



Delivering on the New Standard in Merchant Onboarding

June 10th, 2021



About Alan Moss



Alan Moss is currently [Managing Director for Western Europe at Newland Payment Technology](#), a top international supplier of secure payment devices and associated infrastructure.

Alan has over [20 years' experience in the electronic payments business](#), working with industry leaders such as Hypercom, Miura, Thales and Verifone, in a variety of roles from business development and product marketing to global relationship management. Alan also worked in international sales for De La Rue's security holographics and security print divisions.

Prior to working for Newland, Alan was [VP of Marketing at Miura Systems](#), a pioneer in mobile acceptance solutions. During his time at Verifone, Alan was also a [board member and Chairman of the General Assembly of Nexo](#), a leading pan-European standardization initiative promoting the interoperability of card payments.

About Daniel Belda



Daniel Belda is Ekata's [Director, Market Strategy for Payments](#).

Daniel has been working in payments companies such as GlobalCollect and Worldpay for over a decade delivering and bringing to market key strategic products. Setting up a Brazilian acquirer from the ground up to establishing a new digital bank has exposed him to multiple facets of the industry, allowing him to bring a unique perspective to discussions.

Perspectives he usually delivers in an easy-going manner with a good dose of dry humor peppered with food analogies making the most complex of subjects easy to digest by the audience.

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Market Overview

- Disruptors continue to push down onboarding friction
- Influx of sole proprietorships, small businesses
- B2B fraud is on the rise

Onboarding: Before & After Stripe Market Disruption

2-3 Days

Traditional payments
processors



5 Minutes

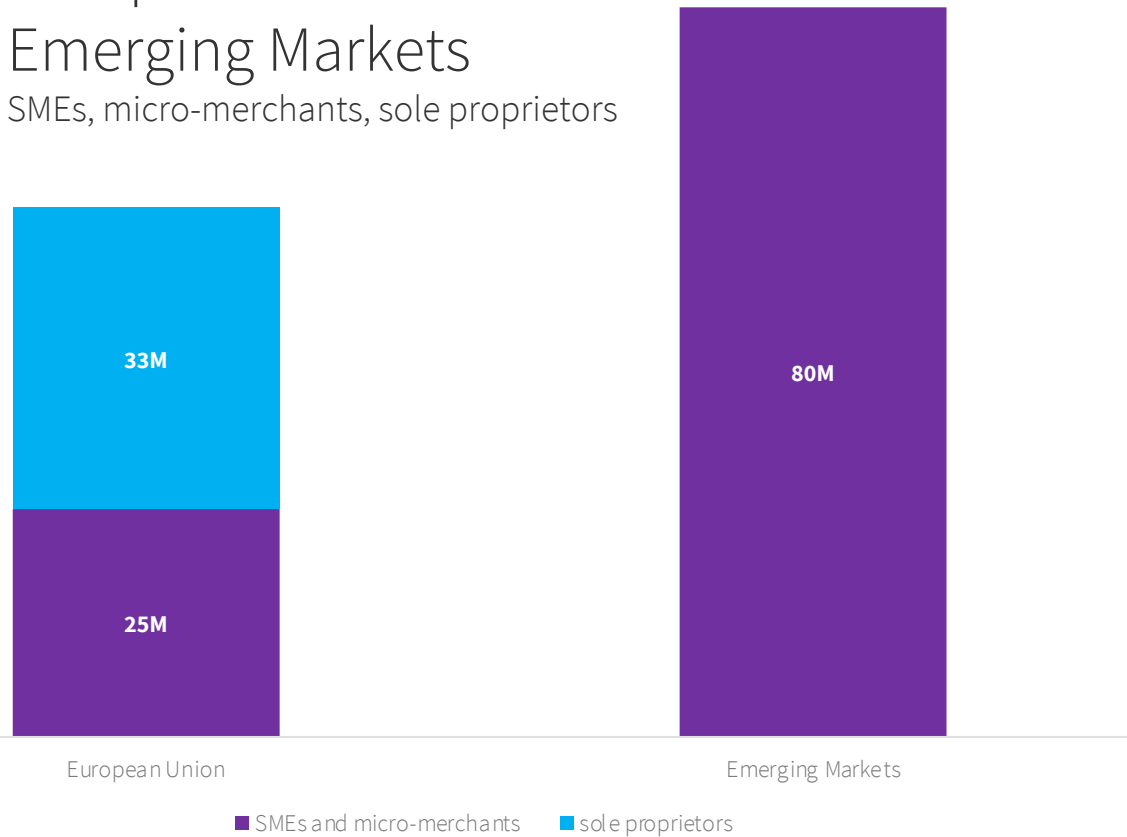
Merchant onboarding
standard set by
Stripe and others



