neuroID | Addi
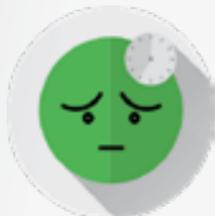
From Strenuous Checks to Streamlined Processes: How NeuroID is Supercharging Addi's Growth

Customer Challenges

Tedious onboarding, with 7+ minutes for customers to get through the identity verification process

Advanced fraud attacks in high-risk LATAM

High-fraud risk harmed growth plans and eroded customer trust

Drive for scalable, speedy growth into new countries

NeuroID Results

✓ Verification time **cut in half** for **60%** of the applicant population

✓ Fraud rates **below 1%**

✓ Enabled higher risk appetite for the business, helping fuel **20% year-over-year growth projects**

✓ Effectively **eliminated third-party fraud**

✓ Drastically **reduced bot and fraud ring attacks**

✓ **Improved decisioning** for reduced costs of reviews **and more accurate rejection** at top-of-funnel

Addi Overview

Addi, a leading financial services company with more than 1.2M customers across Latin America, provides merchants and consumers with efficient cash flow management via a Buy Now, Pay Later framework. Addi's business model hinges on swift credit approvals at the point-of-sale.

Addi's Challenges

Addi's identity verification and onboarding process was "extremely strenuous," according to Mauro Jacome, Addi Head of Data Science. "Every applicant had to take a picture of their national ID, send a selfie, sometimes even call our customer support team. **It was a 7-minute process for 100% of the population.**" This high-friction process, combined with sophisticated fraud types that proliferate across Latin America (where 1-in-5 ecommerce transactions are fraudulent[1]), drove Addi to seek a solution that would streamline onboarding without sacrificing fraud mitigation. In addition to commonplace third-party fraud (where bad actors would sign up for a loan using someone else's PII), more creative fraudsters were successfully making it past even the strenuous checks. "One especially shady type were people who changed their name after they got to a step-up on approval, so we weren't able to contact them," said Mauro. "When I tried to gather that data from our front end so we could make better risk decisions, we did not have the capabilities. We needed a better fraud model to capture that data as well as streamline our onboarding process."

> " NeuroID is at the top of our onboarding. Using the signals that NeuroID provides we're able to make extremely accurate decisioning that has vastly improved our fraud metrics.

> " With NeuroID, we have enough information on good applicants sooner, so we can fast-track them and say 'go ahead and get your loan, we don't need anything else from you.' And customers really love that. "

The NeuroID Solution

NeuroID transformed Addi's approach. **"With NeuroID data as part of an improved fraud process, we reduced verification time by 50% for 60% of our applicants,"** said Mauro. "And the fraud rate of those segments were actually better than the people that we required IDV from, which speaks to NeuroID's accuracy."

NeuroID made a significant impact on Addi's third-party fraud rates, essentially eliminating the risk. "We were able to use NeuroID to detect that behavior and close out that fraud vector entirely, as well as get better controls around auto-inputs from bots," said Mauro. "That reduced a lot of our fraud in the first quarter after implementation."

With NeuroID, Mauro received behavioral insights into the data behind various fraud attempts, enabling the Addi team to refine their fraud models. "Data is one of the biggest strengths of NeuroID," said Mauro. "We evaluated several similar vendors, and NeuroID was the best. It has helped me out a lot in identifying those fraud patterns. Using NeuroID decisioning, we can confidently reject bad actors today who we used to take to step-up—we don't even pass them along at all."

