Optimizing Member Call Center Experience in the Wake of COVID-19

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CAN YOU HEAR ME?

- We are audio broadcasting so please plug in your headphones or computer speakers to listen in.
- If your audio is choppy or slow, you may wish to dial into the teleconference:
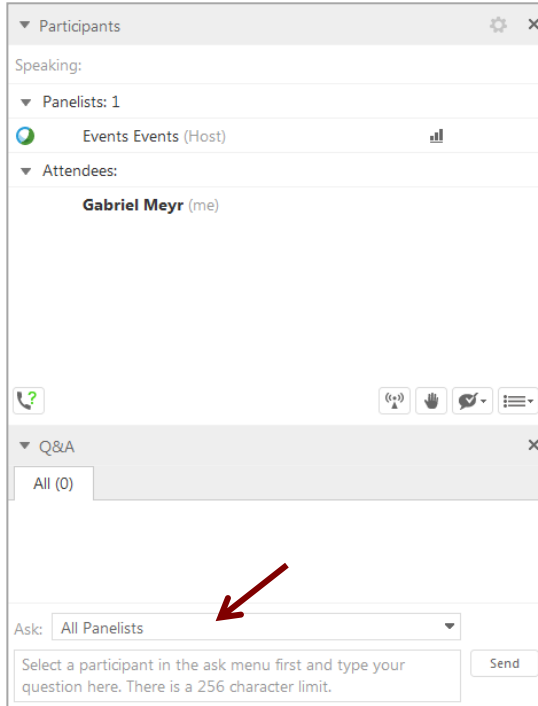
    Dial: +1 (415) 655-0003

    Enter access code: 127 935 1202

SLIDE LINK

Today's slides can be found online at:

http://bit.ly/2020-10-21-Neustar

WE ENCOURAGE QUESTIONS

Use the

Questions Box

located on the right side of the screen, to type your comments or questions.

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TELL US WHAT YOU THINK!

Please take our post event survey, we value your feedback!

Optimizing Member Call Center Experience in the Wake of COVID-19

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Call Center Trends

Thomas McNally
Director of Identity Risk Solutions
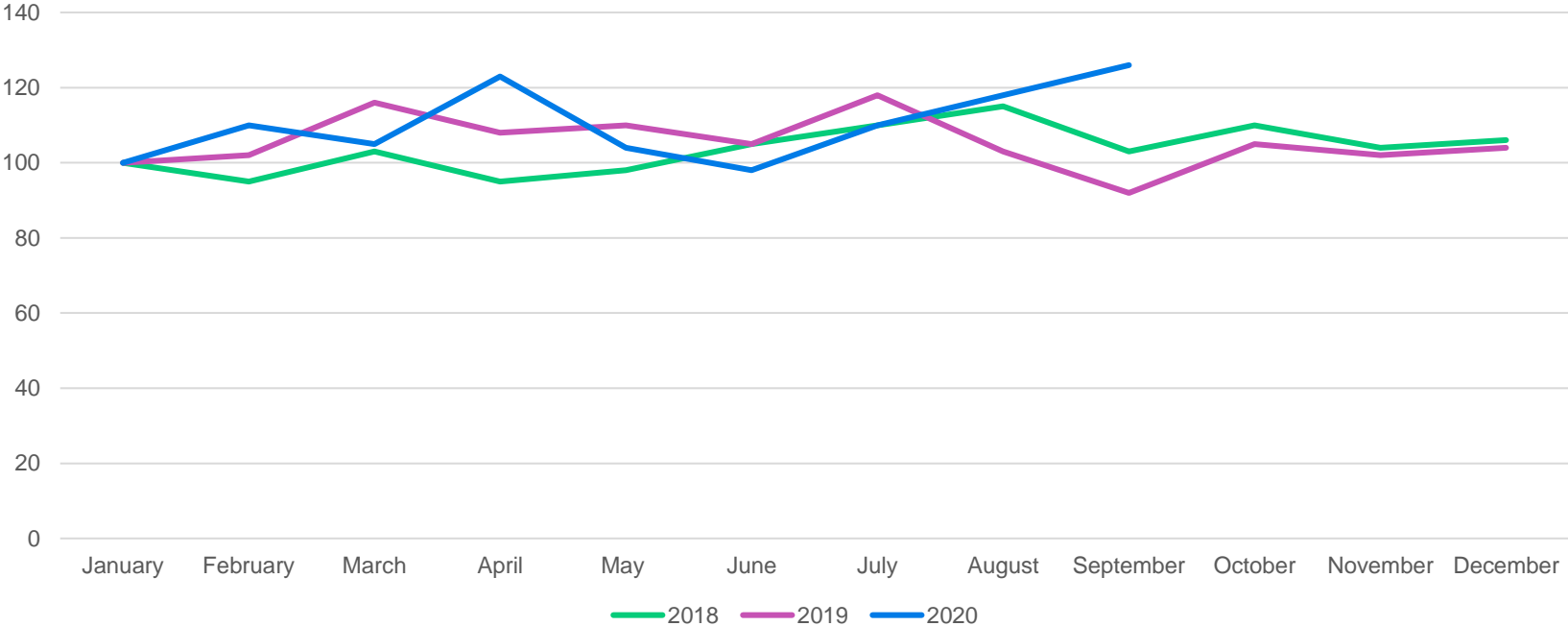Neustar