More Businesses & Different Kinds of Businesses

European Union & Emerging Markets

SMEs, micro-merchants, sole proprietors



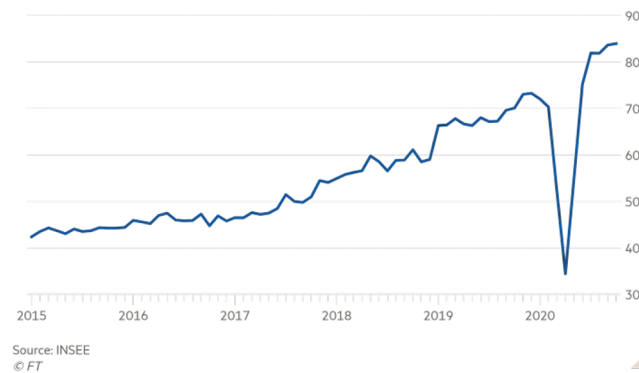
Global rise of Small and Medium Enterprises (SMEs)

including micro-merchants
& sole proprietors

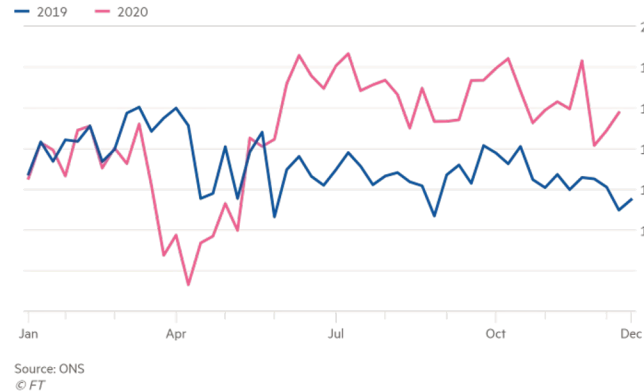
Market Changes since Covid-19

- Massive influx of new businesses in US
- Smaller, but significant increases in EU

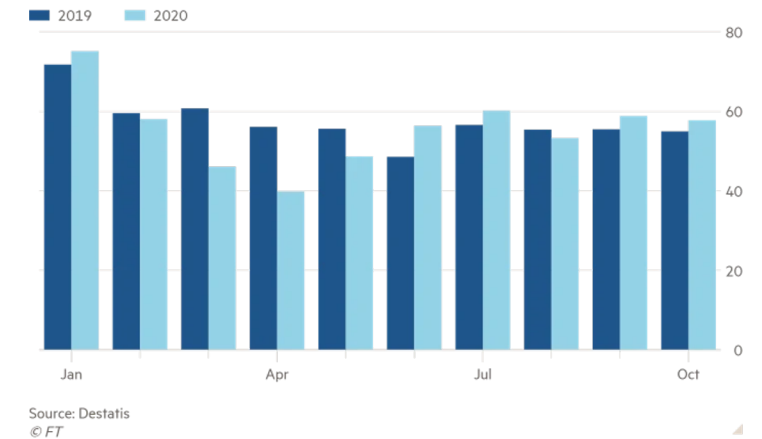
French business creations hit record high
Monthly ('000)



More businesses created in the UK
Business incorporations, weekly ('000)



Germany's resilient levels of business creation
Monthly ('000)