If you show behavior patterns of these shady traits, we don't even want you in the system. **With that feature alone NeuroID has more than paid for itself in loss savings. It makes great economic sense."**
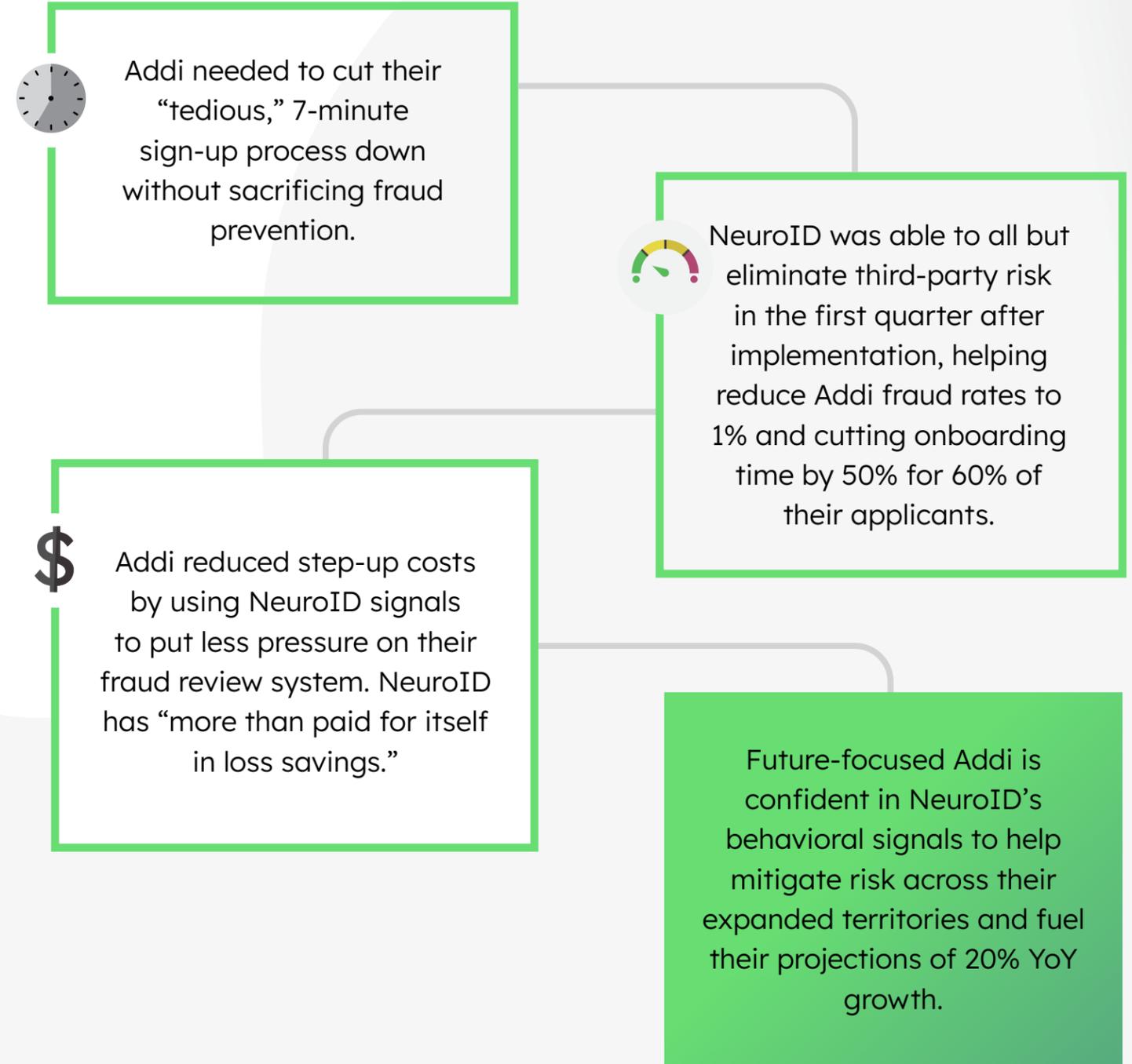
How NeuroID Fuels Addi's Growth Aspirations

"NeuroID has been a key factor in our ability to expand our risk appetite, which has been crucial to our growth," says Mauro. **"With NeuroID, we have enough information on good applicants sooner, so we can fast-track them** and say 'go ahead and get your loan, we don't need anything else from you.' And customers really love that." With enhanced confidence in their risk and fraud decisioning, Addi is poised for astronomical growth of more than 20% year-over-year, with future plans to become a licensed financial institution in Columbia.

"NeuroID allows us to find shady behavior early on. I sleep better at night knowing bad actors don't even get to apply to Addi anymore," says Mauro. "NeuroID catches them before they even are done applying and I don't have to see them again. Ever."

> " Using NeuroID decisioning, we can confidently reject bad actors today who we used to take to step-up. NeuroID has more than paid for itself in loss savings. "

Timeline

Addi needed to cut their "tedious," 7-minute sign-up process down without sacrificing fraud prevention.

NeuroID was able to all but eliminate third-party risk in the first quarter after implementation, helping reduce Addi fraud rates to 1% and cutting onboarding time by 50% for 60% of their applicants.

$ Addi reduced step-up costs by using NeuroID signals to put less pressure on their fraud review system. NeuroID has "more than paid for itself in loss savings."

Future-focused Addi is confident in NeuroID's behavioral signals to help mitigate risk across their expanded territories and fuel their projections of 20% YoY growth.

About NeuroID

NeuroID is a behavioral analytics company that is redefining identity orchestration by bringing human behavioral signals into the digital world.

NeuroID solutions assess the intent of the consumer, fraudster, or bot on the other end of a digital device to ascertain their digital integrity. Our flagship products—ID Crowd Alert™ and ID Orchestrator™—use patented neuroscience-based analytics to measure intent so our customers can unlock top of funnel identity screening and authentication capabilities in real-time, in order to better provide exceptional customer experiences to genuine applicants.

A pioneer in the behavioral analytics field, NeuroID helps some of the largest digital brands in the world optimize their identity orchestration, continually monitor crowd-level behavior, detect sophisticated fraud ring attacks in real-time, and enact the right level of either fast-track or friction for potential customers. All of this happens even before customers hit 'submit' in their onboarding journey. The result is scalable, safe, and seamless digital identity screening based on this pre-submit data that works through a simple javascript and never collects customer data or causes unnecessary friction. ID Crowd Alert and ID Orchestrator have translated more than a trillion behavioral data points to help reduce friction, increase conversion, eliminate false positives, and minimize false declines for a robust and revenue-driving holistic identity orchestration that seamlessly integrates with any fraud stack.

1. https://americasmi.com/insights/latin-america-payments-good-bad-ugly-2023/