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Case Study | Home Credit a.s. | Consumer Finance

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# Prevent fraudulent loans in countries with unreliable IDs system





#### Fast facts

- **Client:** Founded in 1997, Home Credit is an international consumer finance provider with 131+ million customers in 9 countries
- **Countries:** Philippines, Vietnam, Indonesia, Kazakhstan
- **Customer base:** 27 million
- **Time span:** 2012 – now
- **Volume of Business:** € 21 billion in loans annually

#### Products used

- **Automated Biometric ID System (ABIS):** for ID check
- **Digital Onboarding Toolkit (DOT):** for remote customer onboarding

#### Platforms

- Web
- iOS
- Android

#### Deployment

- Biometric system based on virtualized environment

## Challenge

Many countries in the world still do not have reliable identity documents. Since Home Credit offers consumer loans to individuals from such countries that make credible ID verification challenging, an additional layer of security for identity verification was necessary to mitigate the risks.

- Create a biometric system for a global consumer finance provider that serves as an integral part of its complex risk management system

## Solution

Innovatrics built a single, proprietary Biometric Identity Management System that can process high volumes of faces for identification and verification purposes.

The system is used to enroll new clients locally on the premises or remotely using a mobile app and web page. It also offers an efficient screening tool for credit scoring and identification of potential fraud.

- Securely onboarding 15 million customers annually across 4 countries
- Proprietary biometric database of clients involving fingerprint and face recognition in real-time

## Results

While the main requirement for the biometric database was the ability to prevent fraudulent loans in countries where IDs are unreliable, the biometric solution provided by Innovatrics improved many other aspects of the consumer loan business.

Lower fraud and non-repayment rates also mean lower costs and better conditions for clients that can now apply for loans securely even from their mobile phone.

- Fraud rate dropped by 90 %
- Time to loan is now about 5 minutes
- As much as 30,000 new clients onboarded daily

"Using the system in several countries, we can detect thousands of fraudsters and decrease the risk of providing loans to non-reliable individuals."

Jan Krpalek  
Home Credit

### The power of efficient biometric algorithm

#### Before

**30%** of fraudulent loans

**Physical** visits to malls, offices

**Manual** data entry

**Limited** access

**Unreliable ID** verification

#### After

**3%** of fraudulent loans

**Access to loans from a mobile phone**

**Fully digital data processing**

**Anywhere with internet coverage**

**Biometric system with fingerprint & face recognition**

### Security as a priority

The system was deployed in a virtualized environment. The client had the whole installation process under control with Innovatrics providing support.

### International challenge

Identity documents represented a challenge itself, requiring training in a short time frame of up to 9 IDs per country for efficient verification.

### Low bandwidth scenario

Although POS must be able to communicate quickly with the risk management system using often only a small data bandwidth to exchange information, the Innovatrics engine processes high data volumes without suffering performance drops.

### Flexible solution

Innovatrics completed the biometric technology experience by adding Digital Onboarding Toolkit (DOT) to the existing ABIS. It uses facial biometrics and artificial intelligence to onboard customers remotely and check their credentials.

## About us

We are an independent EU-based provider of multimodal biometric solutions. Our algorithms consistently rank among the fastest and most accurate in fingerprint and face recognition. For over 15 years, we have partnered with all types of organizations to build trusted and flexible biometric identification solutions. Our products are being used in more than 80 countries, benefiting more than a billion people worldwide.

## Contact

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