twilio

Frictionless Security for Financial Services
Lessons from Leaders on User Authentication
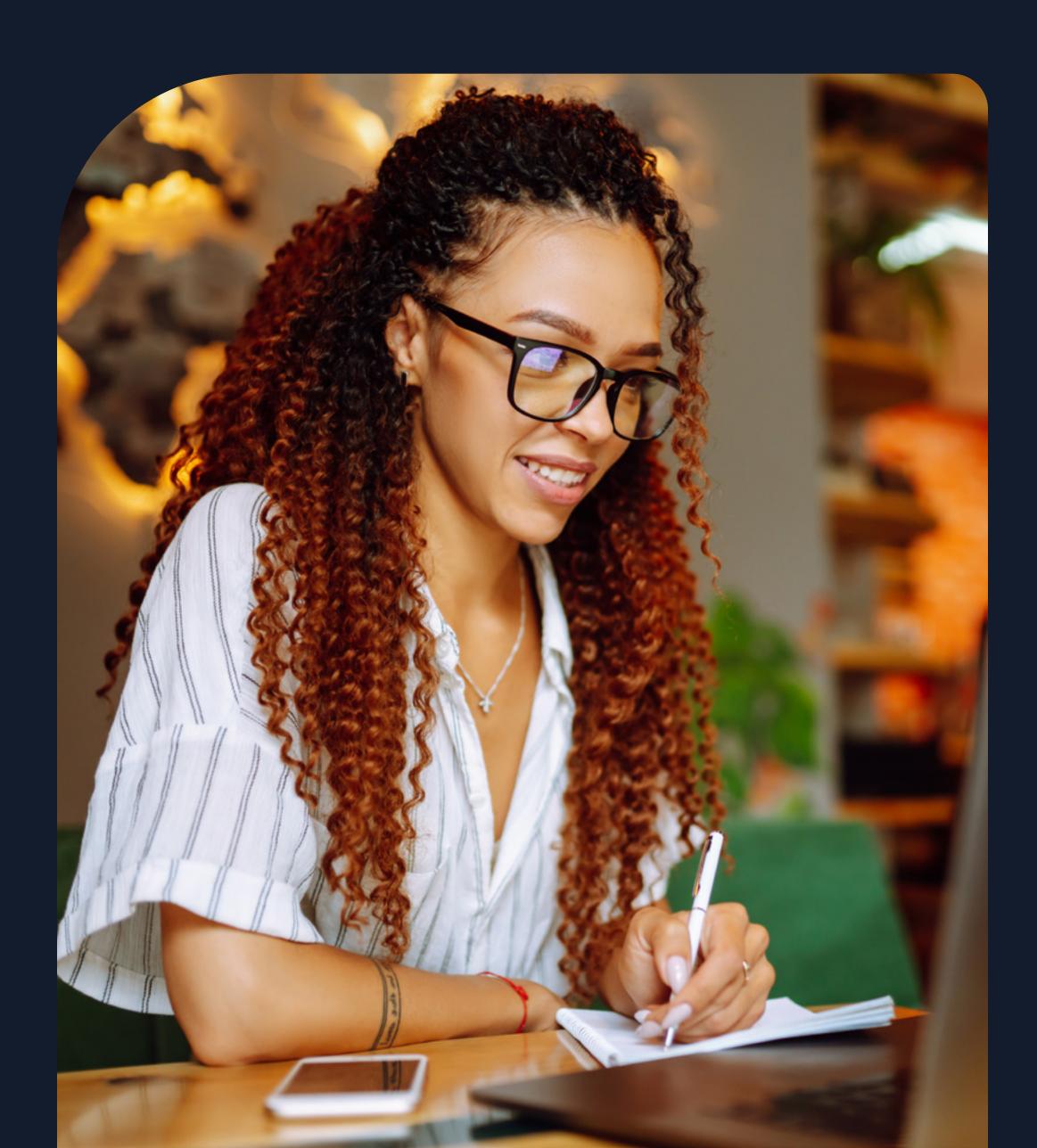
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Introduction

Financial services companies, such as banks, credit unions, investment apps, or money transfer services, are prime targets for fraud. The sensitive nature of the account information and high value of the transactions make this industry particularly attractive to cybercriminals. Due to more sophisticated technology, such as AI, and greater reliance on digital channels to manage finances, fraudulent transactions are on the rise.