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CONTACT CENTER TRENDS FROM THIS YEAR

- All industries have shifted 50-100% of staff to Work From Home models
  - Transition was difficult – lack of tools, initial absenteeism
  - Call duration has increased – customer isolation, extraneous dialogue
  - Productivity has since increased (shifted metric to first call resolution)
  - Tracking software being explored
  - Beginning to return some % to offices – inconsistent, rotational
  - Up to 50% WFH may be the long-term solution

- Call Volume Spikes are compounding Staffing challenges and increasing Call Wait Times

- In response Clients are accelerating investment and focus to expand self service options

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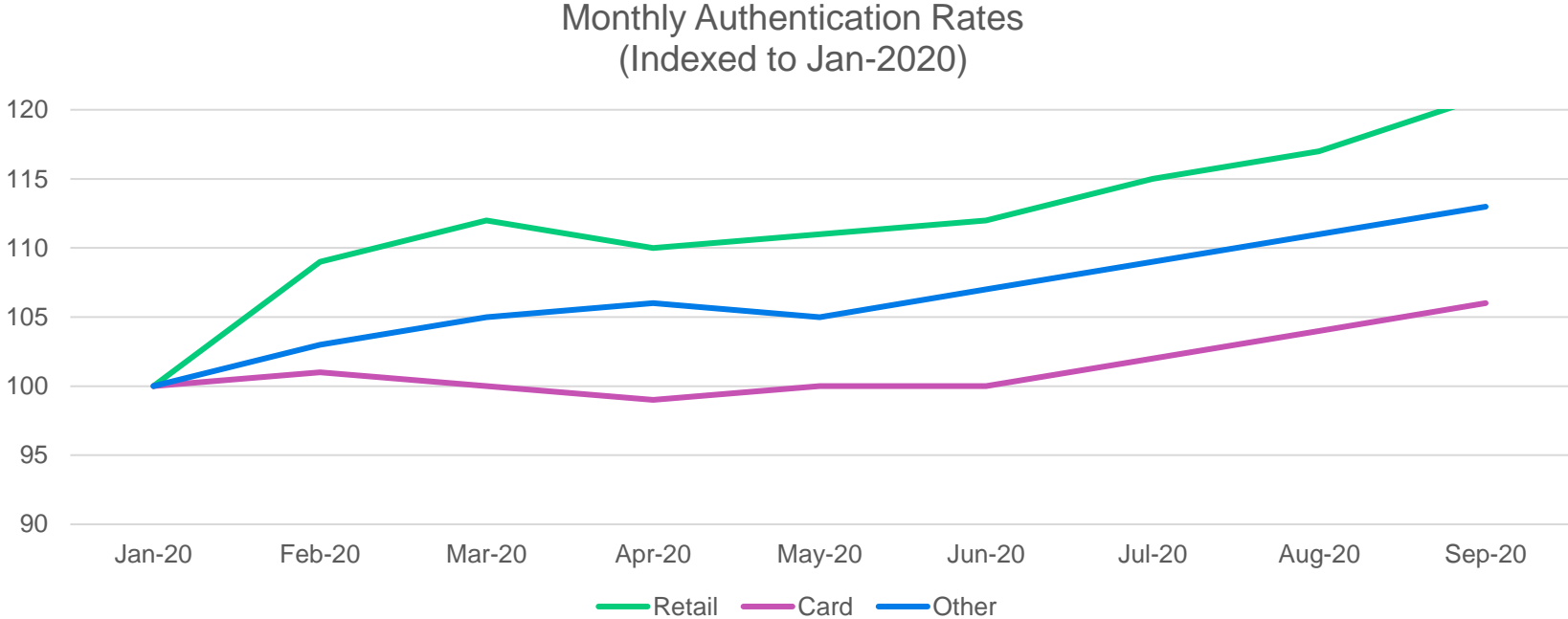# HIGH CALL CENTER HOLD TIMES + AHT ARE GENERALLY UP