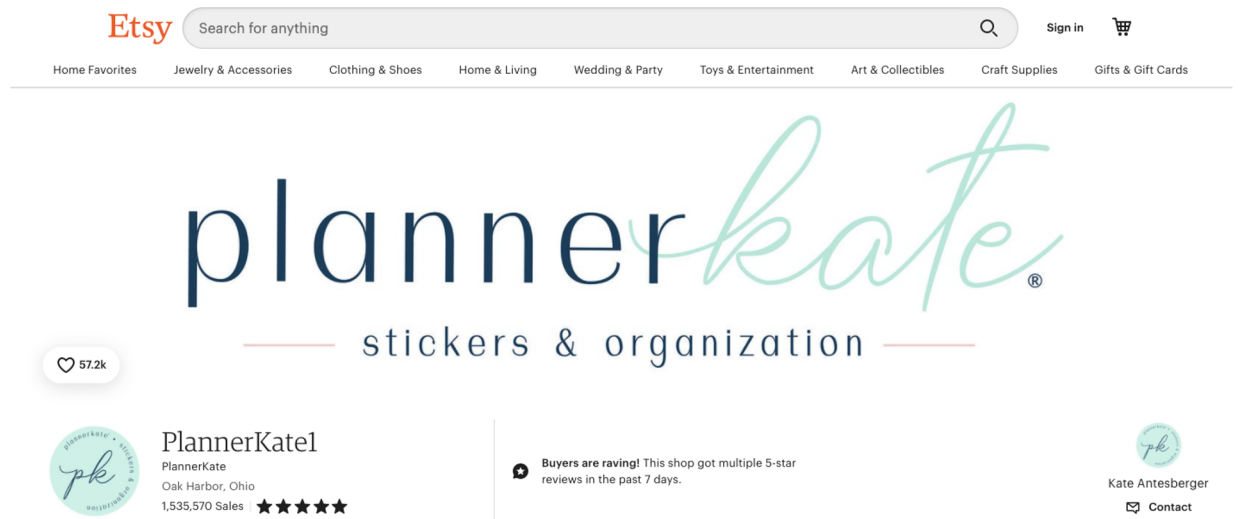
Assessing Business Legitimacy Then vs. Now

- ✓ Registered to do business
- ✓ Business credit record >12 months
- ✓ Extensive banking/trade records
- ✓ Official/physical business address
- ✓ Registered with trade association



Traditional SME business

- ✓ Registered to do business
- ! Business credit record < 12 months
- ! **Minimal** banking/trade records
- ! Official/physical business address **might be residential**
- ? 4.2-star social media review average



SME & micro-merchants today

European Bank: Customer Snapshot



Situation:

- Competition from new players (Stripe and BrainTree) with easier onboarding process
- Current process takes **3-5 days to onboard a merchant**
- Developing a digital onboarding solution for merchants
- Cannot transact with merchant until KYC/AML is completed

Success criteria:

- Bottom line is Customer Acquisition Cost (CAC), fraud is secondary
- During onboarding reducing friction is the primary goal