354%	**$91B**	**$23.4B**
Increase in account takeovers YoY in 2023	**in online payment fraud expected annually by 2028**	**in SMS pumping fraud costs affect businesses every year**
Sift 2023 Digital Trust and Safety Index	Juniper Research 2023 Online Payment Fraud	Juniper Research: The Impact of AIT & SMS Trashing on the Market

To mitigate these risks and protect their customers, financial services companies must double down on security measures like user authentication. Companies can prevent fraudulent activities like account takeovers and fake account creation by verifying user identities with one-time passwords (OTPs) and phone number validation.

However, security shouldn't come at the expense of the user's experience.

When customers encounter challenges with authentication, such as undelivered OTPs or complex onboarding systems, they may become frustrated and abandon the process, resulting in increased customer churn and operating costs.

Fortunately, there are user authentication solutions like Verify, a turnkey API for verifications, and Lookup, an API that uses real-time risk signals to detect fraud, that don't force you to choose between secure and simple. Learn from financial services leaders Stripe, Jack Henry, and Intuit how to secure accounts, improve customer experiences, and effectively scale your business.

Twilio User Authentication and Identity Highlights

$55.8M

In Verify Fraud Guard explicit savings from June 1, 2022 to July 11, 2024

Twilio Platform Data

174%

Return on Investment (ROI) from Twilio Verify

Forrester: The Total Economic Impact™ of Twilio Verify

95%

Reduction in reaction time to fraud alerts

Forrester: The Total Economic Impact™ of Twilio Verify

Simplify the signup and login process while protecting users

According to a **Mobile Ecosystem Forum (MEF) report**, 25% of organizations attribute customer churn and friction to identity verification. It makes sense–delayed OTPs are a nuisance. If an OTP takes too long or isn't delivered, the user either abandons the process or reaches out to the customer support team. This puts strain on customer support services and often results in a disillusioned user.

Streamlining these processes keeps users engaged while preventing bad actors from taking over accounts. To prevent fraud and improve their login experience, the payment platform **Stripe** implemented Twilio Verify.

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stripe

USE CASE	Verifications and onboarding
INDUSTRY	Financial services
REGION	Global
PRODUCTS	Verify

Stripe reduces friction and support costs

Passwords and email addresses can be compromised, and for Stripe's customers, secure access is critical. The Stripe team needed to securely and reliably verify users across multiple touchpoints in their customer journey without introducing friction to the user experience.

Stripe turned to Twilio Verify to enable users to swiftly and securely verify their identity and log in to their accounts, ensuring that unauthorized users are kept out.

In the United States alone, the conversion rates for two-factor authentication have increased six points thanks to Twilio Verify. And in India, successful authentication rates grew from 70% to 86%.

The Results	
~70% of user verifications are handled by Twilio Verify	**Six-point** Improvement in login success rates in the US

For more details, read the full **Stripe customer story**.

