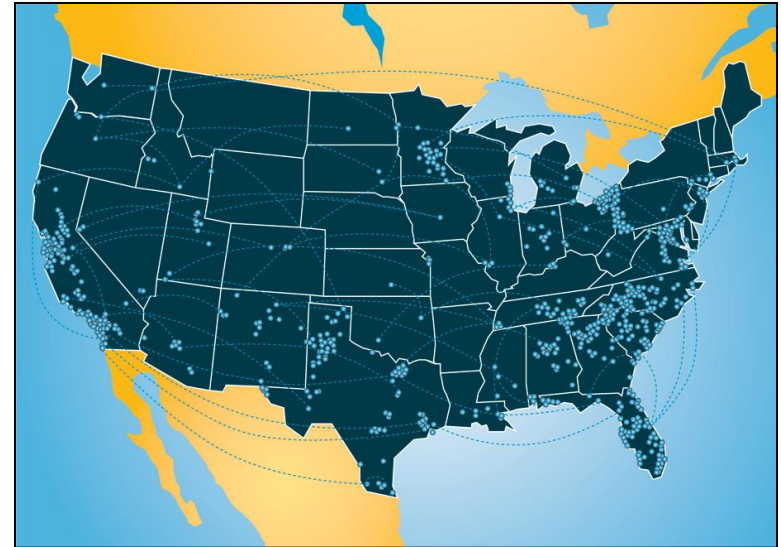# *Using Biometrics for Retail Financial Services & Beyond*

About AllTrust Networks

- Private, founded in 1999

- Pioneers in consumer-facing biometrics industry

- Successfully deployed biometrics to thousands of retail stores for identification & check cashing

- 6.5 million consumers enrolled to date

Intro to AllTrust

Our PC-based software minimizes the risks of cashing payroll and government checks. Like a credit bureau, we pool information and warn when transactions are risky.
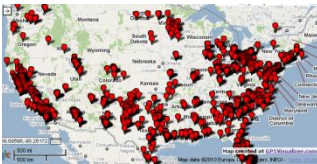
AllTrust manages the largest opt-in commercial biometric database. We run a 'closed' network for good standing customers, and an 'open' network for known fraudsters.

We use high quality optical fingerprint scanners and technology from MorphoTrak. AllTrust has successfully secured PII data since product launch in 2000.
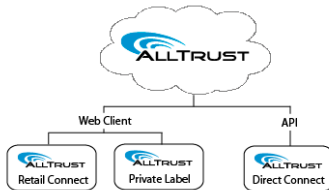
AllTrust's new Cloud platform provides a flexible web interface for biometric ID management and also integrates multiple financial services in addition to check cashing.

Alternative Financial Services Market

38 million adults are either unbanked or underbanked.* These consumers often get paid with a check on Friday evenings. Where do they go?
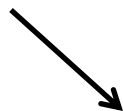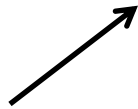
Banks

Why?

Won't give immediate cash
Limited hours
Don't trust banks
Negative history with banks
May lack US documentation

Grocery Stores
Convenience Stores

Immediate Cash
Extended hours
Clear Fees
Accept Alternate IDs
Fast & Friendly service

* 2009 FDIC sponsored study

AllTrust Adoption

Largest commercial biometric database for retail services

2,000+ active retail locations

6.5 million consumer enrollments with PII data

80 million check cashing transactions

$35 billion in check value processed

3.5 million check makers (issuers)
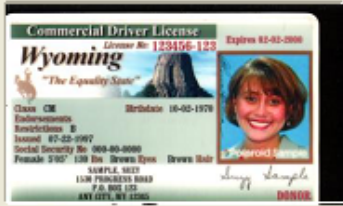
Enrollment & Securing PII Data

- Enrollment takes only 1 – 2 minutes

- Enrollment typically captures fingerprints (both index fingers), a picture of the individual, a copy of their driver's license or other ID, DOB, name and address (SSN and phone optional).

Identification / Verification Process

- Centralized database with real-time transaction processing
- Consumer simply places finger on the biometric sensor to identify themselves on return transactions
  - Record is retrieved in seconds
- Negative data is shared globally across the AllTrust network

Customer places finger on scanner

Location Based Search

If match not found in location specific enrollments, system searches chain-wide

Chain-wide Search

Match or not, the central database is checked for a match across all known negative biometrics

