

Empowered Validation

Advancing Enterprise



# About DigiLog

DigiLog UK Ltd is the world's leading provider of integrated risk-reduction solutions for validating integrity within conversation-based transactions such as Applications, Claims and Customer Disputed Transactions. We call this approach the Advanced Validation Solution (AVS). AVS is designed to handle even large volumes of calls efficiently and effectively whilst being as customer friendly as possible.

DigiLog's Management Team have between them years of professional experience in the areas of Fraud Risk Management, Fraud Investigation, Voice Risk Analysis Technology, Business Process Enhancement, Training and Customer Service.

We currently count Highway, Provident Insurance and eSure among our growing portfolio of clients.

A strategic partnership formed between DigiLog and Capita Plc is tremendous news for the future growth of AVS in both the public and commercial sectors.

Our specialist expertise and knowledge now combines with Capita's scalability and innovative service provision, complementing and expanding our current capabilities in Consultancy, Training, Technical Support and Risk Management.



Advanced  
Validation  
Solutions

## How much does fraud actually cost the Banking Industry?

Putting a figure on this is notoriously difficult as currently the perceived cost can only take into account the amount of fraud actually being prevented and detected using non-AVS methods.

According to APACS, the UK's payments association, losses relating to plastic fraud in 2007 show a massive increase of 25% on the previous year, at £535.2m. A key driver behind this is the 77% increase (up £90.5m) in fraud committed by overseas criminals using stolen UK card details – which typically occurs in those countries yet to upgrade to chip and PIN.

Overseas fraud now accounts for more than 3% of total plastic fraud losses.

Internet related fraud is now estimated to be costing the UK half a £billion.

One thing is certain, the cost of fraud is inevitably borne by society. Every UK household is subsidising fraudsters by an estimated £1,872 per annum and rising. Ignoring the importance of real-time validation will inevitably delight the fraudsters, frustrate your genuine customers and significantly erode value in your business.

## DigiLog's AVS for Banking

The risk of fraud in the banking sector continues to rise. In the last 6 months, we have seen the considerable loss of valuable personal data – much of which is gold-dust in the hands of criminals. Further, we have seen the emerging impact of generous lending policies hitting the availability of credit on a global scale. We also face the prospect of a shrinking, pressurised economy. It stands to reason that Banks and lenders seeking to reduce their exposure to these dangerous risks would benefit greatly from the implementation of customer friendly, but enormously powerful, validation solutions. Surely the goal must be to enable real time risk assessment and management at the moment a customer or prospect

provides information about their identities, their requests, their financial status and their known future intentions.

When all is said and done, this is where DigiLog's AVS Banking solution comes into its own. AVS is available right now to enable powerful, telephone-based risk assessment of loan/leasing/account/credit/applications, customer disputed transactions and debtors.

First party fraud is best managed through prevention - in the case of plastic cards, at the point of initial application. It is self evident that the exclusion of high-risk applicants from a card issuer's customer base will have a significant effect on that organisation's bottom line. Nevertheless, it is just as important to ensure that the process of vetting applications is as 'intelligent' as possible, with its priority being to minimise the number of 'genuine' customers rejected through screening.

So, the challenge for fraud prevention is to balance what it needs to do with the seemingly contradictory objectives of customer service, effective marketing and risk management. Positively impacting on your business efficiency and profitability is surely the ultimate objective.

DigiLog's Advanced Validation Solutions are designed to achieve just that. Our processes, tailored for a wide variety of banking transactions, ensure a more in-depth and accurate result than any other voice risk analysis based system we know.

With bespoke scripting and a user friendly operator interface, we enable incredibly focused, informative and real-time risk assessment of the subject's answers to our pertinent and powerful questions. Within seconds you will have incredible insight into which of the subject's answers are most likely true or otherwise exhibit specific, relevant risk and from there, you can take immediate and sensible business decisions in order to address those specifics in a manner previously unheard of.

*Maximising the effective relationship between our services and your internal operation, is a key ingredient of success.*

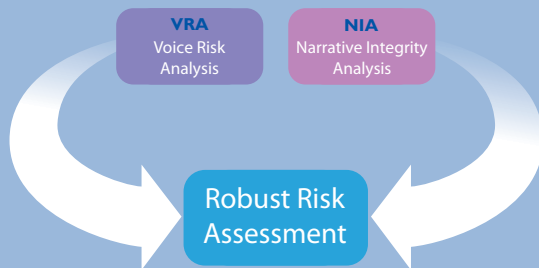
# DigiLog's Solution

## Introduction

DigiLog's proven Advanced Validation Solutions (AVS) are able to focus in on - and instantly assess risk in - what is being said by any applicant/claimant/dispute.

AVS concentrates on the actual matter being reported by the customer and unlike other screening methods, risk assessment is not clouded by prior history or personal socio-economic profile.

Offering an appropriate level of resistance to fraudsters and cheats, whilst enhancing the experience of genuine customers, is critical to our success.



## A Dual Approach

DigiLog's AVS is revolutionary in combining powerful Behavioural Analysis Techniques, known as Narrative Integrity Analysis, with the most sophisticated Voice Risk Analyser Technology on the market, enabling the fast and accurate validation of genuine customers.

This dual approach ensures that the subjectivity of an operator's opinion in critical decision making is both underpinned and robust.

## Fast-Tracking

The primary objective of AVS is to identify genuine customers swiftly and in real time by enabling operators to accurately assess risk in statements as they are actually reported by customers.

The majority of cases are regularly assessed as having little or no relevant risk and are subsequently streamed for fast-track settlement. Those that cannot be immediately passed to the fast-track are retained for more in-depth validation work.