B2B Loan Trends

↑ 7.3% increase in fraud
small and mid-sized business lenders

↑ 8.6% increase in fraud
larger banks & digital lenders

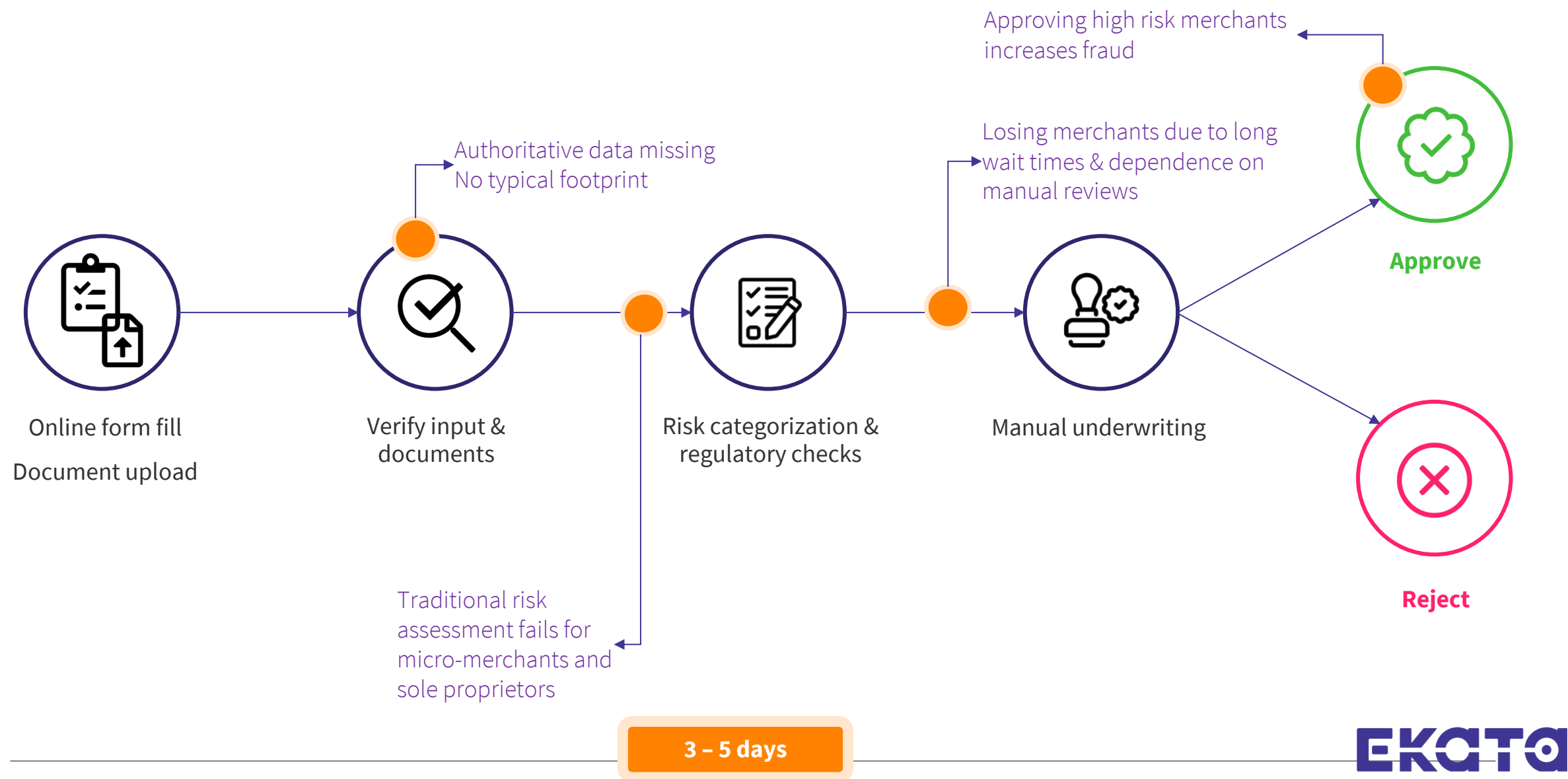
↑ 14x the average monthly
suspicious activity reports

