes – via third party

Business model: Pricing and Services	
Pricing model	Subscription and transaction based
Managed service	No
Training & Support	No
Clients	
Main clients/references	Bank Norwegian, Rabobank, Swedbank, BNP Paribas Cardiff, Aktia, SurePay, Telia, Fortum
Case studies	https://www.signicat.com/customers
Awards	Financial Times 1000: Europe's Fastest Growing Companies, 21st Banking Tech Awards with SurePay for 'Best use of Fraud Prevention Technology', 20th Banking Tech Awards with Rabobank for 'Best use of RegTech', Celent Model Bank Award, Financial Innovation Award and many more. Visit our website for more info on our awards: www.signicat.com/en/about
Future developments	Signicat continues to build on its Digital Identity Platform meeting the needs of its customers for their customers' digital customer journey. Key developments include additional identity verification methods for B2C onboarding, enhancement of Signicat's PSD2 compliant MobileID, strengthening of AML capabilities and registry lookups, B2B onboarding, secure authentication for governmental services, time-stamping, seals and evidence management, as well as electronic signing for marketplaces.

63% of consumers abandon onboarding to financial services, Signicat's latest Battle to Onboard market research reveals.

We interviewed 4500 European consumers to find out why.



You could be losing 6 out of 10 potential customers.

Financial institutions in Europe spend over €5 billion on attracting potential customers that abandon poor application processes. Learn how you can prevent this from happening to your organisation.

Visit signicat.com/battle-to-onboard to download your copy

SIGNICAT

The Battle to Onboard 2020

The impact of COVID-19 and beyond

[Read the report now](#)



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Trusted Digital Identity™