

Pitney Bowes PowerPoint Effective KYC in a Digital World

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Increased Regulation

- EU 4th / 5th Money Laundering Regulations
- EU Payment Regulations
- Common Reporting Standards
- EU Payment Services Directive 2 (PSD2)
- MIFID II
- EU General Data Protection Regulation



**Increased KYC Requirements for
Customers, Parties and Transactions**

Increased Customer Demands

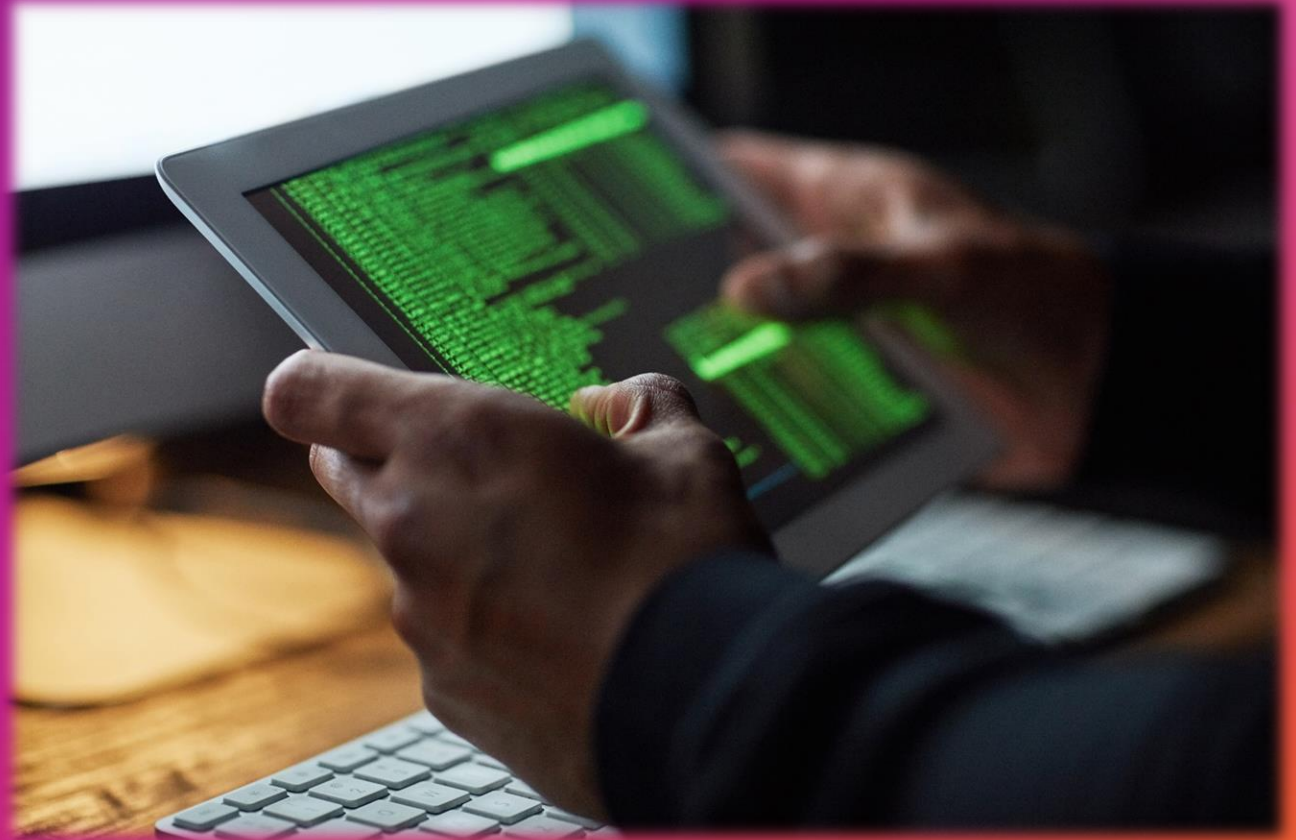
- Embracing the 'digital' world
- Multi-channel approaches but dislike of paper
- Consumers want a 'Seamless' experience
- Using the technology in their hand, or home, or on the move



Having a 'Retail' purchase type experience

Challenges

- Navigating the Regulation (contradictory regulation?)
 - GDPR Lock data away, securely but....
 - PSD2 Open up data to customers and Payment Providers
- Identifying the Customer, or party from multiple data sources
- Obtaining sufficient 'trusted' information in a digital world
- Use of Electronic Verification – payments
- Providing *a frictionless* customer experience



Having a good quality, effective and efficient KYC

Current Efforts

- The Data Warehouse / data 'lake'
- Data Quality Improvements
- A global Single View of Risk (Customer, parties, transactions)
- Machine Learning – Analytics, Event Triage
- Some 'intelligent' automation - 'Auto-KYC'
- Some use of Biometrics – voice(?)



Supporting the decision maker

Future Trends

Artificial Intelligence / Machine Intelligence

- Advanced Analytics
- Pattern matching, self learning
- Reasoning and decision making

Identification through Biometrics – Identify Fraud prevention?

- Voice
- Finger prints
- Iris scans
- etc.



Automating the Decision Making

Conclusions

- Regulatory Landscape not relaxing
- Need to have accurate KYC / CDD
- Customers have high expectations, contradictory(?)
- Decision support techniques are being developed
- Fully automated decision making, is this any nearer?



Data, is key, and good quality data is essential

Thank you

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