

# CAPITA

## Fraud Prevention

Enhancing security to protect you  
against fraudulent activity



## Fraud prevention

Identity theft alone costs the UK economy £2.7 billion\* year-on-year. Businesses across all industries need to reinforce their data protection and verification protocols as a matter of urgency. Indeed, the cost of fraudulent activity, such as impersonation of deceased (IOD), is more than just a financial issue.

Without the implementation of a robust authentication process, other security measures could potentially be compromised. This, in turn, gives rise to the possibility of other financial crimes filtering through the operational framework, of leaving incorrect data held on file, of the continuance of non-compliant procedures and of reputational damage.

## Meeting the verification challenge

To support the early detection and prevention of fraud, guidance issued by both the Pensions Regulator and the Financial Conduct Authority stipulates the importance of embedding strict personal verification measures to ensure that authentication of individuals is totally transparent before any transactional activity is initiated.

Whether a client is acting on behalf of another, fulfilling personal activity to access funds or reporting a death of a family member, regulatory guidance stipulates that the correct protocols have to be in place before any requests are acted upon.

This is particularly relevant with the pension freedom reforms which give pensioners greater choice over how they invest or spend their retirement pots. Pension managers,

providers and trustees need to tighten their administrative measures to ensure that their members are exactly who they claim to be.

To assist with the implementation of fraud prevention protocols, we have developed a suite of complementary services which have been designed to improve the claims handling and application processes respectively.

By incorporating one or more of our fraud prevention services, you can manage your internal controls more accurately, so that inconsistencies are captured early on and the integrity of data is vastly improved over the long term.

\* National Fraud Authority 2014



# Capita-administered identification and verification

If you would like to process large batches of claims, policies or applications, we have designed a versatile range of identification and verification tools which utilises the full scope of our contact centre. We can provide the following project management and administrative solutions, which can be tailored to your particular requirements:

## Call centre verification – research

The team can conduct outbound mailing, call centre support (both inbound and outbound), batching evidence and electronic transmission of results for upload to your back office. We can also check on financial data for residency, identity and any alerts (such as address forwarding) to provide an instant response.

## Call centre verification – telephony

Our team can verify the identity of customers/members by taking them through a number of security questions over the telephone.

## eVON – online verification

Customers/members can use our online verification portal, eVON (electronic verification online). To initiate the process, we will issue letters to the customer/member as part of a postal verification campaign. The letters contain not only certificate of existence forms (and prepaid envelopes), but also a unique code for the recipient to go online (via a bespoke website) and verify themselves. In addition to the resultant cost saving, this service allows for the collection of invaluable additional data such as email addresses, contact telephone numbers and spousal information.

## Collecting missing data

We will use our data sources to collect missing data such as spouse details, telephone numbers and email addresses.

## Single reporting

Data collected via any source – whether online, by post or by telephone – is collated in our customer management system and fed back to you in a single report.



# Capita-administered mortality screening

We also offer a range of comprehensive mortality screening services which we administer on your behalf. By carrying out regular mortality screening exercises, our administrators can establish whether an individual is alive in order to determine whether payments can be paid to the correct recipient or stopped accordingly.

The following services are particularly beneficial for pension schemes and financial institutions which wish to process large batches of claims and/or applications:

## **Historical/one-off mortality screening**

Many projects require a separate historic death check to eliminate deceased members prior to tracing 'gone aways' (i.e. people who have moved address and failed to notify that they have done so). Unbundling the service delivers a cost benefit where there is a particularly old book of data and a significant percentage of the population may now be deceased.

## **Regular (monthly, quarterly, annual) screening**

Our regular screening aims to identify deceased individuals at the earliest opportunity, to avoid overpayments and mitigate the risk of fraud. Prior to conducting regular mortality screening, all records should be screened against historic death records.



## Self-service solutions

For clients who prefer to run checks on singular or small batches of claims in-house, we have partnered with Equifax, the leading consumer credit reporting agency, to offer eDecision, a secure online platform that verifies the identity of new customers and enables swift mortality checking. eDecision includes DDRI (Disclosure of Death Registry Information) records, ensuring that impersonation of deceased fraud can now be fully countered. The database includes all government GRO & DDRI deaths from 1984 to present day, updated weekly, each Monday.

In addition, we also provide Bank Check Advanced to assist with manual verification of customer bank details, ensuring secure ID verification before payment.

### One licence – dual functionality

As a result of our long-standing relationship with Equifax, we have developed a versatile and cost-effective option for accessing both eDecision and Bank Check Advanced with a single licence. By using a single login, you will be able to utilise both solutions via a dedicated portal at any given time.

The ease and convenience of being able to process verification requests as and when they arise will allow you to verify a customer's identity or run a mortality check almost instantaneously.

#### *Mortality checking*

##### **eDecision**

If you would like to administer mortality checking exercises in-house, eDecision is the ideal solution. It is a secure online platform that uses intuitive functionality to allow financial institutions to verify the identity of members, and that lets trustees check individual member records online for evidence of death. If a match is found, the death registration number is shown, to facilitate collection of the death certificate, if required.

#### *Identification (ID) and verification (self-service)*

##### **Bank Check Advanced**

In order to provide our clients with the added security to prevent impersonation fraud, we have collaborated with Equifax to provide the online solution Bank Check Advanced. This innovative tool enhances the ID verification process by providing confirmation that the correct recipient has been identified before authorising financial transactions.

By using the credit reference agency's data to check that the bank sort code and account number provided by a new applicant are identical to the details held by their bank, we can alert our clients immediately if any discrepancies are found.



# Capita – the perfect partner for your fraud prevention needs

By building strong internal controls which focus on improving the accuracy of member and customer data, trustees and financial directors can not only improve the efficiency of their operations, but they will also play a significant part in the prevention of fraudulent activity. The key benefits of implementing our fraud prevention solutions are as follows:

- **Reduced risk:** immediately reduces the risk of identity fraud by verifying whether payments are being made to the correct recipient or going to a valid bank or savings account
- **Cost saving:** correct identification will reduce administration costs by speeding up the verification process
- **Simplified regulatory compliance:** using vigilant trustees to comply with anti-money laundering regulations and the Financial Conduct Authority should reduce incidences of IOD
- **Better communication:** identification of correct member details improves targeted engagement with the right recipients
- **Improved strategy:** improved long-term decision making based on accurate metrics
- **Improved compliance:** reducing incidences of IOD
- **Improved financial situation:** stabilised fund levels and balance sheets
- **Ethical:** increases personal and corporate responsibility to detect and report suspected fraud



## Next steps

If you would like any further information on our comprehensive fraud prevention service, please contact your Capita consultant or log on to: [www.capita.co.uk/employeebenefits](http://www.capita.co.uk/employeebenefits)





## Employee benefits

[www.capita.co.uk/employeebenefits](http://www.capita.co.uk/employeebenefits)



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