"If a message is not delivered, we get a phone call and have to get our support people on it," he said. "Verify greatly reduces our own support costs over other verification methods."
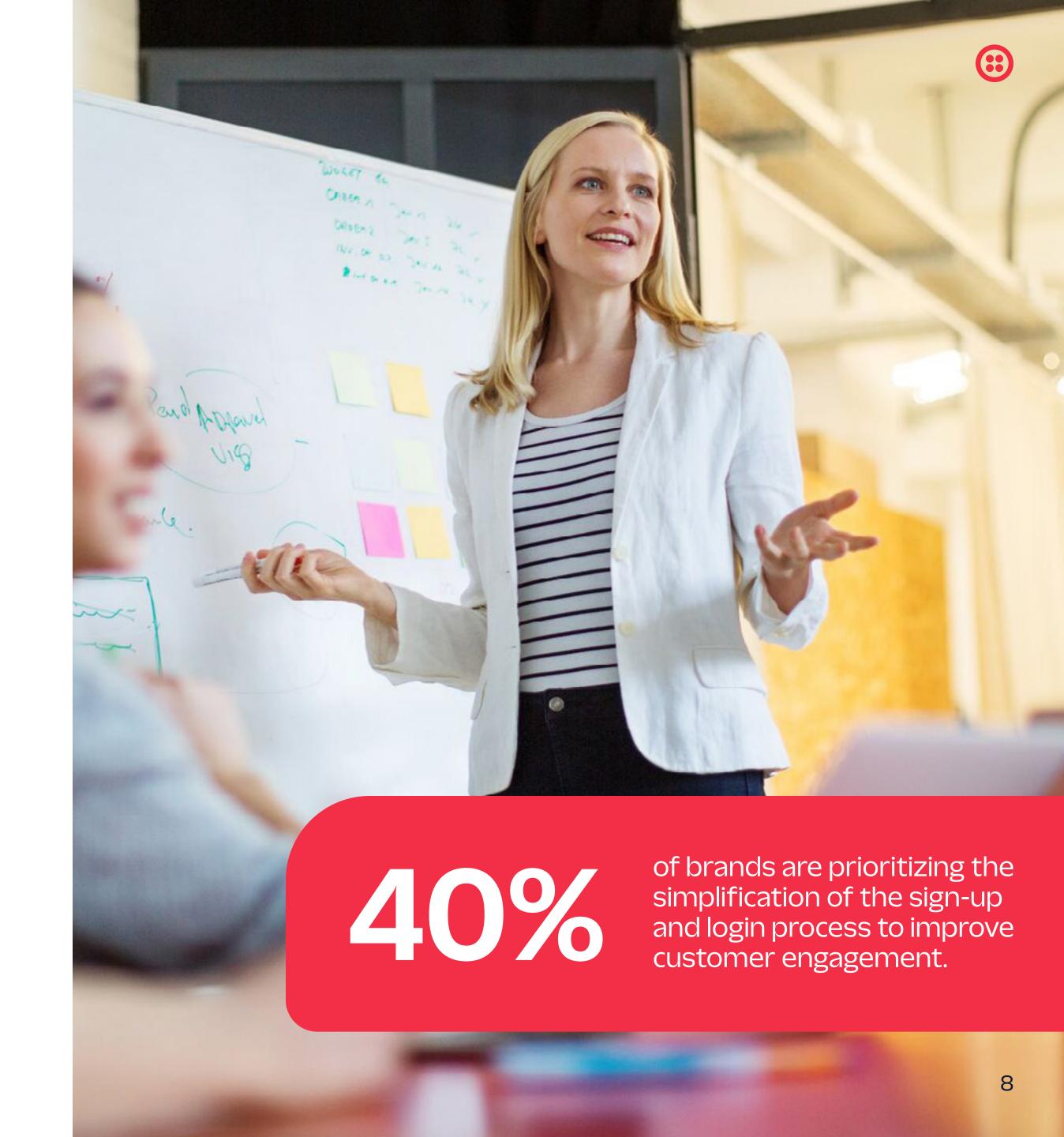
Suhas Joshi
Engineering Manager, Stripe

Redefine customer experience and scale for the future

Financial services companies need to reduce friction during the account sign-up process while keeping customer data safe. According to Twilio's **2024 State of Customer Engagement Report**, 40% of brands say they're prioritizing the simplification of the sign-up and login process to improve customer engagement.

With its company goals to increase customer satisfaction and improve security measures, financial services technology provider **Jack Henry** sought out a platform that could seamlessly implement user authentication and scale with the organization.

40% of brands are prioritizing the simplification of the sign-up and login process to improve customer engagement.

jack henry™

USE CASE	• Alerts and notifications • Verifications and onboarding • Customer AI
INDUSTRY	Financial services
REGION	North America
PRODUCTS	• Messaging • Verify • Voice • Email

Jack Henry secures and scales to meet future demands

Jack Henry serves community and regional financial institutions and needs to stay competitive among financial services leaders. By enhancing its financial services technology, Jack Henry hoped to better support banks and credit unions as they grow their businesses.

Twilio was identified as the go-to partner to help Jack Henry address communication inefficiencies, scale, and improve security. Jack Henry integrated Twilio Verify, Voice, SMS, and SendGrid's email APIs into its operations to bolster its security infrastructure and streamline user interactions.

