



CASE STUDY

How an Online Dating Company is Winning the Fight Against Fraud

By combining device intelligence with email verification, prominent dating site can do anything for love

97%

97% of emails positively Identified by Truvalidate email and Phone verification

“There are a lot of obstacles to finding your soulmate. Thanks to TruValidate solutions like Device Risk and Email and Phone Verification, fraud isn’t one of them.”

– Anastasia, CEO of major online dating company

CHALLENGE

Chargebacks were already a problem for the dating site when it became clear that its sourced leads also contained significant fraud. At first the company wasn’t able to clearly identify the fraud, and was at risk of losing hundreds of thousands of dollars annually.

SOLUTION

After implementing TruValidate Device Risk, TransUnion’s device intelligence solution, at the payment integration point to reduce chargebacks, the dating site began using the email function of TruValidate Email and Phone Verification at the point of registration. Now the company has end-to-end comprehensive information about the devices and email addresses being used to access its services.

RESULTS

Since using TruValidate Device Risk and Email and Phone Verification, the company’s chargeback rate has remained below 1% and has reached a 4x ROI, significantly outpacing initial KPIs.

FOR THE LOVE OF FRAUD

As a major online dating company, this customer facilitates romantic connections for people all over the world. The site provides a platform for subscribers to connect, communicate and hopefully enter into a successful long term relationship or marriage.

But what love story comes without a cost? For this dating service, its first major obstacle with fraud came in the form of chargebacks, which had started to get out of control. This can be an enormous problem for merchants, and is the reason why they came to us in the first place. "I think a lot of people have become more technologically savvy, which in turn has created opportunities for more fraud," says Anastasia.

Unfortunately for the dating site, more fraud was indeed on its way. The company pays advertisers on a per-lead basis, and Anastasia's fraud team noticed that the leads carried a substantial amount of fraud. She knew that if they didn't get it under control, **they could be looking at a loss of more than \$300,000 per year.**

EMAIL VERIFICATION FEATURE LEADS TO SIGNIFICANT RISE IN FRAUD CATCH

Upon discovering that fraudsters were hiding behind many of their sourced leads, Anastasia's team needed an efficient and cost-effective way to identify good candidates from bad actors, in addition to reducing chargebacks. This led to the implementation of Device Risk and Email and Phone Verification – two solutions from TransUnion's global suite of fraud solutions, TruValidate – in order to decrease fraud at two critical points in the customer journey. The first fraud check occurs at account origination, when a new client fills out a registration form. Thanks to TruValidate Email and Phone Verification, which positively identifies 97% of all emails submitted to our global system, Anastasia's team can access additional information about each lead and gain insights into potential risks on any transaction, including those coming from a new account or device. They can also identify if the leads are worth the cost – and on a larger scale, if the source delivering the leads is worth working with. Plus, the marketing team can feel more confident moving leads through the funnel.

The second fraud check occurs during payment, in order to prevent chargebacks. Unlike requesting a refund directly from the merchant, a chargeback is a bank-initiated refund for a credit card purchase after a cardholder contacts their bank to dispute a transaction. By leveraging TruValidate Device Risk, Anastasia's team can skip having to manually sift through profiles to identify fraudulent transactions and likely chargebacks. Our device intelligence technology automates this process, saving the company significantly on time and resources.

Before we started using TruValidate Email and Phone Verification, we couldn't calculate the fraud on a per-lead basis. Now, we can really dig into the details to identify the fraud, and take more preventative actions.

Anastasia, CEO,

LOW CHARGEBACK RATE, MAJOR ROI FOR DATING SITE

"We are in a high-risk category, but since using TruValidate, our chargeback rate stays below 1%," shares Anastasia. "We've been a client for ten years now, which should speak for itself. Their solutions have done wonders for us."

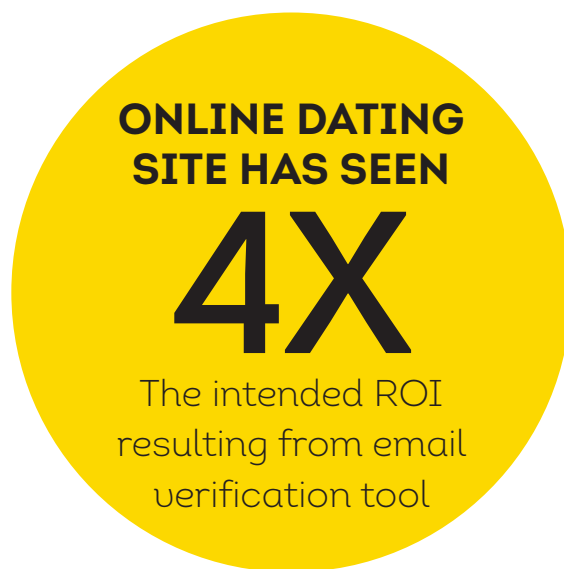
For the dating site to see ROI from TruValidate Email and Phone Verification, 1.9% of transactions would need to result in denials. Instead, the company is seeing 8.7% of transactions resulting in denials, which is over 4x the intended ROI.

“Before we started using Email and Phone Verification, we couldn’t calculate the fraud on a per-lead basis. Now we can really dig into the details to identify the fraud, and take more preventative actions,” says Anastasia.

Overall, this long standing relationship has brought enormous comfort and trust to Anastasia and her team. “Fraud really doesn’t keep me up at night. Thanks to [TruValidate], I feel like we have it under control.”

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Anastasia, CEO,
Major online dating company



Contact your TransUnion representative
or visit:

transunion.com/truvalidate

