

# Case Study

## IDology is a Perfect Union for Fighting Fraud and Growing Revenue in Patelco's Online ID Verification Strategy

When San Francisco based Patelco Credit Union wanted to expand their account origination offerings to their website, John Shields, Patelco's SVP/CTO knew his team needed to find a way to better protect their members from ID theft as well as minimize Patelco's risk for losses. Anthony Vitale, Director of Development at Patelco explains:

*"We relied on a credit risk based system for compliance but our id verification wasn't really good because it was such a manual process. We were looking for a way to automate identification that would still satisfy our compliance needs and also help us quickly stop fraud."*

Before using IDology, Patelco required its new members to fax in their proof of identity using two forms of ID before allowing them to open an account online. Since Patelco is one of the largest credit unions in the country with more than 300,000 members, it's easy to see the burden this process would place on internal resources if it was used to manage applications for new accounts or credit loans.

So Patelco turned to IDology, which provides a comprehensive identity verification solution that electronically proofs an ID to see if it's real and can also determine if someone is who they claim to be. Patelco considered other solutions but ultimately decided on IDology's ExpectID product suite because of its flexibility in automating the entire identity proofing process.

*"We were entering uncharted territory. It was important for us to find a partner that could adapt easily through our trials and still support a friendly, personal experience with our members. IDology's solution helped us achieve our goal of allowing more applicants to come through without causing a lot of hassle for the consumer."*

Now instead of having to fax in proof of ID, online member applicants are presented with a brief multiple-choice quiz that is dynamically generated in real-time by IDology's ExpectID IQ product. As part of the verification process, IDology also searches multiple watch lists so that Patelco can comply with the USA Patriot Act. The overall result of this automated process has improved efficiency and helped Patelco to continue to grow its \$4.3 Billion asset base.

Vitale describes an important feature benefit he likes most about IDology:

*"Flexibility and real-time control of this type of system is a major key. Through IDology's IDCenter we are able to direct every aspect of the verification process depending on the risk involved and the member experience we want to provide. This gives us more freedom to test the experience and adjust quickly when necessary."*

Using IDology's on-demand change management tool, Patelco is able to customize and change several features of the system to improve the consumer experience as often as needed without involving their internal IT team or contacting IDology. Using the extensive reporting features the ExpectID system provides, Patelco can monitor their results and track overall performance.

*"I'm very happy with IDology. Integrating their system was very easy and their team is always responsive in answering any questions."*

Because of the successes Patelco has seen using the ExpectID system online, it plans to roll out the service to its 50 branch locations for use in high-risk transactions.

*"It's not just our online channel we have to protect. Because crooks are getting more sophisticated our call center and branch representatives also need help in stopping fraud. Using IDology's identity quiz before completing certain high-risk transactions will increase the chances of our Reps not being tricked by a savvy ID thief."*

### Situation

Patelco, the 12th largest Credit Union in the United States, needed to automate the id verification process for online account origination transactions.

### Solution

Integrated IDology's ExpectID and ExpectID IQ solutions to proof an identity and issue a real-time, dynamically generated, quiz to determine someone is who they claim to be. Also uses IDology's ExpectID Patriot Act solution to check terrorist watch lists.

### Result

By automating the process, Patelco has reduced the resources needed to approve new members and is allowing for more applicants to come through the system. IDology's system is effectively and efficiently helping Patelco to meet the Know Your Customer regulations as well as helping to stop fraud online. Plans are underway to roll out IDology's system to Patelco's 50 branches for use during high risk in-person or phone-based transactions.