When setting up multi-factor authentication, most individuals choose SMS as their verification channel because of its ease of use. The integration of Twilio's SMS solutions enabled Jack Henry to ensure the timely and secure delivery of critical financial information.

With Twilio's authentication solutions, security measures were heightened, safeguarding sensitive financial information during interactions. By embracing Twilio's modern, cloud-native solutions, Jack Henry positioned itself as a market leader, addressing the evolving needs of its customers.

The Results	
25X growth in registered users in five years	**12-15 million** Average monthly message volume

For more details on Jack Henry's usage of Twilio, read the **full customer story**.

"We currently send a combined average of 12 to 15 million SMS text alerts each month. We anticipate this number will grow exponentially. In fact, we might see a 25 to 50-fold increase in the next few years as our platforms become more widely adopted across our different products."

Tommy Bradford
Managing Director of OCTO Strategic Cloud Alliances, Jack Henry

Serve audiences globally while meeting complex regulatory requirements

Navigating the complex regulatory framework in the US is a beast of its own. When expanding globally, each country and region has its own unique set of financial, business, and communication regulations making it difficult for companies to comply with all laws and standards.

Scaling authentication globally can be a time-consuming and resource-intensive undertaking, taking up to several months to apply for and obtain one country's short codes.

Fortunately, Intuit found a way around the complicated regulations while still prioritizing the safety of its customer accounts.

INTUIT

USE CASE	Verifications and onboarding
INDUSTRY	• Financial services • Technology
REGION	Global
PRODUCTS	Verify

Intuit scales customer verification to 200 countries in 3 months

Intuit, a global brand that specializes in financial software, was expanding into international markets. As part of this expansion, it needed customers to verify their identities to access products and services. Intuit set out to expand SMS as a channel for one-time passcodes (OTPs) across the globe.

Intuit was already delivering 1 million SMS messages daily, representing the scale of its SMS operations, when it decided to build an internal verification system, starting with short codes in the United States.

Intuit planned to replicate this model across more than 200 countries. However, the complexity of this project quickly became evident. Acquiring short codes for each country was time consuming, taking two to nine months due to regulatory and compliance hurdles.

Once Intuit realized the extreme difficulty of this endeavor, it looked for alternative solutions and tested Twilio Verify within a handful of countries. After a successful test period, Intuit implemented Twilio Verify in over 200 countries in just three months, providing the scalability, reliability, and operational efficiency required to support its global user base.

The Results	
200+ countries Deployed in three months	**94%** Deliverability rate across all countries

For the full Intuit customer story, **keep reading here**.

"There had to be a better way to go live in 200+ countries in much less time with fewer resources!"

Shikha Tikku
Principal Product Manager, Intuit

Streamline trust with Twilio user authentication and identity

Financial services companies are faced with the dual challenge of providing robust security measures while also delivering a frictionless user experience. As demonstrated by industry leaders like Stripe, Jack Henry, and Intuit, Twilio offers powerful tools, like Verify and Lookup, to address these challenges.

By implementing Twilio's user authentication and identity solutions, these companies have significantly reduced fraud, improved authentication success rates, scaled globally, and enhanced customer satisfaction. From handling millions of monthly verifications to expanding into over 200 countries in just three months, Twilio's user authentication and identity solutions have proven their ability to meet the complex needs of the financial services sector.

As the financial services industry continues to evolve, the importance of secure, scalable, and user-friendly authentication will continue to grow. Take the next step in securing your platform by discovering how Twilio's solutions can transform your authentication process and help your financial services business thrive.

Explore Twilio's user authentication and identity solutions today, or talk to our sales team to get started.

Today's leading companies trust Twilio's Customer Engagement Platform (CEP) to build direct, personalized relationships with their customers everywhere in the world. Twilio enables companies to use their communications and data to add intelligence and security to every step of the customer journey, from sales to marketing to growth, customer service and many more engagement use cases in a flexible, programmatic way. Across 180 countries, millions of developers and hundreds of thousands of businesses use Twilio to create magical experiences for their customers.
For more information about Twilio (NYSE: TWLO), visit: www.twilio.com.