Critical Trends in Speaker Authentication – Security as a Differentiator

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Topics

- ID Theft - Current landscape & regulations
- The problem with the regulations
- The solution - *as simple as it sounds*
- Strategic differentiation
Introducing VoiceVerified™

Our Vision:
To deliver voice verification services which provide the greatest:
• Accuracy
• Security
• Flexibility
• ROI
• Deployment ease/speed
• Strategic Differentiation
And protect the individual’s privacy

Security w/o compromising privacy
Market Landscape

• The impact of identity theft
  – 11 million American victims of identity theft - 2005 Better Business Bureau
  – > $57 billion cost to businesses/consumers annually in US alone  FTC
  – 1 in 6 Americans have had financial information stolen  Gallup

• Consumer fear of identity theft
  – Highly visible, frequent headlines
  – Banks confirm problem with identity theft services & ad campaigns
  – Stalling/reversing trend toward more profitable self-service channels
  – Little progress in the fight against identity theft

• Technology
  – Continued growth of high speed connections
  – Consumer inability/laziness in managing security
  – What’s next?

Data security fears outrank terrorism, environmental concerns – Visa
Finextra, Jan.25,2006
Consumers around the world are more worried about theft of personal financial data than about issues such as the environment and terrorism, according to research released by Visa International.

…. incidents are increasing at alarming rates!
Market drivers: Consider what’s in your pocket

The average American has:

- 3 Credit Cards + 1 Debit Card
- Driver’s License
- Healthcare Insurance Card
- 2 Loyalty Cards
- Employee ID Card
- Others Associated with You:
  - Bank Account / Investments
  - Cable, Phone & Utility Bill
  - Cell Phone
  - Mortgage
  - Airline, hotel, car rental loyalty accounts

Do the math:

15 active accounts

3 calls per year

45 call center contacts/year

X 100 million people

4.5 billion opportunities/year (in contact centers)

to compromise consumer/citizen identity

Username/password/PIN growing in complexity
Regulatory guidance for FI’s

• Multi-factor authentication to be in place by 12/31
  – FFIEC*: Authentication in an Internet Banking Environment (October 2005)

• The recent FFIEC guidance states that the requirements set forth equally apply to "all forms of electronic banking activities." The authors of the guidance have clearly stated that the guidance does apply to telephone banking, if high risk transactions are allowed.

  -- George Tubin, Senior Analyst, Tower Group (March 2006)

*Federal Financial Institution Examination Council

All remote transactions require multi-factor authentication
Criteria for the *Ideal* Solution

- **Secure**: FFIEC Compliant
- **Simple**: No private questions
- **Superior Customer Experience**: Single User Credential Multi-acct relationships
- **Choice – anywhere, anytime**: Readily adopted
- **Nothing to remember, lose or steal**: Verifies Identity Protects Private Information

The ideal solution provides strategic differentiation
Voice – the secure solution

- Biometric uniqueness to every human being
  - Frequency, cadence, tone, pitch, inflection, accent
  - Physiology (glottis, voice box, lips, mouth....)
- Anti-spoofing
  - Random # prevents recording/playback
  - Live-ness testing
  - Accuracy > 99%
- Nothing to lose or steal

Result: a voiceprint as unique as your fingerprint
Voice - the simple solution

• Most natural form of communication
  "Easy to use, comfortable"
  "Not intrusive"

• Eliminates need to ask for private information
  "SSN, mother’s maiden name…"

• Uses existing global telephony infrastructure
  "Easy implementation w/o costly new infrastructure"

• Simple
  "Nothing to remember, lose, or steal"

• Only biometric that works with phone

Voice is ideal for phone and customer-not-present transactions
Voice provides a superior customer experience

Access/verification anywhere, anytime

Single User Credential

Personal Banking
- Checking Accounts
- Savings & Money Markets
- Card Products
- Student Loans

Small Business Banking
- Business Checking Accounts
- Business Savings Accounts
- Business Borrowing Options

Commercial Banking
- Financing
- Specialty Areas
- Cash Management
- Other Services

Investing
- Personal Investing Services
- Investor Tools & Education

Readily adopted – widely publicized
Strategic Opportunity

Among the first to deploy a security strategy that provides:

• **Superior Customer Experience**
  Single User Credential

• **Simplicity**
  Nothing to remember…lose…steal

• **Security**
  Safe Haven

Security customers will love…
The individual’s voice is the key to establishing security as a differentiator
How can speaker authentication help differentiate you

Customers are concerned how secure their identities and personal information are.

• Voice enables you to be perceived as the proactive leader against identity fraud
• Voice is the most familiar, easiest and most adoptable solution
  • Nothing to remember
  • Nothing to lose
  • Nothing to steal
  • Individuals’ privacy is protected
  • Only form needed for multi-factor authentication

Speaker Authentication can make Security your Differentiator
Thank You!

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“Fraud detection so effective it speaks for itself™
Divider page title goes here
Empowering Your customers and employees with speech technologies

Thank You