

TrustDefender™ ID Helps Ebates Stop Prevent Fraud for Online Merchant Partners

Ebates is the pioneer and leader of online Cash Back Shopping as featured in the Wall Street Journal, CNN and The New York Times. Founded in 1998, Ebates provides cash back on purchases at over 1000 leading online retailers including Buy.com, drugstore.com, FTD.com, Ritz Camera.com and Sears. Ebates receives a sales commission from its retail partners in exchange for driving online purchases. Ebates generously splits this commission with its shoppers, so everyone wins.

Background

Ebates' growth in popularity attracted fraudsters who try to use Ebates as a jumping-off point to use stolen credit cards at down-stream merchants. Fraudsters using stolen credit cards hope to win twice by stealing goods from retailers and profiting from the additional cash back. Because customers are redirected from Ebates site, fraudsters located in suspicious countries may also have been using Ebates as a gateway to disguise their real location from a retailer's IP Geolocation filters.

Ebates already had its own sophisticated back-end fraud detection tools to prevent fraudulent rebate checks being mailed, however, Ebates' bigger concern was to maintain its reputation for providing the highest-quality customer referrals in the industry and protect merchants from fraud. Given that the fraudulent online purchases are conducted at the merchant website rather than Ebates.com, Ebates needed a solution that was capable of instantaneously verifying the authenticity of a new customer registration in real-time without any knowledge of the credit card details used.

Solution

Ebates turned to TrustDefender™ ID from ThreatMetrix™ to assess in real-time whether a new customer account was fraudulent based on the characteristics of the device rather than the users' credentials. Armed with fraud intelligence not previously available, Ebates is now able to direct risky new customers away from vulnerable merchants without turning away new business.

Ebates integrated TrustDefender ID without needing to install new software or hardware. Now, when a new customer registers at their site, Ebates can transparently determine whether a device's unique fingerprint matches one of the 10 million compromised computers tracked by ThreatMetrix. Ebates can also identify the true location of the fraudster, even if they are connecting through a computer located in a different country.



"ThreatMetrix helps Ebates and our online merchant partners reduce first-time and recurring fraud incidents without impacting our customers' online experiences."

Kevin H. Johnson
President and CEO, Ebates

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Results

TrustDefender ID provides Ebates and its online business merchants with effective and affordable fraud prevention that does not impact their customers. With TrustDefender ID, Ebates discovered offshore fraudsters were signing up through compromised computers, typically infected PCs of home broadband users in the United States in order to hide their real location. In one example, ThreatMetrix was able to prove that a single fraudster was responsible for creating 23 different accounts using fake email addresses and spoofed IP addresses based on a common device fingerprint. ThreatMetrix enables Ebates to provide its retail merchants with an additional layer of protection, without turning away new business.

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