

Multibillion-Dollar Investment Firm Betterment Says 'Yes' to More Good Customers Instantly with Socure's Graph-Defined Identity Verification

Betterment taps Socure to unlock frictionless customer experience and boost auto-approvals by 30%. Helps company achieve mission of empowering people to do what's best for their money so they can live better.



Industry: Investing

Headquarters: New York

Socure ID+ Products: Sigma Identity Fraud, Socure KYC, Predictive DocV with Liveness, Email RiskScore, Phone RiskScore, Address RiskScore, Global Watchlist Screening with Monitoring, Alert List

Website: www.betterment.com

Betterment is the largest independent digital investment advisor, offering investing and retirement solutions alongside its everyday services for spending and saving. Since 2010, Betterment has had one mission: to make people's lives better with easy-to-use, personalized investment solutions. Using cutting-edge technology, they empower hundreds of thousands of customers to manage their money — for today, tomorrow, and someday — with expert advice; automated money management tools; and tax-smart strategies that help keep taxes low.

Delivering on its goal to make investing more accessible and easier for all people requires Betterment to provide a seamless customer onboarding experience. As online fraud activity continues to rise, Betterment partnered with Socure to improve the customer approval process to run fraud checks and verify identities faster, all with greater accuracy than ever before. The result was less fraud and accelerated onboarding for legitimate customers, leading to additional scale and growth.

"Frictionless identity verification at onboarding is crucial for business growth and protecting our customers," said Betterment Director of Operations Mark Kassardjian. "Betterment has grown a lot over the last five years. Our old system involved a ton of manual work and wasn't scaling with that growth. We were seeing a number of customer prospects come in the door but then drop off because they encountered minor friction."

Company growth goals, a fast-changing fraud landscape, and a hyper-focus to deliver on its mission; with these things in mind, Betterment sought a way to quickly and accurately identify good customers, while providing a frictionless and user-friendly onboarding experience. That's why they turned to Socure's industry-leading identity verification and fraud prediction platform. With Socure, Betterment achieved a 30% increase in auto-approvals, a dramatic reduction in manual review rates, and more streamlined onboarding to enable accelerated, scalable growth.

CHALLENGES

- **Increasing manual review rates** that took up an inordinate amount of employee time and company resources
- **Drop off** for "good" customers encountering friction
- **Onboarding friction** caused by slow manual checks and systems
- **Lack of machine learning** with legacy systems and vendors that don't automatically scale to combat emerging patterns and upticks in fraudulent activity

KEY RESULTS

- **Auto-approval rates improved by 30%**
- **Reduced onboarding time** as "good" customers benefited from automated accuracy
- **Holistic view of identity** based on proprietary and redundant data sets combined with graph analytics and machine learning
- **Reduced fraud** through fast, hyper-accurate checks and risk scoring to ensure accurate identity verification
- **Sophisticated, scalable onboarding checks** through fully-automated step-up document verification with predictive risk scoring to handle limitless growth

A Partner Who Understands Fraud — and Business Success

Betterment was looking for a trusted partner, one known for deploying market-leading identity verification and fraud prediction solutions as a pathway to better business outcomes. A cross-functional group of internal Betterment experts started their search by reaching out to the biggest names in the industry. From the outset, they knew they could not simply add yet another rules-based point solution to their existing stack. Betterment wanted to use an ML-driven platform and layered approach for identity verification to more seamlessly onboard new customers, with the highest degree of accuracy.

The Betterment team was determined to hold their new partner to the same high standards of seamless user experience, accuracy, and quality that characterizes Betterment's offering itself, and Socure delivered.

From Friction to Seamless Automation

The key to solving for Betterment's goal — faster, automated, and scalable onboarding of every good customer — was rooted in Socure's identity graph and machine learning capabilities, which are designed to persistently process, analyze, and correlate every facet of a digital identity, utilizing over 17,000 features, redundant data sources, and a consortium network of over 1,700 customers to deliver the highest-assurance assessments of new users in the market.

"Socure was the only vendor we took to the proof-of-concept stage," said Kassardjian. "After testing, we believed there would be a substantial improvement in lift when we went live, and we were proven right. We launched the Sigma Identity Fraud and RiskScores solutions in September 2020, followed by Predictive DocV in April 2021. We haven't looked back since."