Retail Bank Monthly Call Volumes
(Indexed to January)

Legend: 2018, 2019, 2020

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PRE-ANSWER AUTHENTICATION RATES

Monthly Authentication Rates
(Indexed to Jan-2020)

OPTIMIZING FOR THE "NEW NORMAL"

IDENTIFY

X

AUTHENTICATE

=

VALUE DELIVERED

What percentage of callers can we identify in our CRM?

How accurately can we validate[1] the caller to maximize the reduction in friction?

Realized cost reduction, improved CX, increased containment and better security

BEST PRACTICES

Pre-answer Authentication

- Implement a pre-answer authentication process to help agents know they've got a trustworthy caller on the line so they can get right to help and are less vulnerable to social engineering.

Route Calls Effectively

- Ensure that less-experienced agents only speak with high-trust callers and route the riskier callers to the more experienced agent.

Better Agent _and_ Customer Experience

- Rely on technology to keep handle times down, to keep average call times down and to keep agents focused on, leveraging agent's helping gene instead of interrogating callers' identities.

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Fraud Trends

Thomas McNally
Director of Identity Risk Solutions
Neustar

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FRAUD TRENDS – FRAUD REPORTEDLY DOWN FOR BANKS

BUT, FRAUD IS SURGING IN APPLICATION FRAUD ATTEMPTS

- Up over 100% - in an attempt to pull stimulus funds out
- Aite stated that approximately $1.9B of stimulus funds are going to dead people
- One lender reported that its identity verification and device identity tools usually stop between 1.5% and 1.8% of its applications; over the past 60 days, it has seen 5% of applications failing those checks

THIS HAPPY STATE WON'T CONTINUE

- Expect for account takeovers to rebound (and quickly)
- One large FI executive stated that his FI had previously forecast an 8% decrease in fraud in 2020 and has revised that projection to a 10% to 15% increase in fraud for the year, and he says most peer banks have done the same
- Bankers have recently seen a significant rise in COVID-19-related phishing attacks

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FRAUD TRENDS

SIGNIFICANT INCREASE IN ONLINE AND MOBILE CHANNEL USAGE

- One FI stated that its digital channel usage increased by 250% in one week in March
- Perfect storm of "digital newbies" that are very susceptible to phishing attempts
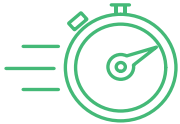
DISPUTES AT HIGH LEVELS, INCLUDING FIRST PARTY FRAUD

- Insisting they didn't make a payment that they actually did
- First party fraud has been on the rise for years, but nothing like an economic hardship to make it raise quicker

FRAUDSTERS DOUBLING DOWN

- Fraudsters were taking advantage of the influx of calls in a "smoke & mirrors" attempt
- Estimates that well over $1B has ended up in fraudsters hands since COVID lockdowns began
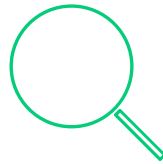
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BEST PRACTICES FOR COMBATING FRAUD WHILE WORKING FROM HOME

