TeleSign

name.com

NAME.COM ELIMINATES OVER $1.5 MILLION IN ANNUAL FRAUD WITH JOINT TELESIGN AND THREATMETRIX SOLUTIONS

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.

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.

"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."

PAUL CARTER
Vice President of Operations,
NAME.COM

INDUSTRY
- Web Hosting

PROFILE
- Founded in 2003
- HQ in Denver, CO

CHALLENGES
- Stop fraudsters from intercepting website traffic and stealing credentials through phishing scams

BENEFITS
- Reduced fraud rate from 10-12% down to 2%
- Reduced cost of manual review by 88%
- Reduced chargebacks by up to 80% on any given week

CHALLENGES

Name.com was experiencing a 10-12 percent annual fraud rate. This challenge required a team of 2.5 full-time employees (FTE) 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 percent 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 the TeleSign's SMS & Voice Verification and ThreatMetrix™ Cloud-Based Fraud Prevention Platform. Name.com employs ThreatMetrix's 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 device authentication as a defense for transaction security from cybercrime, hidden proxies, scripted attacks and cookie and browser manipulation by fraudsters. Using device- and transaction-related data to build a "contextual score" enables Name.com to automatically determine if an order is approved, declined or flagged for further review.

Flagging an order for manual review triggers TeleSign's SMS & Voice 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, 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.

The multi-layer 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 percent and satisfy their commitment to their upstream registry partners. Having automated and improved the process using TeleSign, individual transaction review is faster and more effective. TeleSign's high-performing technology combined with world-class support offer Name.com a powerful tool in fraud prevention.

The joint solution significantly decreased the fraud rate and significantly reduced the cost of manual reviews. Customer implemented TeleSign and ThreatMetrix they 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)
- 88% reduction in manual review costs (from 2.5 FTE to .3 FTEs)
- 80% reduction in chargebacks during any given week

ABOUT NAME.COM

Name.com is an ICANN-accredited domain name registrar. In addition to great pricing and a commitment to world-class customer service, they offer web hosting, email, website builder, premium and expired domain names and SSL certificates.