



Accertify Helps The Carphone Warehouse Reduce Fraud, Increase Revenues and Keep Customers Coming Back

THE Carphone Warehouse

Best Buy Europe is Europe's leading mobile communications retailer with more than 2,400 stores and annual sales of £3.5 billion. Based in the U.K., the company operates under The Carphone Warehouse brand and also operates in nine other European markets under the brand name The Phone House, including Belgium, France, Germany, Ireland, the Netherlands, Portugal, Spain, Sweden, and Switzerland. Best Buy Europe Distributions Limited is a joint venture between Carphone Warehouse Group plc and Best Buy Co., Inc.

"We needed a fraud prevention solution that would help us get control of our transaction data and provide the flexibility to deploy more targeted screening strategies. Accertify is the only system we've found with the ability to do that. They've helped us manage our fraud risks without negatively impacting genuine customers."

Philip Mead
Head of Fraud and Loss Prevention
The Carphone Warehouse Limited

How a leading European mobile communications retailer cut chargebacks by more than 50 percent while reducing order rejections and manual reviews

Situation

In 2005 the fraud landscape in the UK changed significantly with the introduction of Chip and PIN. Replacing the magnetic stripe on payment cards with smartcard technology reduced fraud at the point-of-sale, but it is widely believed to have driven fraud to the Internet and other card-not-present channels.

As fraud became increasingly sophisticated, with merchants' detection systems being tested more than ever, preventing fraud needed to be more dynamic.

With the aim of striking a better balance between fraud prevention and lost sales, in 2010 The Carphone Warehouse decided to seek a flexible and advanced fraud prevention system capable of incorporating complex rules and more data in the screening process.

Solution

After reviewing a variety of solutions available in the marketplace, The Carphone Warehouse chose Accertify as the best provider to meet its needs. In October 2010, Interceptas® by Accertify was implemented for screening card-not-present transactions.

Interceptas provides a comprehensive and customizable platform that integrates a sophisticated rules engine and advanced rules management technology with an efficient workbench platform that drives transactions to resolution and improves chargeback management processes.



“Because of Accertify’s automation, we can conduct checks on an unlimited number of orders daily, so we aren’t constrained. It isn’t a labor-intensive process and we need fewer resources dedicated to manual review.”

Interceptas accepts a wide variety of data in virtually any type of format, giving The Carphone Warehouse greater control of its transaction data. The retailer was able to add a ‘positive list’ of data associated with legitimate customer transactions, and a ‘negative list’ of data associated with fraudulent transactions. This helped to accurately detect more fraud and identify legitimate transactions and repeat customers to maximize sales opportunities, improve customer service and retention and grow revenue.

Accertify’s end-to-end approach, built-in automation and easy-to-use interface closed the gaps that fraud could slip through and made fraud prevention more efficient and streamlined. The Carphone Warehouse also received seamless access to best-in-class tools for authentication, and the retailer can now choose which transactions utilize this third-party data for added cost-efficiency.

Results

As a result of working with Accertify, The Carphone Warehouse quickly and significantly reduced its fraud rate, while decreasing order rejections, increasing its average transaction value and preventing more fraud with less manual effort.

Twenty-two weeks after implementation of Accertify, The Carphone Warehouse has experienced the following benefits:

- **Fast reduction in chargebacks.** The Carphone Warehouse cut its average monthly chargeback rate by more than 50 percent. During the same period, the retailer experienced overall growth in transaction volume.
- **Reduced false positives.** Fewer order rejections were described as a significant contributing factor to a 13 percent increase in the retailer’s average transaction value that occurred post-implementation.
- **Increased efficiency.** Fraud prevention was streamlined and manual reviews reduced. With Accertify, the volume of orders flowing through the fraud prevention system without manual review or analyst intervention increased by 12 percent.
- **Improved customer service.** Negative impact of fraud prevention on customers was reduced due to fewer order rejections and delays.
- **Labor savings.** Four full-time employees, or 13 percent of fraud prevention FTEs, were reassigned to other customer service duties as a result of the reduction in manual workload.

“With Accertify, we saw an immediate impact. Chargebacks were reduced significantly, order rejections decreased and our average transaction value rose.”

About Accertify®

Accertify Inc., a wholly-owned subsidiary of American Express, is a leader in providing e-commerce companies with software, tools and strategies for preventing online fraud and mitigating enterprise-wide risks. Its Interceptas® platform integrates every component of fraud prevention, applies state-of-the-art automation to each step in process and offers advanced capabilities for managing fraud data. Built with a merchant’s perspective, Interceptas delivers flexibility in preventing various types of criminal behavior, including fraud related to card-not-present purchases, online scams and policy abuse, merchandise returns and exchanges and other data management challenges. Accertify is committed to providing online companies with the most cost-effective solution to fraud available. For more information, visit www.accertify.com.



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