

# Q&A - Digitized Identity Verification: The Future of ID & KYC

Financial institutions from all over the world are facing increasingly strict regulations regarding the verification and authentication of their customers' identity. In addition to this obligation to comply with stringent regulatory requests, the rapid pace at which data breaches multiply, leaking millions of personal data sets, has made complying with current regulations harder.

Sarah Clark, SVP of Global Product Management at Mitek, and Supriyo Guha, AVP at GENPACT, share their expertise and answer questions related to this ever-changing environment and how it has forced a tipping point for organizations to regard the adoption of new technologies for identity verification as a must-have rather than a nice-to-have.

Use this Q&A as a handy guide to assess and satisfy consumers' demands for speed and ease of use and to gain a competitive edge, remain compliant, and offer a frictionless and user experience.

Have more questions about digitizing identity verification and KYC processes for online onboarding? Access the on-demand webinar [Digitized Identity Verification: The Future of ID & KYC](#).



### Q: Are regulators open to accept digital KYC checks?

**Sarah Clark, SVP of Global Product Management, Mitek.** - There are definitely many financial institutions live globally that are offering digitized KYC checks. At Mitek, we manage various onboarding cases covering banking, payments, and money remitters, for example and they certainly haven't had any regulatory issues. There is always trepidation from the market at the time to embrace new methods. In the European Union, the most recent AML directive explicitly expresses support for electronic copies of identity documents. Regulators in the EU are embracing these means of digital identity verification.

**Supriyo Guha, AVP at GENPACT.** – In the U.S., digital banking heavy weights such as Goldman Sachs are using digital identity verification. Regulators are comfortable having a digital ID verification implemented as far as financial institutions have an approved method to verify that ID; have established an overarching customer identification program and use multiple methods to verify identities of their customers online, such as document-based verification or data bureaus.

### Q: How would you rate the level of acceptance of digitized KYC checks in the industry?

**Supriyo Guha, AVP at GENPACT.** – There are different levels of acceptance of these varies digital journeys. FIs should provide alternative methods, also to provide information about digital channels in person or through more traditional methods.

In retail banking the digital journey has evolved more seamlessly and users seem to be more adapted and actually embracing these digitalized means of identity verification and online KYC checks. The case is different for commercial banking given the complexity implied in the due diligence processes they need to conduct; for the latter, the adoption of KYC has been far lower.

**Sarah Clark, SVP of Global Product Management, Mitek.** – There is a great sense of urgency in the market as FIs realize the importance of digital and the issues of rising abandonment due to fragmented onboarding flows. Given this scenario, we see how more and more banks, payments companies, and money processors embrace digital identity verification to satisfy the consumers' demand for fast, secure, and seamless onboarding and transacting online.

**Q: How reliable is a mobile camera - based verification of the authenticity of an ID?**

**Sarah Clark, SVP of Global Product Management, Mitek.** - Using modern techniques of machine learning and samples of forgery techniques and counterfeit evidences, we can develop advanced algorithms and train computers and other smart devices such as mobile phones to be far more accurate to spot the subtle differences that might escape the human eye, specially those elements of the ID that are designed to foil forgers.

**Q: How secure are the state-of-the-art ID Verification techniques?**

**Sarah Clark, SVP of Global Product Management, Mitek.** - Getting past current facial recognition and face comparison requires a colossal effort, and the application of highly professionalized skills and tools; while the vast majority of identity documents forgers are amateurs.

**Q: What advice would you give to financial institutions to educate their management and customers on these advanced methods of verifying their customers' identities?**

**Supriyo Guha, AVP at GENPACT.** –Banks need to be able to explain early on the KYC and AML regulatory requests and that there are different digital channels that enable a pleasant digital customer journey and a user-friendly experience.

**Sarah Clark, SVP of Global Product Management, Mitek.** - I concur. In general, the advice we give to banks and financial services providers is based on what we see across global markets: if you cant complete your digital journey, its likely that you move to the path of less resistance. But FIs are also under pressure to comply with regulations and to do it in an automated, scalable way and doing this manually is not sustainable.

*Find more answers to your questions – revisit [Digitized Identity Verification: The Future of ID & KYC](#), now available on demand.*