

Case study: Beaverbrooks

Experian protects Beaverbrooks from online fraud



Background

Beaverbrooks has been a high street jeweller since 1919. It offers precious metals and stones from around the world, and uses top craftsmen and designers to create its jewellery.

Beaverbrooks currently employs over 700 people. Its sales channels include 70 stores throughout the United Kingdom, plus mail order and its website www.beaverbrooks.co.uk. Its motto is 'Enriching Lives', ensuring that both customers and staff have a positive and memorable experience when dealing with Beaverbrooks.



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**Kyle Heywood,
Website Manager
Beaverbrooks**

Situation

In 2001, Beaverbrooks launched its website which has proven to be very successful. Since the launch, sales via this channel have seen 100% growth year on year and online sales now equate to the equivalent of three Beaverbrook's superstores. Selling via the internet, however, is not without its challenges. The value of items that can be ordered from Beaverbrooks online can range from less than one hundred to many thousands of pounds. As a result of this and also due to the fact that jewellery can be easily re-sold, the website became a prime target for fraudsters.

When the site was first launched it had no fraud prevention measures in place and it was hit by fraud rings, groups of organised criminals. Fraudsters would order an item of jewellery online using stolen credit card details or a stolen identity. The jewellery would then be delivered to the fraudster at a holding address or intercepted during delivery.

Obviously this causes a tremendous amount of stress for the individual whose card details or identity have been stolen. However, it also has a significant impact on the retailer. The money for the stolen item is generally refunded to the victim of the fraud by his or her bank. This lost revenue is then 'charged back' to the retailer via the bank.

To try and reduce the levels of fraud, suspicious transactions were investigated using a manual process, such as checking the electoral roll or phone directory. Unfortunately this process could take weeks, leading to genuine customers who had to wait for their jewellery.

When evaluating the process, Beaverbrooks clearly identified that they needed more robust and customer-friendly measures to tackle fraud.

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The solution

Authenticate Pro is embedded into Beaverbrook's customer application form. Once the contact details for the order are submitted, an identity check is performed. Data provided by the consumer is matched against information held on Experian's databases, flagging any suspicious activity that could indicate identity fraud, account takeover, or a bogus delivery address.

An approval decision is returned immediately which gives Beaverbrooks confidence that the order is genuine.

The results

Since implementing the software, Beaverbrooks has seen a reduction in online fraud. Customer service has also improved as Beaverbrooks are now able to confirm orders and ship goods much faster. As a result, repeat orders have increased.

Kyle Heywood, Website Manager at Beaverbrooks comments, "When evaluating solutions to help us cut back fraud, Experian was the clear favourite. We were impressed by the volume of data that Authenticate uses to prove identity and highlight fraudulent transactions. Since using the product, we have seen a noticeable reduction in time spent on fraud and as such our ordering process is much slicker. It makes me feel sorry for other retailers not using Experian."

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