Financial institutions recognise the need to be ever more vigilant in combating the growth in money laundering and identity fraud, where forged or stolen identities are used in criminal activity to obtain goods or services by deception.

Identity fraud is estimated to cost the UK at least £1.3 billion per annum, and as such, financial institutions are forced to go to great lengths to establish that customers are who they say they are, and live where they say they live.

The explosion of identity fraud as the UK’s fastest growing criminal activity has revealed many loopholes in current identity checks, which mainly rely on paper documents that can be easily forged and stolen. Attempts to counteract the rapid growth have been hampered by limited access to relevant population data sources, staff processes and the time needed to complete the verification.

The cost of compliance

The new framework of Money Laundering Legislation requires financial institutions to ensure appropriate “Know Your Customer” (KYC) checks are completed and maintained to minimise risks. One of the biggest challenges is the need to verify identities to the highest level of confidence, whilst meeting the individual requirements of specific financial institutions and retaining a comprehensive audit and record trail. For many organisations the cost of fighting fraud with paper based authentication systems is higher than current fraud losses.

With increased pressures on financial institutions to improve KYC checks, the identity verification process must be swift, comprehensive, unobtrusive to customers and securely accessible through multiple channels.

An innovative solution from BT and GB Group

URU is a online identity validation service that can enable financial institutions to make more calculated risk-based decisions in fighting identity fraud, completing KYC checks, improving enterprise-wide security and enhancing operational efficiency. It allows real-time identification of customers via personal information that they provide. By simply entering key information about an individual, URU checks the details against a multitude of independent data sources. URU then immediately marks the data according to its accuracy, returning a positive or negative response. From this response you are then able to decide the authenticity of the person concerned. In this way, URU removes the need for costly, manual paper-based identity verification,
thereby dramatically reducing identification time and enabling non-face-to-face checks to be completed with confidence.

1 Identity Fraud Study, Cabinet Office, June 2002

**URU™: BT & GB together**

Jointly developed by BT and GB Group plc, URU has been designed to overcome many of the shortcomings of existing identification systems.

GB Group has over a decade of experience in working with UK population data sources, and has consolidated this wealth of information into a central data repository. Using advanced data compression and rapid data retrieval technology, GB is able to reference and verify hundreds of millions of population records in seconds.

Both organisations have a number of specialist identity fraud experts and work closely to support the policies of the Financial Service Authority and government departments.

**The benefits for financial institutions**

- **Regulatory compliance**
  URU can help you to meet Financial Service Authority (FSA) Compliance Process Requirements for ‘Know Your Customer’ checks (KYC), via a systematic process that eliminates subjective assessment.

- **In-built audit trail**
  The 2nd European Directive on Money Laundering requires customer records to be retained for five years after the customer relationship has ended. URU retains an electronic audit trail of all customer verifications during the use of the URU service thus simplifying the retention process.

- **Enhanced customer experience**
  URU employs a range of online databases in order to verify a person’s identity, removing the need for customers to leave behind or post identity documents. This allows quick verification in circumstances where the customer is not physically present.

- **Reduced operational costs**
  As no paper documents are necessary, URU can also significantly reduce application and process handling costs.

- **Increased ability to combat fraud and money laundering**
  URU’s fast response time not only accelerates the handling process for legitimate customers, but it also increases the chances of identifying fraudulent applications at the earliest point in the customer process.
How it works

URU is designed to search multiple data sources in a matter of seconds, in order to verify an individual’s identity.

- The service checks details against reference datasets, including current and historic UK population registers, mortality data and bank sanctions data. No sensitive personal data such as details on racial or ethnic origin, personal beliefs or lifestyle is included in the search.
- URU is constantly updated, and challenges the fraudster striving to beat the system, as no actual data is disclosed in its results; the response is in the form of a tick or cross, articulating how well the databases support the individual’s information.
- By retaining specific data in this way, URU is also in compliance with the Data Protection Act. Organisations are advised to obtain an individual’s informed consent prior to using the service.
- URU is designed to be seamlessly integrated throughout existing systems. Levels of verification can be tailored to suit different internal processes: for instance, applications for current accounts.
- URU can be deployed to operate directly through a web browser or incorporated into existing Web Services – it can even be accessed via mobile devices.
- Verification of information is carried securely and uses Web Services standards, this enables a speedy deployment of the service across an organisation.

BT and URU™

BT provides URU as a secure managed online service.

- The application is hosted in our world-class data centres and backed by outstanding service and support, ensuring high and dependable availability.
- BT offers consultancy and integration services to help you develop URU-based applications.
- BT also provides comprehensive 24/7 helpdesk support.
- Market trials and pilot implementations can be co-ordinated with BT.