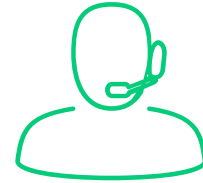## PRE-ANSWER AUTHENTICATION IS KEY

COMPLIANCE
Harder to ensure compliance with fraud prevention steps

CALL RISK
It's critical to assess caller risk before the call is answered

AGENTS
Send less trusted calls to more trained/skilled agents

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Deliver Exceptional Customer Experience in Challenging Times

Lance Hood
Senior Director, Inbound Authentication
Neustar

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Popularity of Business Contact Channels, by Age

Which channels are most popular with your age-profiled customers? (% of contact centers)

% of Centers Reporting Most Popular Contact Channels by Generation

	Internet/ Web Chat	Social Media	Electronic Messaging (e.g. email, SMS)	Smartphone Application	Telephone	% Household Wealth
Generation Y (born 1981-1999)	24% (1st choice)	24% (1st choice)	21% (3rd choice)	19% (4th choice)	12% (5th choice)	4%
Generation X (born 1961-1980)	21% (3rd choice)	12% (4th choice)	28% (2nd choice)	11% (5th choice)	29% (1st choice)	14%
Baby Boomers (born 1945-1960)	7% (3rd choice)	2% (5th choice)	24% (2nd choice)	3% (4th choice)	64% (1st choice)	50%
Silent Generation (born before 1944)	2% (3rd choice)	1% (4th choice)	6% (2nd choice)	1% (5th choice)	90% (1st choice)	33%

Sources: KPCB Internet Trends 2016, Deloitte 2015

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" It can take a few minutes to identity-interrogate our best customers. That's the longest few minutes in the world for us ... "

— Senior Vice President, Top 10 Bank

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CALL CENTERS CONTINUE TO ATTRACT ACCOUNT TAKEOVER ATTACKS

Channel for Fraudulent Account Takeovers, Total

- Website — 56%
- Call Center — 20%
- Retail Location — 5%
- Mobile Application — 15%
- Other — 4%

ACCOUNT TAKEOVER (ATO) THREAT PATHWAYS

Increase in Threat Activity
("Somewhat" or "Much" More)

70%

65%

■ Virtual Calls   ■ Spoofing
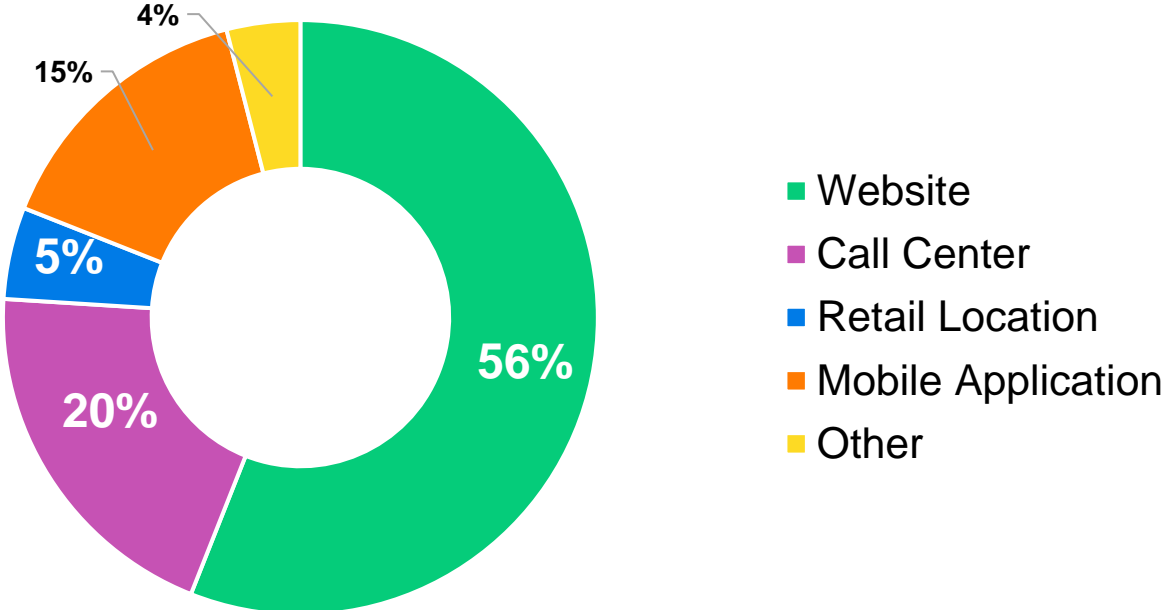
Source: Neustar, "State of Call Center Authentication," 2020
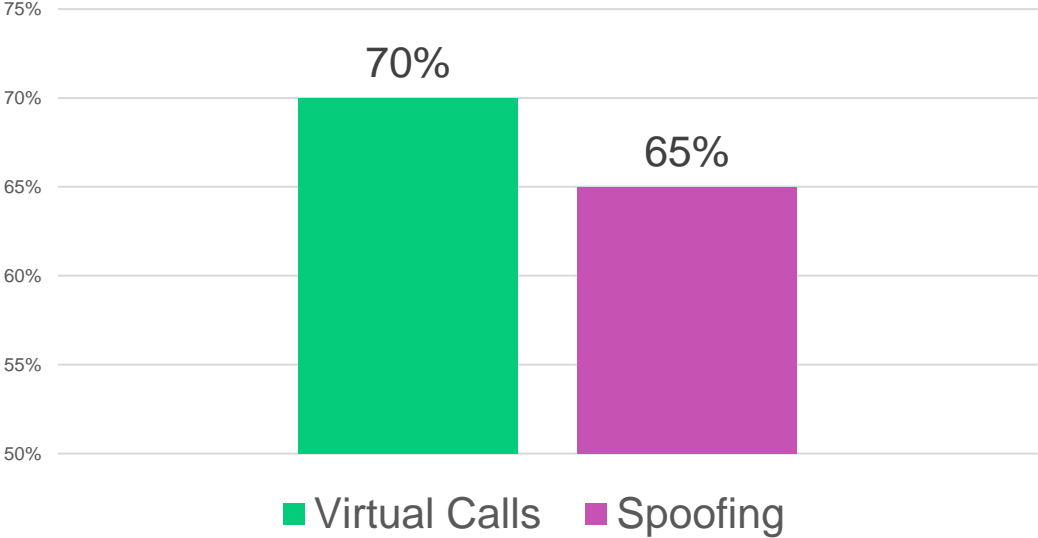
70% of respondents saw "somewhat" or "much more" threat activity toward the call center as coming from virtualized call services

