



# US Challenger Bank Switched to Socure to Increase Auto Approval Rates, Decrease Friction

## CUSTOMER PROFILE: LEADING US CHALLENGER BANK

### The Business Challenge

Two co-founders launched a leading US Challenger Bank in 2013 to make banking better for all consumers by helping its members avoid bank fees, save money automatically, and achieve financial peace of mind. Consumers began rapidly switching from traditional banks to their challenger and soon the bank was opening hundreds of thousands of bank accounts per month. While they attracted many new members, they quickly realized that many good customers were being turned away or dropping out of the application process due to a cumbersome identity verification process that included friction-heavy KBA, or knowledge-based authentication.

Early on, the bank worked with a more traditional provider for their digital identity verification services. As the bank grew, they found that only 62% of new account applicants

were being auto-verified during the application process. Because many of the applicants are younger millennial customers, they don't have the credit history that has traditionally been used to identify new clients by legacy service providers. Applicants that were not automatically accepted were required to endure a secondary identity verification process (KBA), or out-of-wallet (OOW) questions.

The bank's team was concerned about the amount of friction being introduced into the application process. Co-founder #1 explained "As a mobile challenger, our bank opens accounts exclusively through digital channels and having a seamless, accurate and reliable account opening process is integral to our growth. Our identity verification technology was introducing unnecessary friction-heavy barriers for account applicants and we knew the process could be improved."





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**Co-founder #1**

**Grow your Business**

Increase current auto-accept rates by more than

**20%**

**Cut Fraud**

Reduce current fraud losses by more than

**80%**

**Streamline Review Processes**

Reduce manual review time (KBA) by more than

**75%**

**Why Socure**

Fortunately, right around that time, the co-founders were introduced to Socure’s co-founder Johnny Ayers, who introduced the bank’s team to Socure’s identity verification platform and shared the tremendous results achieved by other leading financial service providers.

Traditional KYC solutions that rely on credit data tend to mistakenly reject or introduce tremendous friction to a large quantity of legitimate young, immigrant and thin-file people who have low credit usage and/or frequently change their home rental address. Socure delivers beyond-human levels of accuracy to the account opening process by applying data science, analytics and proven machine learning models to hundreds of online and offline data sources. Socure has replaced traditional digital identity verification methods with a machine learning platform that quickly and accurately verifies the identity of customers, returning results through a single API call in under one second.

“In our evaluations, Socure demonstrated that they could dramatically improve our auto-acceptance rates, limit the number of users that required KBA and increase our overall customer approval rates,” said co-founder #1. “The quantified performance of Socure spoke for itself and so we decided to move forward in partnering with Socure for our identity verification needs.”

**Results**

“After implementing Socure, nearly 85% of applicants are being auto-accepted and our overall acceptance rate has pushed 90%,” explained the co-founder. That is, the number of new applicants automatically accepted during the application process, without using KBA or manual review, increased from 62% to 85%. As a much smaller portion of applicants are subject to KBA, overall acceptance rates have increased from 82% to 90% with Socure. The improved auto-acceptance levels allowed the bank to reduce the need for our legacy provider’s out-of-wallet questions by over 60% while substantially increasing customer satisfaction levels.

Socure increased overall acceptance rate of applicants to

**90%**

Reduced need for friction- laden out-of wallet questions by

**60%**

Increased auto-acceptance rate of all applicants to

**85%**

**ABOUT SOCURE**

Socure is the leader in creating high-assurance digital identity verification technology. Its predictive analytics platform applies artificial intelligence and machine-learning techniques with trusted online/offline data intelligence from email, phone, address, IP, social media and the broader Internet to verify identities in real-time.

For more information, contact us at [salesinfo@socure.com](mailto:salesinfo@socure.com)