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Whats Next

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Enterprise

BNY Mellon discusses multi-channel fraud detection and layering authentication in the evolving world of COVID-19

This week I sat down with Chuck Gallant, Director of Digital and Data Products at BNY Mellon, in the latest installment of our virtual fireside chat series. Chuck's job is to oversee the development and delivery of digital capabilities in the investor servicing space at BNY Mellon. He and his team support millions of investors with back office services including answering incoming calls and various other office processing tasks. "As you might imagine," he says, "in a retail environment like that which we're supporting, fraud is a significant issue that we have to combat."

Brett Beranek
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The challenges of fighting fraud across multiple channels

I started by asking Chuck about the overlap between the challenges he faces and those of companies like Fidelity and Prudential. He agreed that those institutions face many of the same challenges when servicing retail investors advisors but pointed out that because BNY Mellon are serving multiple clients on behalf of the investor, Chuck and his team have to fight account takeover, identity theft, and other forms of fraud across multiple channels.

In this context, I was particularly interested to get Chuck's perspective on managing fraudster watchlists. He explained that because fraudsters typically attack groups of investment companies, BNY Mellon is in a great position to share fraudster watchlists across these companies. This way, he says, if a fraudster attacks company A, they could see that fraudster on a watchlist from company B.

Layering authentication factors for better security

BNY Mellon is a leader in adopting innovative tactics towards authentication and fraud prevention so I was very interested to hear Chuck talk about his vision on that front.

To address their multichannel problems, Chuck and his team are developing a product they call Fraud Hub. Fraud Hub includes a number of components, including Nuance's Security Suite for voice biometrics. The goal is to prevent fraud by doing things like multifactor authentication, establishing digital identities, sending text alerts, and more.

What these efforts (and others) all lead to, Chuck says, is expanding on Nuance's own risk scoring engine to incorporate multiple other factors, such as when someone's trying to complete a transaction, how many transactions they've attempted recently, and whether they've been unsuccessful before.

I was thrilled to hear Chuck talk about this, because this type of multi-factor approach is exactly what's needed to address this type of cross-channel fraud problem.
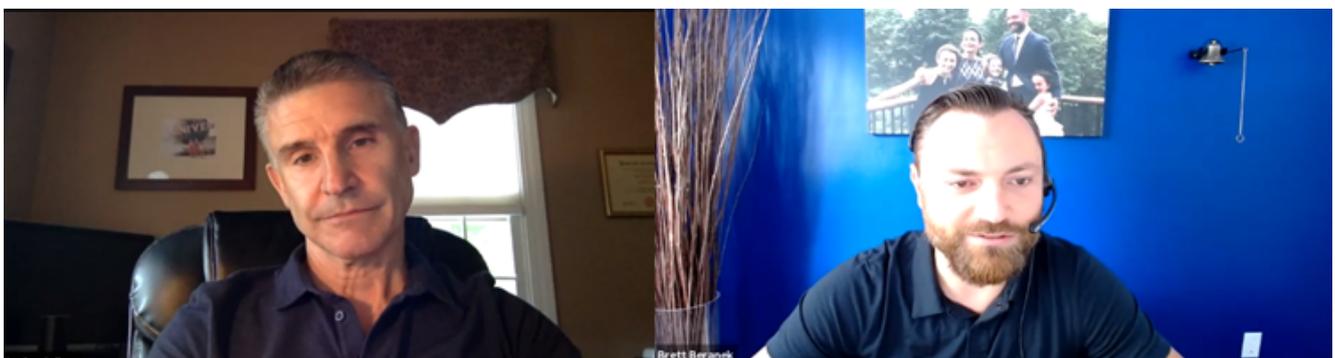
Challenges associated with fighting fraud in the era of COVID-19

Interestingly, when I asked Chuck about how his thought process had potentially changed on the topic of fraud in the pandemic era, he said that his thinking hadn't changed significantly. They have seen some fraud schemes trying to take advantage of the crisis. But overall, the amount of fraud is about the same.

Beyond that, they've faced some big challenges associated with rushing to get tens of thousands of people working from home. As part of this process, BNY Mellon worked very closely with Nuance to craft a detailed plan for moving their voice biometric authentication capabilities with their agents. "Anybody that sees this plan is amazed at the amount of detail," Chuck says. "So, I think planning and training, especially with the agents working from home, is critical."

This is a critical element to the success that BNY Mellon is having with voice biometrics: It's not just about the technology, it's also about how you get it implemented and leveraged by your employees.

To hear our entire discussion, including how BNY Mellon is using voice biometrics internally, the value proposition to them, and our Q&A session, click here.

Tags: biometric authentication, biometrics, BNY Mellon, fraud prevention, voice biometrics

About Brett Beranek

Brett Beranek is responsible for overseeing every aspect of the security and biometric business at Nuance. Prior to joining Nuance, he has held over the past decade various business development & marketing positions within the enterprise B2B security software space. Beranek has extensive experience with biometric technologies, in particular in his role as a founding partner of Viion Systems, a startup focused on developing facial recognition software solutions for the enterprise market. Beranek also has in-depth experience with a wide range of other security technologies, including fingerprint biometrics, video analytics for the physical security space and license plate recognition technology. He has earned a Bachelor of Commerce, Information Systems Major, from McGill University as well as an Executive Marketing certificate from Massachusetts Institute of Technology's Sloan School of Management.

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