Sustained increases in business-loan fraud in 2020 vs 2014

Onboarding Status Quo



Onboarding Pain Points

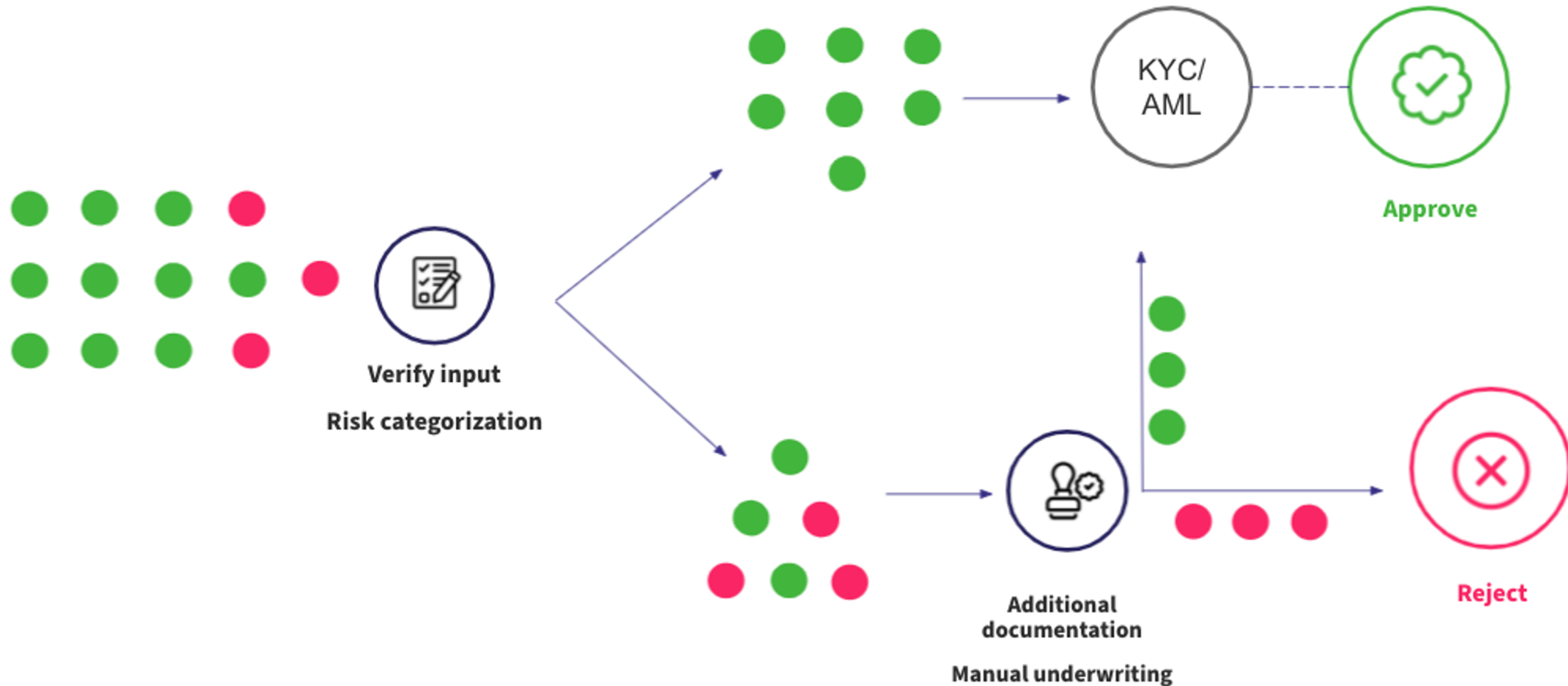


EU Insights from Global Payments Aggregator



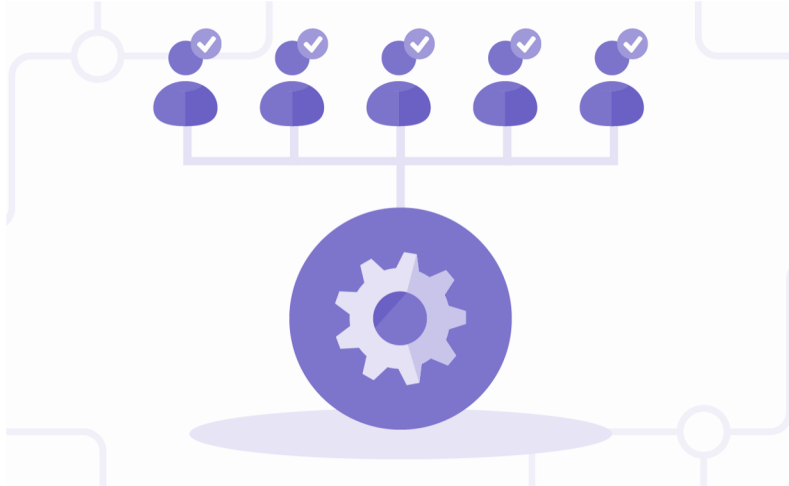
- **22% fail passive KYC checks for name-to-address** and are sent document requests
- **Only 20% of customers challenged for additional information will complete the document request** and move forward in the onboarding process

