

# Case Study

## IDology Inc Helps Ice.Com Freeze Out Fraud By Identifying Real Customers

Before jewelry retailer Ice.com relied on IDology, it had no way of knowing if its online customers were legitimate buyers or fraudsters. When an average order value is close to \$200, it's easy to see how just a few fake transactions could quickly melt away profits.

Ice.com began using IDology's real time identity verification solution **ExpectID® IQ** in 2005 and since then has cut its cancellation of high-risk orders from more than 5% to less than 1% with zero chargebacks. As stated by Ice.com's Vice President of Risk Management Ezzy Schaff,

*"Using IDology's identity-checking system, we are now able to verify the identity of nearly all orders. With only a small handful of transactions that need further checking, our staff can personally contact customers for verification."*

While **ExpectID® IQ** can be set up to automatically interact with customers online, Ice.com chose to use it in their call center to replace the lengthy manual process they had in place.

*"It was important to us to implement a solution that was quick and easy as well as accurate."*

Now once Ice.com receives a high-risk transaction, a staff member from the call center enters the customer's information into **ExpectID® IQ** which then uses a patent-pending process to scour millions of public data records to instantly deliver three intelligent questions for the customer to answer based on information found in the search process. These questions are related to someone's personal history and are designed as non-credit based so that only the true person of the claimed identity knows the answers. Once the questions are answered, **ExpectID® IQ** delivers its identity authentication in a matter of seconds - or presents challenge questions if a certain number of the questions were answered incorrectly.

Not only has **ExpectID®** reduced the time it takes to process orders, reaction to the system has been well received by Ice.com customers who are appreciative that the jeweler is taking steps to protect their identities. And the fraud protection initiative as whole has brought significant industry recognition for Schaff who was featured as the cover page article in August 2005 of Internet Retailer.

### Ice.com & IDology At A Glance:

#### Situation

Leading online jeweler needed an efficient way to identify the customer's making high-end purchases.

#### Solution

Implemented **ExpectID® IQ** to present knowledge-based questions designed for only the true person of the claimed identity could answer.

#### Result

Reduced the amount of high-risk orders canceled from over 5% to less than 1% with zero chargebacks. Increased customer satisfaction by providing a solution that protected consumers from identity theft.