

SCALEFAST BLOCKS MORE THAN 99% OF FRAUDULENT ACTIVITY

CASE STUDY



“Fraudsters are moving very fast— with TeleSign, you don’t have to fight them alone.”

Nicolas Stehle
CEO

Industry
Cloud Services

Product
Verification

ABOUT SCALEFAST

Scalefast builds and operates direct-to-consumer e-commerce platforms for brands that want to accelerate online sales without the time, cost and risk of in-house development. Since 2014, Scalefast has grown their client sales volume by over 11 million transactions in 130 countries, using more than 100 branded, direct-to-consumer e-commerce stores. With offices in Los Angeles, Paris and Madrid, their services are available in 6 different languages and in 10 local currencies with tax and regulatory compliance across 100 international jurisdictions.

THE CHALLENGE

With any eCommerce website, monitoring and preventing fraudulent activity is always a top requirement. Several of Scalefast’s industry-specific managed sites were experiencing an increase in fraud attempts. Specifically, in their digital gaming websites, Scalefast wanted to enhance their existing antifraud system with two-factor authentication and phone number intelligence to further reduce risk for their clients—since this industry has become a major target for hackers.

For example, many of the digital gaming sites Scalefast manages offer free-to-play games that utilize in-game currency that can be purchased with a credit card on file to get superior digital goods, add customization, pay-to-progress and even pay-to-win. Scalefast wanted to help prevent unauthorized transactions in this area and their goal was to verify these types of transactions with risk assessments based off of phone number verification and data intelligence.

TeleSign Delivered



Streamlined
verification process



Reduced fraudulent
activity



Decreased fraud costs &
false positives

THE SOLUTION

Scalefast integrated Smart Verify, a unified API that combines SMS Verify and Voice Verify and utilizes a proprietary Smart Decision Engine (a configurable workflow). Scalefast set up Smart Verify's customizable decision engine workflow to also incorporate Score, a real-time fraud detection risk assessment and phone reputation scoring based on telecom data, traffic patterns and reported fraud on virtually any phone number around the world. Score provided Scalefast with suggested risk levels based on phone data to make decisions to block, flag or allow transaction. They used SMS Verify and Voice Verify for optimized routing of the verification and authentication process.

Streamlined user and transaction verification process

When the Scalefast system detects that a transaction might be fraudulent, they challenge that user by sending a phone verification passcode code (via SMS or voice call) to the end-user's mobile phone registered to that account. For valid transactions, customers simply enter the passcode on the website or in the app and the transaction is allowed. This provides an easier process for good/valid users and a harder to break process for fraudsters. This has helped Scalefast streamline their user and transaction verification process.

Reduced fraudulent activity, fraud costs and false positives

Since implementing TeleSign, Scalefast has seen a reduction in fraudulent activity related to account compromise, unauthorized transactions, fake accounts and bulk account creations. Scalefast is able to detect fraud with real-time assessment of a phone number's attributes, usage and fraud history to automatically determine if a verification process should proceed.

Scalefast has been able to block more than 99% of their fraudulent activity.

They also are seeing a reduction in the number of the false positives, since they are also using phone number intelligence to assess level of risk for transactions. All of which this helped them reduce overall fraud costs for their customers.

Gained quick and easy access to fraud data using a modern API

Fraud prevention is essential to any business. According to Nicolas Stehle, CEO at Scalefast, the more data that can be fed into a company's anti-fraud system, the better it becomes. That means access to a lot of different databases and different technologies is necessary. Scalefast turned to TeleSign to gain access to fraud data and to deliver technology to verify users and transactions. TeleSign made it easy for Scalefast to implement access to data and technology by offering easy-to-implement and easy-to-work-with modern APIs that are well documented.