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COVID IMPACT ON ACCOUNT TAKEOVER (ATO) ATTEMPTS

A wealth management company reported an

+8X

in weekly ATO attempts as COVID spread in March

Attacks targeted individuals in the healthcare and meat industries

At the end of July, ATO attack rates had dropped to

+4X

of normal rates

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POOR AUTHENTICATION CAUSES MAJOR PROBLEMS

Degraded Customer Experience
- Time spent being interrogated frustrates customers, reduces retention and increases hold time
- Fear of failed authentication limits self-service functions

Excessive Call Centers Costs
- 20% of agent time is spent asking questions
- Difficulty authenticating in the IVR causes unneeded transfers to agents

Inefficient Fraud Fighting
- Almost all fraud starts in the call center
- Waste time and generate false-positives by looking for criminals across entire call flows

Weak Compliance Posture
- Poor foundation for moving to multi-factor authentication
- Unprepared for internal compliance directives

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ONLY THREE WAYS TO AUTHENTICATE A PERSON

Knowledge
(something the **user knows**)
- SSN, PIN, Date of Birth, Account #

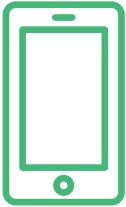**Inherence**
(something the **user is**)
- Voice-Bio, Fingerprint, DNA, Retina

Ownership
(something the **user has**)
- Key, Phone, Debit Card, Security Token

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OWNERSHIP: BEST WAY TO AUTHENTICATE A CALLER

OWNERSHIP
(something the user has)
**Key, Phone, Debit & Credit Card,
Security Token**

Knowledge
FFIEC: END OF LIFE

Inherence

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CALLER IDENTIFICATION

CRM DATABASE

ANI
Not Found

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OneID
System

ACCOUNT LINKING

NEUSTAR OneID	CLIENT CRM
Joseph Smith	Joe Smith
123 Main St Vienna, VA 22182	123 Main St Vienna, VA 22182
H: 222-666-7777	H: 222-666-7777
M: 222-555-9999	M: 222-555-9999

