

TrustDefender™ ID and TeleSign Telephone Verification Enable Name.com to Eliminate Over \$1.5 Million in Annual Fraud

Name.com is the leading ICANN-accredited domain registrar and web hosting company focused on security for themselves and their customers. The company seeks to meet all domain name registration and web hosting needs while providing a quick and seamless buyer experience.

Background

Fraudsters target domain registrars like Name.com because compromised domain names are easy gateways to scam customers of banks, cloud services, e-commerce sites, social media, and other websites. By stealing domain names, fraudsters can intercept the website traffic and easily spoof the website in order to steal credentials and compromise user accounts through phishing scams.

In 2009, Name.com was experiencing a 10-12 percent annual fraud rate. This challenge required a team of 2.5 full-time equivalent employees charged with reviewing domain purchases flagged as potentially fraudulent. It also negatively impacted the company's bottom line.

In addition, Name.com's upstream registrar partners stipulate a five-day window to discover and delete fraudulent domain purchases in order to provide a full refund and avoid penalties. Name.com sought to satisfy a commitment to its upstream registry partners that the number of account deletions would not exceed 10% of total domain purchases in any given month.

Solution

To meet these challenges, Name.com implemented a risk-based, multi-layer fraud defense strategy, combining TrustDefender™ ID from ThreatMetrix™ and TeleSign's Telephone Verification. Name.com employs TrustDefender ID device authentication to screen for high-risk devices that are subsequently phone verified by TeleSign's out-of-band (OOB) solution.

As an end user purchases or renews a domain name, Name.com engages TrustDefender ID as a defense for transaction security from cybercrime, hidden proxies, scripted attacks, and cookie and browser manipulation by fraudsters. TrustDefender ID uses device- and transaction-related data to build a "contextual score," enabling Name.com to automatically determine if an order is approved, declined, or flagged for further review.



"As domain registrars, we are extremely focused on security."

"We had very little data and a long intensive manual review process to determine whether or not to honor the transaction."

"As the first perimeter of defense, we're now able to block fraudulent orders in real-time using the ThreatMetrix Cloud-Based Fraud Prevention Platform."

Paul Carter
Vice President of Operations
Name.com

Preventing Fraud for Online Merchant Partners

Flagging an order for manual review triggers TeleSign's Telephone Verification, prompting the Name.com customer to provide a valid phone number for the transaction. The user enters their telephone number on the Name.com website. TeleSign immediately sends an automated call to the user with a one-time PIN code. The user then enters this one-time PIN code onto the Name.com website. This action provides a contactable phone number and leaves an audit trail for the transaction.

When customers are found to be using devices with questionable characteristics – such as hidden proxies, undesirable geographies, bad reputations, or session anomalies, or devices with suspicious velocity behavior – Name.com blocks these purchases, adds them to a blacklist, and flags their devices so fraudsters cannot use the same machines to make future purchases.

Additionally, requiring a user to provide an audit trail often is deterrent enough for fraudsters. Fraudsters want to remain anonymous and cannot acquire valid phone numbers at a scale that would make scamming Name.com profitable. In addition to weeding out fraudsters, automated Telephone Verification ensures that legitimate customers get through the purchase process faster and do not need to go through a manual review.

Results

The joint ThreatMetrix/TeleSign risk-based solution dramatically reduced the time and effort required by Name.com to find fraudulent orders, enabling them to reduce illegal domain purchases by 98% and satisfy their commitment to their partners.

By reducing the number of illegal purchases, Name.com satisfies their commitment to their upstream registry partners. Having automated and improved the process using TrustDefender ID and TeleSign, individual transaction review is faster and more effective.

TrustDefender ID and TeleSign deliver a better-together solution. While both solutions significantly decrease fraud, employing both device ID technology and out-of-band authentication provide cost savings for the customer and a frictionless end-user experience. The joint solution is a win for both the customer and the buyer.

Deployed in conjunction, TrustDefender ID and TeleSign's high-performing technology combined with world-class support offer customers a powerful tool in fraud prevention.



“TeleSign’s Telephone Verification proved to be extremely effective because fraudsters are reluctant to provide a traceable piece of information.”

“The joint solution is helping us prevent thousands of bogus domain purchases every month.”

“Not only does this improve our standing with partners,” said Carter, “it also saves us money by reducing chargebacks and manual review staff.”

Paul Carter
Vice President of Operations
Name.com

Preventing Fraud for Online Merchant Partners

Case Study Fast Facts

The joint solution significantly decreased the fraud rate and significantly reduced the cost of manual reviews. Customer implemented TrustDefender ID and TeleSign and saw:

- Fraud reduced to 2% from a fraud rate of 10-12%
- 98% reduction in loss revenue due to fraud
- 80% reduction in fraud loss: Before \$5K in declined revenue/day, now \$1K declined/day
- Reduced cost of manual review by 88%: From 2.5 FTE to 0.3 FTEs
- Reduced chargebacks by up to 80% on any given week

About TeleSign

With coverage in more than 200 countries and 50 languages, TeleSign is the market leader in phone-based verification and authentication services. TeleSign has processed more than one billion phone-based authentication transactions in a broad range of categories such as social media, lead generation, online classifieds, financial services, ecommerce and widely distributed cloud-based services. By sending a one-time PIN code via voice or SMS to an end user's phone, TeleSign's technology authenticates the user in real time, immediately reducing fraud and spam. TeleSign provides verification services for the world's largest and most prominent web companies, transacting more volume than any other service provider, while maintaining industry-leading global deliverability rates with a guaranteed enterprise-level uptime. In addition to Telephone Verification, TeleSign also provides Two-Factor Authentication, and Phone ID. For more information, visit <http://www.telesign.com>.

CONTACT US

USA Corporate Headquarters:

ThreatMetrix Inc.
160 W Santa Clara St
Suite 1400
San Jose, CA, 95113
Telephone: +1.408.200.5755
Fax: +1.408.200.5799

Australia Headquarters:

ThreatMetrix PTY, Ltd.
Suite 1303, Level 13
799 Pacific Highway
Chatswood, 2067 Australia
Telephone: +612 9411 4499

EMEA Headquarters:

ThreatMetrix Inc.
Laan van Vredenoord 33-39
2289 DA Rijswijk
The Netherlands
Telephone: +31 (0)70 8200 508

Sales:

Sales Direct: +1.408.200.5700
EMEA Sales: +31 (0)70 8200 509
Email: sales@threatmetrix.com

Support:

Support Direct: +1.408.200.5754
Email: cust-service@threatmetrix.com

www.threatmetrix.com
www.threatmetrix.com/fraudsandends

JOIN US

- www.threatmetrix.com/twitter
- www.threatmetrix.com/facebook
- www.threatmetrix.com/linkedin