## Key Benefits

**Customers** Providing enhanced service levels to the genuine customer is at the heart of the process. Customer retention is critical to a company's long-term success – fast, efficient and effective validation dramatically improves the genuine customer's level of satisfaction.

**Shareholders** DigiLog customers are regularly showing a substantial return on their AVS investment. They attribute this to a combination of dramatic increases in the defeat of fraud, significant enhancements to a variety of business efficiencies and reductions in processing times and associated costs.

**Employees** By empowering front-line employees to make key decisions, motivation through ownership is greatly enhanced and staff turnover hugely reduced. Additionally, new skills and processes are opening up new career paths for front-line staff.

## Voice Risk Analysis

The ground-breaking Nemesysco Voice Risk Analysis (VRA) technology at the heart of DigiLog's solution, uses a number of highly innovative algorithms to produce a powerful computerised analysis of risk in speech flow - either as it happens or as was captured in a recording.

These identified risks not only reveal signposts to truth but also deception, uncertainty and inaccuracy.

The pre-existing stress levels (which can vary considerably) of each individual customer are always taken into account before a VRA evaluation is applied.

This ensures that analysis is tailored to accommodate an individual customer's unique set of circumstances at the specific time their responses are analysed.

## Narrative Integrity Analysis

DigiLog has carefully researched, tested and proven its Narrative Integrity Analysis (NIA) techniques, designed for deployment in tandem with VRA technology.

Fundamental to NIA are a number of highly advanced and 'empowering' techniques embedded within the AVS process including:

- Advanced Questioning Techniques
- Enhanced Cognitive Interviewing
- Conversation Management Skills
- Applied Psychology

As a result, we have identified over 30 tried, tested and highly powerful signposts to truth and deception that regularly occur within speech. These are easily captured within our process in order to make life simple for the operator and risk assessment as reliable as possible.



# Business Benefits

## Business Benefit

## Result

### Enhanced Customer Service

- 70% of customers fast-tracked, often in as little as 10 mins
- Claims lifecycle down as much as 75%
- Complaints ratio regularly at or near 0%
- One client reports a 50% reduction in customer complaints

### Reduced Operating Expenses

- Evidence of at least 33% reduction in average handling time
- Higher defeat rates\* but lower ratio of field investigations

### Reduced Leakage

- Clients regularly achieving huge increases in fraud detection and prevention
- One insurance client reports savings of £11 million from 19,000 claims

### Improved Staff Motivation

- Call handlers empowered to make key decisions
- Skilled role with greater stimulation and career path
- One client reports front-line staff turnover down 72%

### Powerful Management Information

- Delivering focused insight on critical claims handling activities
- Enhancing business awareness of customer base behaviour

### Business Process Efficiency

- Creating streamlined, logical and efficient operations, benefiting both your organisation and your valued customers

\*Defeat rates will vary according to client and deployment type

# Our Services

DigiLog's AVS is so much more than a mere product. It is a dynamic solution carefully designed and tailored to meet your business needs, accompanied by service excellence and geared to deliver substantial returns on investment.

Drawing from our considerable experience in implementing solutions for many leading organisations, both at home and internationally, AVS embraces all critical components of successful delivery, including: Project Design and Management, Training, Mentoring, Technical Integration, Support and Business Process Enhancement.

Implementing any new solution should always be challenging but never daunting. You can be sure that DigiLog has the necessary knowledge and expertise to help you achieve your goals swiftly and efficiently.



# Business Relationship

**Relationship** At DigiLog, we are committed to building a mutually beneficial long-term relationship via our philosophy of taking a proactive approach in relationship management. Our principal objective is to maximise the effective relationship between our solutions, whether outsourced or in-house, and our clients' internal operations. We constantly seek ways to positively impact on AVS performance and the working practices of our clients.

**Service Excellence** As a provider of cutting-edge, customer-facing solutions, we are fully committed to providing the best possible customer experience complemented by market leading service levels. Technology and Process Support to our customers is focused, flexible and informed and is available by phone, online or on-site.

**Experience** Members of our Management Team have played key roles on the ABI's Anti-Fraud Committee, the Insurance Fraud Investigator's Group and the National Hunter Steering Group. Additionally, we are actively involved with ATMIA, the Fraud Advisory Panel and The Association of Certified Fraud Examiners. This extensive experience and deep insight into the issues that affect your industry enables you to have confidence in our ability to deliver the desired solution right from the outset.

# Testimonials

## UK Government

"This positive and encouraging news from the pilots shows that this technology is helping to combat benefit fraud. It is also making it quicker and easier to review claims, especially for those people who are genuinely entitled to benefits,"

James Plaskitt MP, Anti-fraud Minister

## Highway Insurance

"We have found that not only does the solution (AVS) do an excellent job in identifying risk within claims, but that the underlying message is getting through that claims fraud is much more difficult to get away with when processes such as this are in place. We have seen the benefits of using the process across the board ....."

Peter Gallagher, Highway Claims Director

## Coventry City Council

"AVS has delivered real benefits for Coventry City Council and our customers. Not only are we now able to pay genuine claims much quicker, we are also safeguarding funds by ensuring that higher levels of fraud are identified accurately and efficiently before claims enter payment. In addition, we have found that our customers are very happy with the process and our staff enjoy the additional skills and working with such a ground breaking process."

Leslie Dunn, Benefits Manager, Coventry City Council

## Provident Insurance

"With DigiLog, we have seen an enormous increase in fraud savings coupled to a massive reduction in the number of complaints in the days pre AVS. Another benefit is that the AVS styled questions help our genuine customers to provide much more accurate information, helping us to improve the overall efficiency of our processing. AVS is helping us to fast track genuine claims to settlement – often 50% faster than before."

Adrian Furness, Provident Insurance Claims Director



Advanced

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Solutions



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