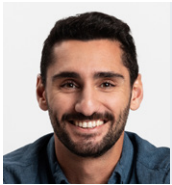
Socure exceeded Betterment's expectations by providing a holistic view of the risk of an identity, with [Sigma Identity Fraud](#), [Socure KYC](#), [Email RiskScore](#), [Phone RiskScore](#), and [Address RiskScore](#). "Socure's correlated, focused checks proved extremely valuable," said Kassardjian. "Getting that high level of identity coverage and incorporating consortium feedback from such broad industries has been hugely beneficial to our overall risk strategy."

Socure's KYC solution also proved instrumental in driving new customer revenue with unrivaled accuracy and population coverage, enabling auto-approval of more good customers, while fully satisfying compliance requirements. Patented AI/ML-driven identity clustering and resolution capabilities helped Betterment take advantage of the highest match rates accuracy in the industry, including auto-approval of more Gen Z, Millennial, and thin-file consumers, who are foundational to Betterment's growth strategy.

Additionally, with Socure's [Predictive DocV](#) solution, the Betterment team was able to leave manual reviews behind by taking advantage of automated machine learning and deep forensic analysis to verify the authenticity of ID documents. Predictive DocV's computer vision technology, in particular, looks for ultra-fine details beyond the limitations of the human eye, such as optically



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Mark Kassardjian
Director of Operations,
Betterment

verifiable ink, text overlays, subtle hue changes, and watermarks, along with cross-document data consistency, signs of manipulation or forgery, and overall document quality. The easy-to-use guided image capture app and enhanced biometric facial matching enables hyper-accurate selfie-to-ID photo comparison and returns a response within seconds.

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Accurate Verification for Rapid Customer Growth

Once Socure was deployed, Betterment's onboarding quickly transitioned from manual-heavy processes to automated customer assessments based on an identity graph powered by eight billion rows of data and an ever-growing network database of 800 million known good and bad identities. For Betterment, that meant that decision-making could now be handled by an adaptive and continuous feedback loop that gets smarter through machine learning and analytics.

"Initially, it was a challenge just to define the fraud indicators that could aid us in identifying emerging attack patterns, especially as fraudsters were acquiring more sophisticated tools and technology," said Kassardjian.

"We saw the sophisticated and highly-predictive indicators that Socure was employing, like name-to-phone correlation, name-to-email correlation, name-to-address correlation, IP-to-geolocation tracking, and distinguishing an actual IP address from a proxy," said Kassardjian. "Those examples have served as an indicator of whether an applicant is legitimate, or an instance of potential identity theft. Just knowing that we are decisioning on some of the most powerful ML signals available allows me to sleep better at night," said Kassardjian.

With Socure, Betterment has been able to swiftly onboard legitimate customers while preventing identity theft, resulting in an expanded user base and a healthier bottom line. As Betterment continues to grow and fraudsters continue to evolve, Kassardjian expects to implement even more Socure solutions in order to scale and meet its strategic business goals.

About Socure

Socure is the leading platform for digital identity verification and trust. Its predictive analytics platform applies artificial intelligence and machine learning techniques with trusted online/offline data intelligence from physical government-issued documents as well as email, phone, address, IP, device, velocity, date of birth, SSN, and the broader internet to verify identities in real time. The company has more than 1,700 customers across the financial services, government, gaming, healthcare, telecom, and e-commerce industries, including four of the top five banks, 13 of the top 15 card issuers, the top three MSBs, the top payroll provider, the top credit bureau, the top online gaming operator, the top Buy Now, Pay Later (BNPL) providers, and over 250 of the largest fintechs. Marquee customers include Chime, SoFi, Robinhood, Gusto, Public, Stash, DraftKings, State of California, and Florida's Homeowner Assistance Fund. Socure customers have become investors in the company including Citi Ventures, Wells Fargo Strategic Capital, Capital One Ventures, MVB Bank, and Synchrony. Additional investors include Accel, T. Rowe Price, Bain Capital Ventures, Tiger Global, Commerce Ventures, Scale Venture Partners, Sorenson, Flint Capital, Two Sigma Ventures, and others.

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