

# Pagosonline Uses TrustDefender™ ID to Control Online Fraud and Abuse and to Drive South American Business Expansion

Headquartered in Bogota, Colombia, Pagosonline is the main payments gateway and aggregator for merchants in Colombia. As a payments processor, it processes transactions for leading Colombian and South American e-commerce sites, airlines and retailers. As an aggregator, it provides similar services to small to medium-sized businesses that don't have relationships with banks. Pagosonline integrates with other payment platforms in South America. Its service is available for South American merchants and facilitates payments in Colombian pesos, U.S. dollars and European euros.

## Background

"The main business problem we were facing with our merchants was that they were experiencing chargebacks on lower price item transactions two or three months after the transactions had occurred from cyber criminals using fraudulent credit cards," said Martin Schrimppf, Business Development Director, Pagosonline. "We created our own anti-fraud platform eight years ago where we were relying a lot on IP addresses and cookies to identify customers. Unfortunately, with fraudsters becoming more sophisticated, we discovered that they were using dynamic proxies to hide their identities. That's when we turned to ThreatMetrix to help us identify where these fraudulent transactions were really coming from and put a stop to them."

Dynamic proxies are one of the many tools in a fraudster's arsenal that enable them to dynamically change their IP address and browser string attributes to make it appear that they are a new customer upon each visit to a web site. Drawing upon hundreds of anonymous characteristics from a web transaction and analyzing them in real-time, TrustDefender™ ID from ThreatMetrix™ reveals hidden truths about the device visiting a web site to help companies decide whether to trust the computer to create a new account, use a credit card or login. TrustDefender ID is unique in its ability to make all of the data it collects available in real-time including explanations for how it derived the risk score.

## Solution

According to Schrimppf, Pagosonline liked the ability of TrustDefender ID to seamlessly integrate with their in-house anti-fraud platform. "ThreatMetrix gives me more data to identify risk. I'm now able to stop more fraud, in real-time, more efficiently," said Schrimppf.

Schrimppf highlighted the example of one Pagosonline customer who was selling international phone cards online. "They were selling massive amounts of phone cards but they were also experiencing unacceptable fraud levels as high as 14%. After implementing ThreatMetrix, fraud levels dropped to less than 2% which is acceptable for this type of product," noted Schrimppf.



*"By helping us reduce our customers' fraud rates, we've also been able to improve our corporate brand image and our ability to sell more. ThreatMetrix helped make all that possible."*

**Martin Schrimppf**  
Business Development Director  
Pagosonline

# Preventing Fraud for Online Merchant Partners

## Results

Today, Pagosonline confidently continues with the expansion of its services to the broader South American market. “By helping us reduce our customers’ fraud rates, we’ve also been able to improve our corporate brand image and our ability to sell more,” said Schimpff. “ThreatMetrix helped make all that possible.”

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