Joe Smith
222-555-9999

1 Inbound number is not in CRM database

2 Automatic query to Neustar OneID database

3 Name, address and home phone used to find customer record for inbound ANI

4 Identifier and match codes included in API response; new ANI can be added to customer record

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BASE AUTHENTICATION APPROACH ON THE TYPE OF CALLING DEVICE

DETERMINISTIC INSPECTION

Calling device is unique and physical

Mobile Phone   Residential Landline   Cable VoIP

Inspect the calling device to determine if is should receive an ownership-factor authentication token

Highest Level of Caller Trust

PROBABILISTIC ESTIMATION

Calling device is not unique and physical

Business PBX   Virtual Call Service   Payphone

Analyze information about the call and calling number to estimate trustworthiness

Next Best Level of Caller Trust

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NEUSTAR INBOUND AUTHENTICATION: UNIQUE HYBRID APPROACH

75% Deterministic Green	15%-20% Probabilistic Green	5% Red
Uses telephone network forensic inspection when calling device is unique and physical	Trust Indicator: from TRUSTID expert system	

- Reduce or eliminate <u>all</u> agent KBA
- Increase IVR retention with no/simple KBA
- No fraud in deterministic greens

- Reduce KBA 50%
- No impact on IVR retention
- 1 in 20,000 fraud in green rate

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NOT ALL GREENS ARE THE SAME…

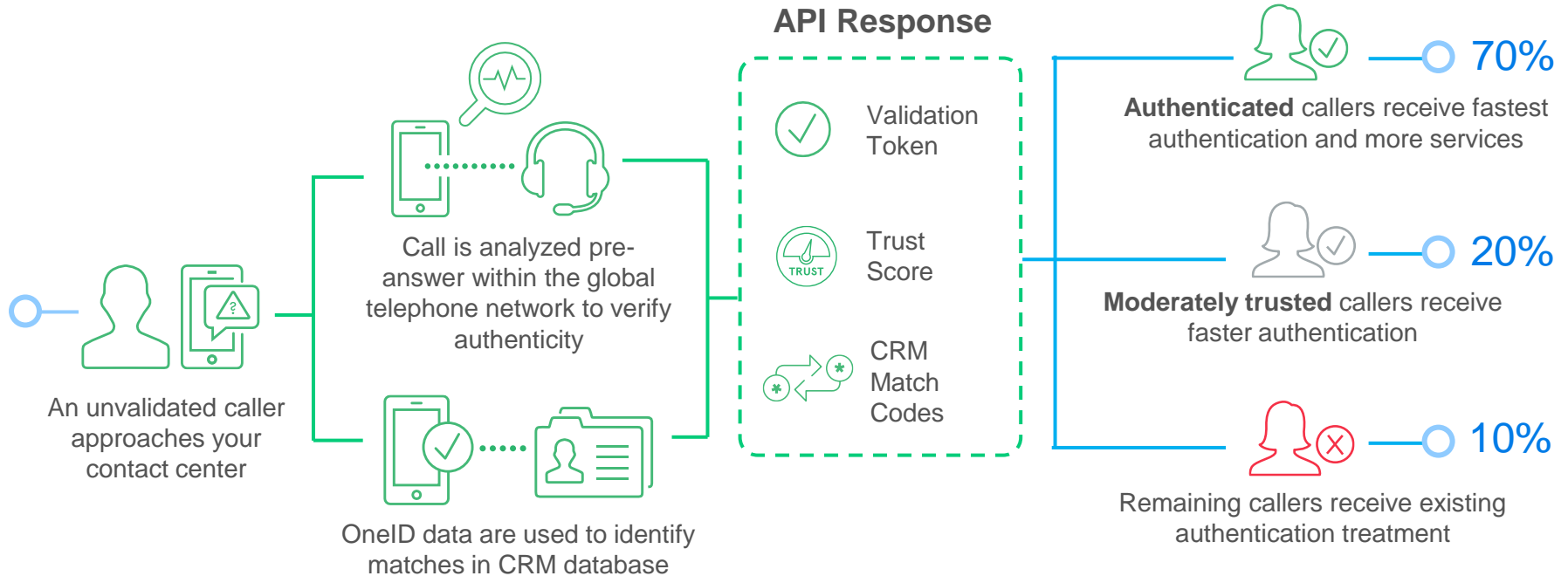
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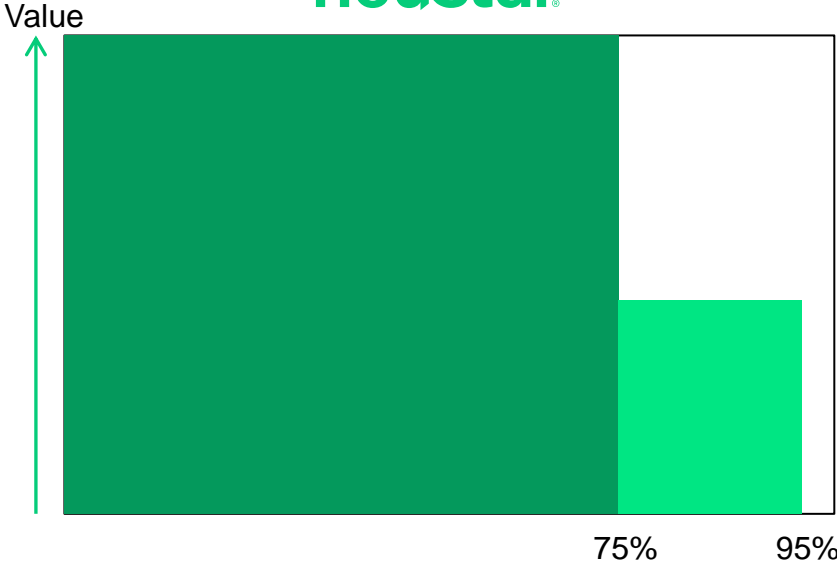
Other Probabilistic Solutions