Onboarding Merchants with Ekata



ANNOUNCING GENERAL AVAILABILITY:

Merchant Onboarding API & Merchant Review SaaS



Automate workflows with unique risk indicators on business & individuals

- don't lose good customers to competitors: identify low-risk applicants and approve automatically
- quickly route high-risk applicants to manual review



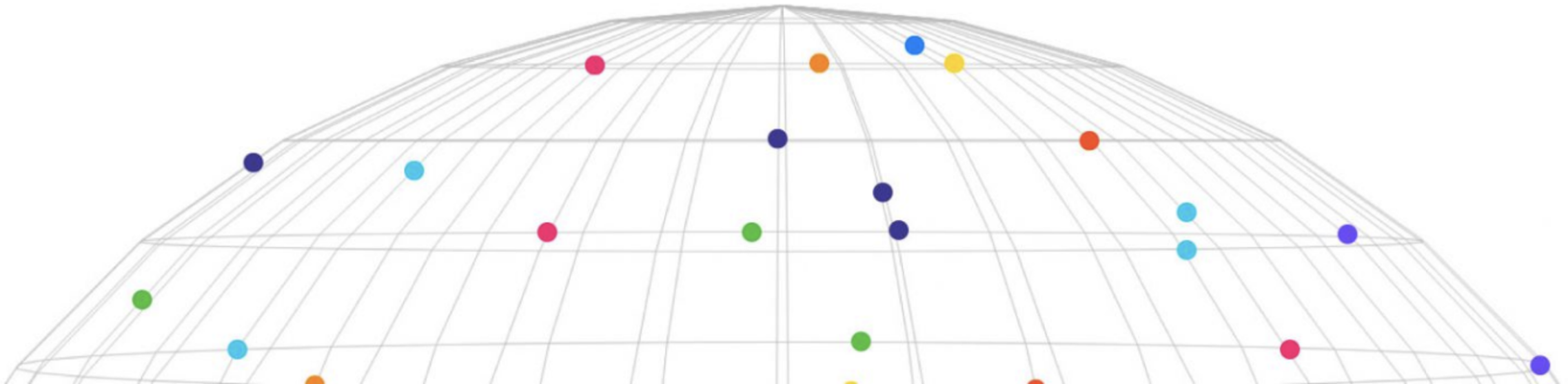
Reduce time spent in manual review

- agents visually identify key identity risk signals
- key risk indicators available on one screen cut down on research time through multiple sources