Match found, record returned

No match found Enrollment required

ALLTRUST

Mitigating Fraud
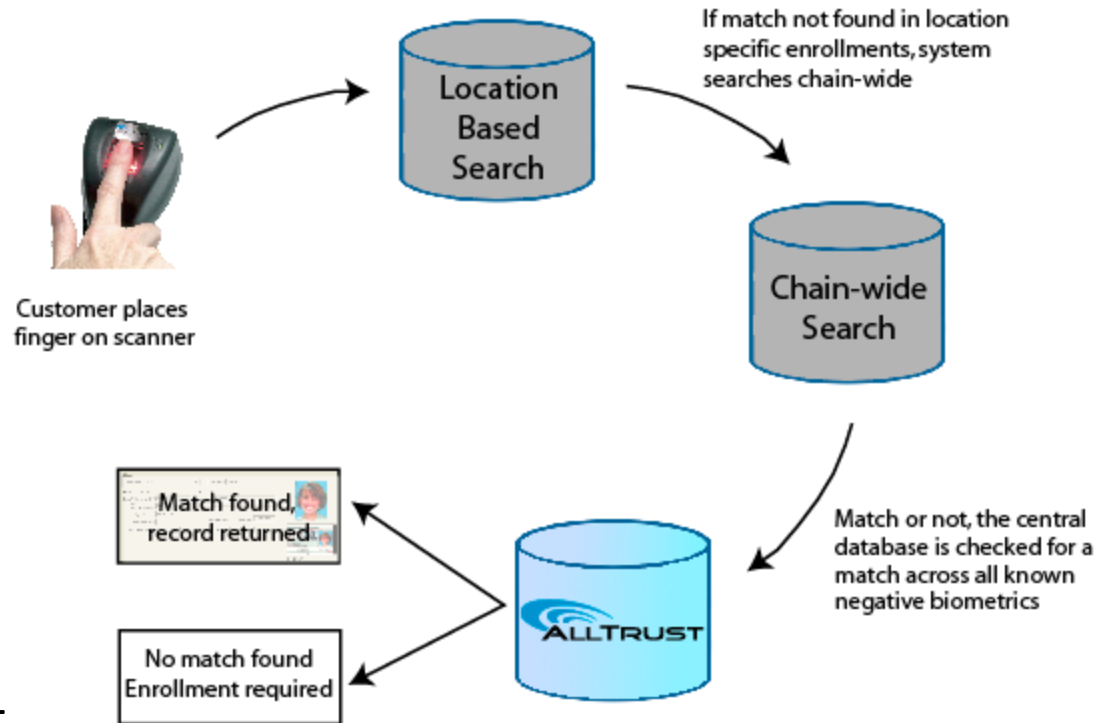
- Check fraud is a continuing problem for businesses today
  - 2009 ABA *Deposit Account Fraud Survey*:
    - Industry check-related losses amounted to ~$1.024 B in 2008
    - 80% of banks reported having check fraud losses
  - Information Security's Dec 2010 *Faces of Fraud Survey:*
    - Check fraud is one of the top three fraud forms plaguing banking institutions
- AllTrust minimizes fraud using a variety of tools
  - The biometric device discourages potential fraudsters and eliminates repeat offenders from using the system
  - The AllTrust network pools data and alerts retailers of risky transactions

Benefits for our Customers

- Improved Financial Performance
  - Cash more checks
  - Reduces write-offs

- Improved Customer Satisfaction
  - Faster Transactions
  - Reduces language barrier
  - Increased Security / No need to show ID or provide SSN

- Reduced Management Oversight

- Decreased Check Fraud Losses
  - Systematic rules mean fewer returned checks
  - Stops repeat offenders

- Biometric Benefit
  - Positive ID, ensures you know for whom you're performing a transaction

What's Next? AllTrust Cloud

- Biometric identification via the AllTrust Cloud
  - <u>Identify</u> or <u>Verify</u> individuals
  - Perform risk analysis
  - Leverage biometric ID for any application
  - Flexible and secure enrollment
- Open platform means that service is easy for partners to integrate and available on demand
- A suite of alternative financial services that can be customized for partners and retailers
  - Check cashing, money transfer, bill payment, telecom services, prepaid cards, etc.
  - Biometric ID will be leveraged for better customer service, BSA/AML Compliance and risk management

Summary
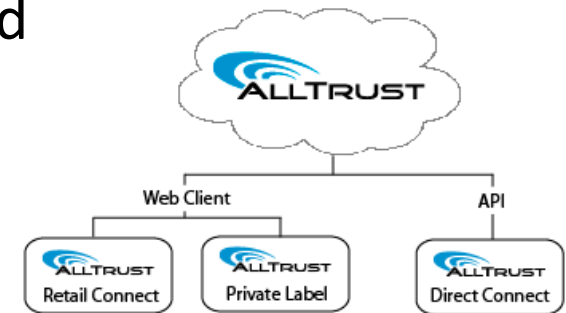
- AllTrust has demonstrated consumer and retailer acceptance of deploying biometrics for retail-based financial services

- Manages the largest commercial opt-in biometric database for retail financial services (6.5 million people)

- New open platform leverages identification and verification capabilities for any application using biometrics

- Looking for new opportunities & partners:

  ◦ Government applications

  ◦ Banking

  ◦ Other

Thank You!

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