Value

75%   95%

90%
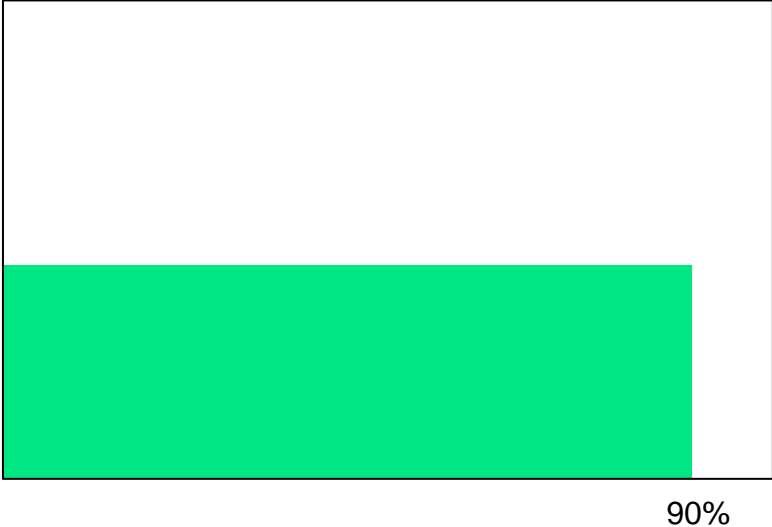
Deterministic

Probabilistic

Most Neustar greens are deterministic, yielding greater CX and operational value than competitors

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PRE-ANSWER AUTHENTICATION

Identify and Verify Callers Before You Say "Hello"

Call Treatment and Distribution*

API Response

An unvalidated caller approaches your contact center

Call is analyzed pre-answer within the global telephone network to verify authenticity

OneID data are used to identify matches in CRM database

Validation Token

Trust Score

CRM Match Codes

70%
Authenticated callers receive fastest authentication and more services

20%
Moderately trusted callers receive faster authentication

10%
Remaining callers receive existing authentication treatment

* Call distributions are estimates and will vary by enterprise

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QUICK AND STRONG AUTHENTICATION

