



Fighting Fraud With The Latest From FICO

biometrics risk management

Summary: As cyber thieves become ever more sophisticated, identity fraud remains one of the banking industry's top security concerns. There are a couple of new tools to help.

George Washington did not have wooden teeth, contrary to popular belief. However, he did have only one natural tooth for his inauguration as president in 1789. He had a customized set of choppers comprised of ivory, gold, and brass. Bankers also need to have teeth in their fraud-fighting these days as cyber thieves bite down on bank customers and profits.

As cyber thieves become ever more sophisticated, identity fraud remains one of the banking industry's top security concerns. This is particularly true because peer-to-peer (P2P) payments are typically irreversible and becoming more and more popular. At the same time, community financial institutions (CFIs) are acutely aware of the importance of making sure applications and services provide customers with fast and seamless experiences. In an effort to help CFIs rapidly verify the identities of both new and existing customers alike, FICO has released two new artificial intelligence (AI) identity authentication tools that incorporate both biometrics and behavioral authentication. We wanted to give you a run-down on these important products.

The two products recently introduced are FICO Identity Proofing and FICO Authentication Suite. FICO Authentication Suite is aimed at existing customers and uses both behavioral authentication and biometrics to confirm a customer's identity and weed out the spoofing efforts of cybercriminals. FICO Identity Proofing is designed to assist with the digital on-boarding process for new customers who are not present. It uses biometrics and government-issued forms of ID to analyze a selfie provided by an applicant to confirm they are actually who they claim to be. Both are compliant with regulatory and PSD2 (a European regulation for electronic payment service) requirements and work on multiple channels (mobile to digital channels).

In the fall of 2019, FICO also introduced Falcon X, AI-based technology designed to assist data scientists at financial institutions with their own efforts to use machine-learning and behavioral authentication to identify fraud. As with FICO's newest tools, Falcon X focused on the need to ensure that fraud detection can be done quickly and in a way that doesn't impact the efficiency of the digital services banks provide customers.

CFIs should make sure their IT team is aware of such new resources and is incorporating the products and their verification capabilities into existing fraud detection efforts, as needed. We have no relationship with FICO other than letting you know, so do your own due diligence, please. We just wanted to pass on this information.

This could also be a good time to take advantage of the opportunity to remind customers of the importance of security verification efforts, so they actively stay on top of new offerings too.

At a time when identity theft is constantly in the news, it is extremely important to remind customers that your bank is not only focused on protecting their assets, but that the security of their identities is at the forefront of your concerns.

ON-DEMAND HELP FOR FINANCIAL INSTITUTIONS

Financial institutions face many difficult challenges every year, but you are not alone. Our experts stand ready to help you address a variety of issues. Find out more about [our solutions](#) today.

Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.