Global Data Provider

Identity verification & insights

EKATA



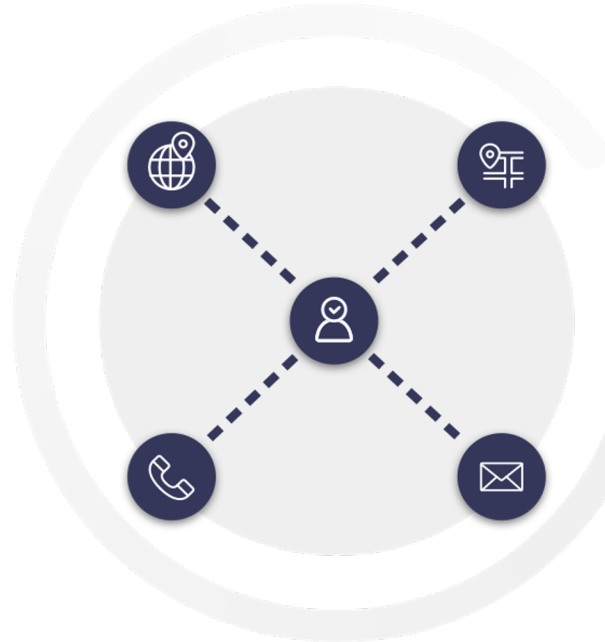
The Ekata Identity Engine

Identity Graph

Database that validates digital identity elements and how they are linked

7B+
entities

1B+
identities



Name



Email



Phone



IP



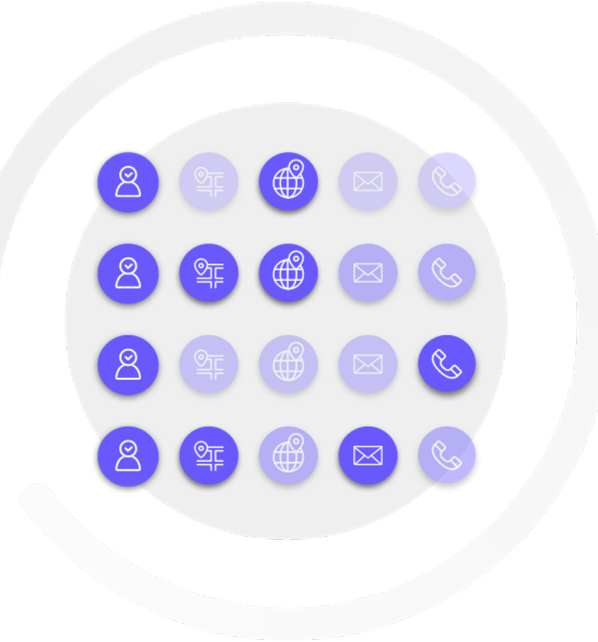
Address

Identity Network

Anonymized database that surfaces patterns of how hashed identity elements are being used online

16B+
identity elements

40M
elements added
per day



Trusted By Global Enterprise Organizations

Traditional Banking



WELLS FARGO



Online Lending



Klarna



DISCOVER

Global Payments



Marketplaces

Booking.com



Travel



FINNAIR

eCommerce



amazon



Partner Integrations



CyberSource



EQUIFAX



DemystData



riskified



EKATO

Merchant Onboarding API & Merchant Review

Make faster, smarter decisions during merchant onboarding



Onboard micro-merchants with higher confidence

- unique cross-checks between business & individuals



Route good customers to fast, low-friction experiences

- automatically accept low risk applications
- hand off high risk customers to manual review processes



Reduce time spent in manual review

- visually identify key identity risk signals
- cross-linked data cuts down on research time through disparate sources

