

## Fraud Protection for Consumers and Businesses ‘Critical’ as Online Transactions Surge

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**Nairobi, June 13, 2020** – Kenya leads the African continent in the use of digital credit – but as growing numbers of consumers and businesses transact online during the COVID-19 pandemic, the need for business and consumer protection against increasing fraud levels has become critical.

That’s the warning from Billy Owino, CEO of TransUnion Kenya, who says financial institutions and businesses must deploy robust identity verification and fraud detection tools that do not hinder the customer experience to manage their risks and avoid losses at a time when demand for credit is growing.

“Now that even more transactions have shifted online, fraudsters are trying to take advantage and companies must adapt. Businesses need to know exactly who they are dealing with, and how to protect their genuine customers from fraudulent activities. The companies that come out on top will be those leveraging fraud prevention tools that provide great detection rates and friction-right experiences for consumers,” said Owino.

TransUnion Kenya recently introduced two new solutions – ID Authentication and High Velocity Check – to enhance its flagship identity verification, consumer authentication and fraud prevention solution suite, [IDVision® with iovation®](#). ID Authentication and High Velocity Check help specifically with the issues of identity fraud, synthetic identity fraud and loan stacking.

Synthetic identity fraud occurs when fraudsters create fictitious identities by piecing together real identity attributes and fake information with the intent to open fraudulent accounts. According to McKinsey, synthetic identity fraud is the fastest-growing type of financial crime<sup>1</sup>. Loan stacking can also cause significant challenges and losses for both financial institutions and consumers when fraudsters apply for and take out numerous loans at the same time using fake IDs.

The ID Authentication service aims to prevent fraudsters from using false identities by checking additional details against the Home Affairs database as part of the identity verification process. The High Velocity Check solution flags multiple uses of a single ID within a certain period, allowing lenders to identify potential loan stacking early and do deeper checks before granting credit.

Owino said while the need for digital channels had increased exponentially, fraud has also evolved and become more sophisticated. “Early signs during the pandemic suggest we will see fraud continue to rise in the coming months,” he said.

According to TransUnion’s [latest research](#), suspected fraudulent digital transactions rose 56% for transactions that originated in Kenya and 5% globally between the periods of January 1-March 10 and March 11-April 28. In this time, TransUnion identified more than 100 million suspected fraudulent transactions worldwide. It used March 11, 2020—the date the World Health Organization (WHO) declared the COVID-19 a global pandemic—as a base date for its analysis.

“Identity verification is no longer limited to a set of core documents and a few pieces of personal information. It is about understanding someone’s digital footprint, the devices they use and how they use them. Only by combining personal and digital data, can businesses truly protect their most valuable asset – their customers,” said Owino.

Shai Cohen, senior vice president of Global Fraud & Identity Solutions at TransUnion said while Africa is a global hot spot for the origination of online fraud, its digital economies are also advancing by leaps and bounds, and require innovative solutions to unique challenges.

"IDVision with iovation's insights from experience with over seven billion global devices allows businesses in Kenya to get an upper hand on fraudsters, while streamlining access for their genuine customers," said Cohen.

IDVision with iovation, which combines personal and digital data, makes trust possible between businesses and consumers. It provides an accurate and comprehensive picture of each person while delivering relevant, friction-right experiences to consumers by:

- **Establishing Identity:** Identity is verified against a broad set of personal and digital
- **Authenticating Customers:** IDVision with iovation secures each point of the customer journey with authentication methods tailored to the transaction risk level
- **Preventing Fraud:** It proactively identifies fraudulent transactions and behaviours of any given device in real time

## ENDS

### About TransUnion (NYSE: TRU)

TransUnion is a leading global information and insights company that makes trust possible in the modern economy. We do this by providing a comprehensive picture of each person so they can be reliably and safely represented in the marketplace. As a result, businesses and consumers can transact with confidence and achieve great things. We call this Information for Good<sup>SM</sup>. TransUnion provides solutions that help create economic opportunity, great experiences and personal empowerment for hundreds of millions of people in more than 30 countries. Recognised as a leader in the African credit, risk and fraud markets, TransUnion provides consumer reports, risk scores, analytical services and decisioning capabilities to businesses across the continent. TransUnion is the only company in Africa's IT industry that manages multiple complex databases containing insurance, cellular, consumer, commercial and auto data assets. In addition, we manage leading African databases in property and deeds, qualifications and telecommunications.

For more information visit: [www.transunionafrica.com](http://www.transunionafrica.com)

#### Editorial Contacts:

ByDesign Communications

Nhlanhla Kubeka

Consultant

Tel: +27 (0)10 593 4509

Email: [n.kubeka@bdcomms.co.za](mailto:n.kubeka@bdcomms.co.za)

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<sup>i</sup> <https://www.mckinsey.com/business-functions/risk/our-insights/fighting-back-against-synthetic-identity-fraud#>