70%
HIGH TRUST
Authenticated Callers

80%
reduction in authentication time
Allowed maximum permissions

20%
MODERATE TRUST
Identified Callers

60%
reduction in authentication time

10%
LOW TRUST

Current
authentication

RESULTS

- 20% reduction in call center operating cost
- 10% improvement in customer satisfaction
- 10% improvement in IVR containment rate
- 70% reduction in KBA
- 25X better authentication security

- Higher ROI on fraud fighting efforts
- Better agent compliance for fraud detection

Optimize Outbound Member Communications

Nick Kennedy
Sr. Account Executive, Strategic Accounts
Neustar

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Reach More Customers By Knowing

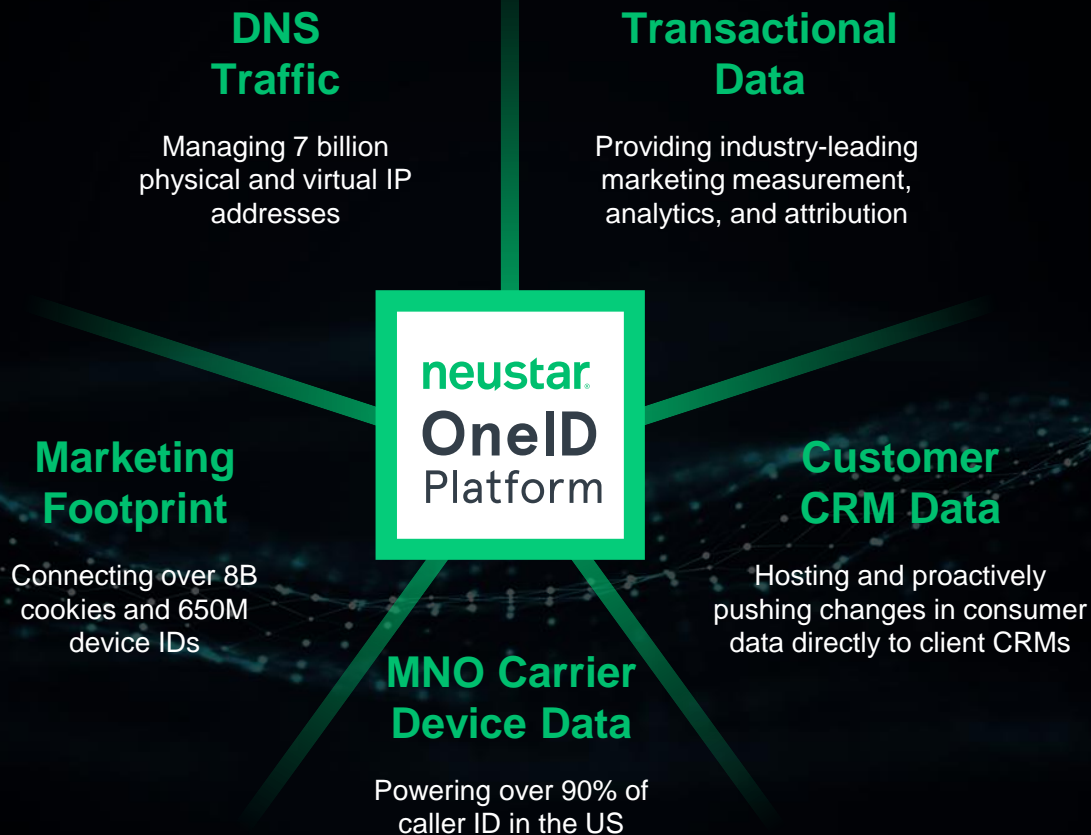**Which number or email to use**

When to contact them

Avoiding Call Blocking

Branding Your Call

NEUSTAR DATA IS BUILT ON DIRECT PARTNERSHIPS WITH TELECOM, UTILITIES, & FINANCIAL COMPANIES, OVERLAID WITH UNIQUE PROPRIETARY DATA ASSETS

DNS Traffic

Managing 7 billion physical and virtual IP addresses

Transactional Data

Providing industry-leading marketing measurement, analytics, and attribution

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OneID
Platform

Marketing Footprint

Connecting over 8B cookies and 650M device IDs

Customer CRM Data

Hosting and proactively pushing changes in consumer data directly to client CRMs

MNO Carrier Device Data

Powering over 90% of caller ID in the US

Q&A

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Thank You

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