Merchant Onboarding | Fraud Indicators

Business phone to individual name

Matches are 3x less likely to be fraudulent

IP distance to business address

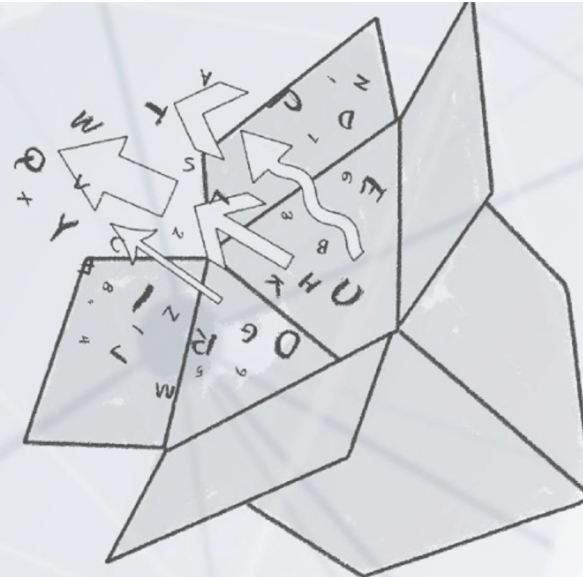
2x as likely to be fraud

Business address to individual volatility

Higher volatility is highly correlated with fraud

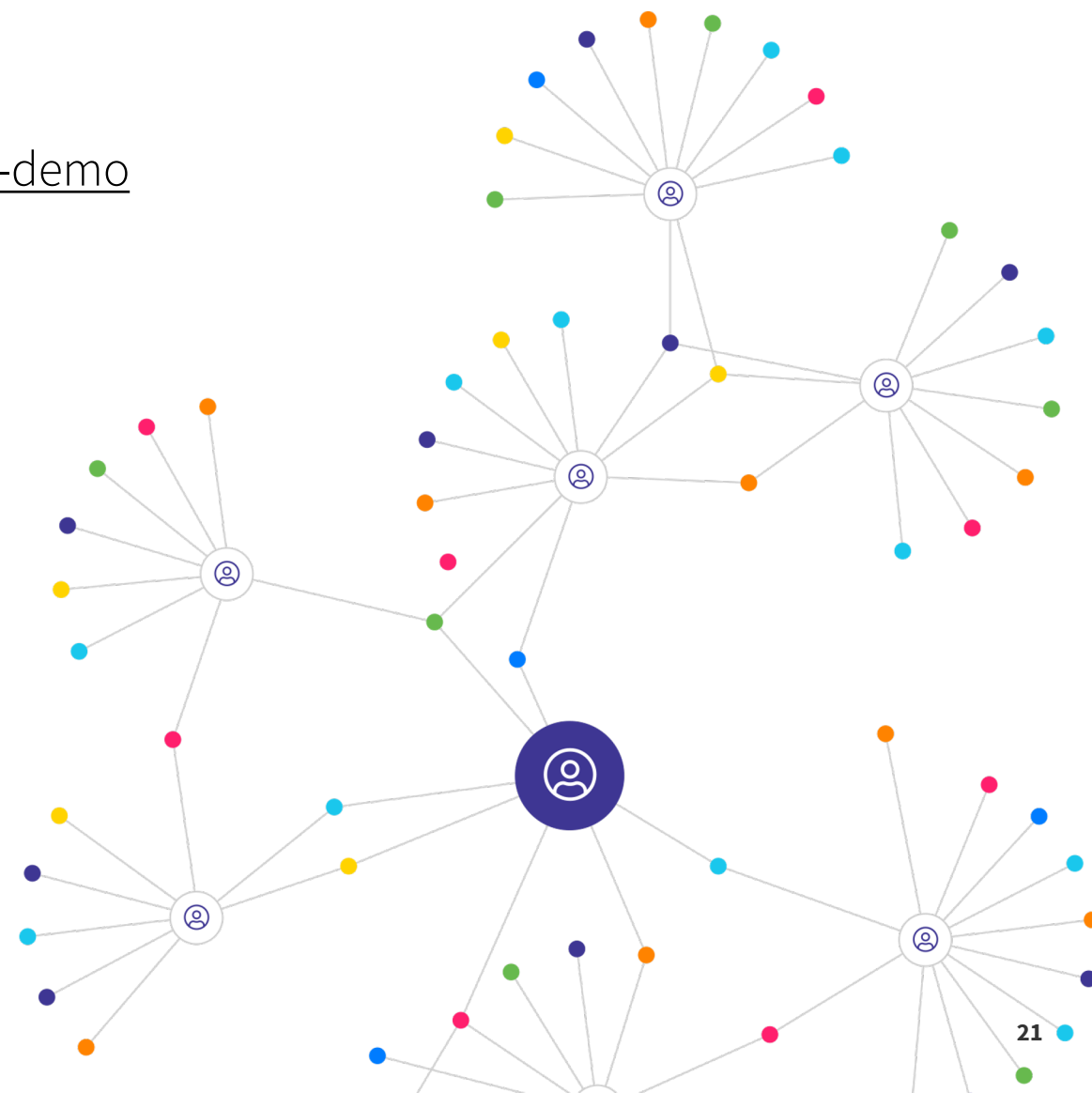
Individual Identity Risk Score

Low score is 3x more likely to be a good applicant



Thank You

Learn more & schedule a demo: <http://bit.ly/onboarding-demo>



About Ekata

Ekata provides global identity verification solutions via enterprise-grade APIs for automated decisioning, and Pro Insight, a SaaS solution for manual review for cross-border businesses to grow revenue by maximizing their predictability of good transactions.

Our product suite is powered by the Ekata Identity Engine (EIE), the first and only cross-border identity verification engine of its kind. It uses complex machine learning algorithms across the five core consumer attributes of email, phone, name (person or business), physical address, and IP, to derive unique data links and features from billions of real-time transactions within our proprietary network and the data we license from a broad spectrum of global providers.

Businesses around the world including checkout.com, Microsoft, Klarna, and Airbnb leverage our product suite to increase approvals of more good transactions, reduce customer friction at account opening, and find fraud.