

**NETELLER**

Online funds transfer service NETELLER relies on IT to help its 2 million customers conduct more than \$3.4 billion in electronic transactions annually.

Industry: Internet/Financial Services

Geographies: Global

Deployment Summary

- In less than 90 days, NETELLER developed an identity verification service for its online funds transfer application using TIBCO iProcess™ Decisions rules engine software and TIBCO BusinessWorks™ business integration software.
- Future plans call for developing a predictive fraud identification service built around the rules engine and integration software.

Benefits

- Improved identity verification helps NETELLER increase revenue. Previously some individuals would not have made it into the system, such as those customers wanting to enter at a lower commitment level. By implementing just one rule set to allow verification and approval of these customers, NETELLER sees an additional \$1.5 million per month in revenue.
- With TIBCO's tools, NETELLER reduces the time to bring on external data sources from months to days – reducing integration costs and freeing resources for more strategic tasks.
- The new TIBCO infrastructure improves IT development productivity by offloading the management of verification parameters and data sources to business analysts.



“Our new identity verification service helps increase new customer approval rates, which boosts our revenue.”

Padraig O’Cinneide, Technical Business Analyst, NETELLER PLC

NETELLER Rewrites the Rules to Build Vital Online Services

Online funds transfer service NETELLER has been so successful that it might one day be known as the king of cyber cash. The United Kingdom – based company has more than 2 million customers who use the service to transfer funds to each other or any of the 1,700 merchants that accept NETELLER payments. Last year alone, the company handled more than \$3 billion in online transactions.

Success Drives the Need for More Automation

IT systems are at the core of the business for this electronic payment purveyor. But the rapid growth of the company outpaced the ability of the IT department to respond to user requests for site enhancements while supporting the ever-increasing transaction volume.

To maintain Financial Services Authority accreditation – essential for banking operations in the United Kingdom, NETELLER must perform a Know-Your-Customer (KYC) identity verification process when a new account is established. The KYC process takes personal information – such as an applicant’s name, address, national insurance number and country of residence – and verifies this data with external sources to ensure the account holder is indeed who he or she claims to be. If the applicant is not known by the external providers, a NETELLER analyst must manually attempt to verify

the information. This manual process can take up to ten minutes per account, if the information can be verified at all.

Because only three external data sources were hard-coded into the KYC logic of the NETELLER site, a large number of new applicants could not be found by the automated system. The manual verification process slowed the rate of new account approvals, which in turn limited how many new revenue-producing customers could be approved daily.

The inability to quickly change the IT infrastructure to respond to changing business conditions was hindering growth at NETELLER. Adding additional external sources to the existing site took a great deal of time, according to Padraig O’Cinneide, a technical business analyst at NETELLER. “Integrating a new data source was taking up to six months to accomplish,” he says.

NETELLER Goes Searching for a Rules Engine

It was clear that NETELLER needed a more flexible IT infrastructure that could easily accommodate the addition of new external data sources to reduce the amount of manual identity research. Ideally, the infrastructure would enable the business units themselves to make changes to the compliance logic of the Web site with little IT involvement.

O'Conneide envisioned an application that would allow business analysts to construct business rules that operate against the torrent of incoming data without a programmer having to write code. "We were looking for full-featured, proven software that could not only document the requirements for a new function but implement it as well," he says. This vision led O'Conneide to investigate business rules engines.

After an extensive evaluation, the NETELLER IT group determined that the TIBCO iProcess Decisions rules engine provided all the features and ease of use they required. "We looked at products with fewer features and lower prices, but determined that we'd end up spending more to add the functionality that was present in iProcess Decisions," asserts O'Conneide. "We were impressed with the rules engine's spreadsheet interface – we were confident that we could train nontechnical business analysts to use it in just a few weeks."

TIBCO BusinessWorks Integrates Rules Engine, Data Sources and Web Site

To integrate the rules engine into the existing Web site logic and existing external data sources, NETELLER selected TIBCO BusinessWorks software.

"We needed to connect with a variety of databases, external data source providers and Web services all over the planet. BusinessWorks was the obvious choice for us since it was well integrated with the rules engine and connects to every external data source we've ever identified," O'Conneide says.

With the help of two TIBCO consultants, O'Conneide and three others deployed and configured the TIBCO software to use 12 data sources in under 90 days. The short deployment time impressed O'Conneide.

"Everything worked the way TIBCO said it would. There were no surprises," he says.

Using the TIBCO-based infrastructure, applicants now enter their personal information into a Web form. This information is transferred by BusinessWorks to the iProcess Decisions rules engine. The rules engine determines which data sources will be consulted to verify identity and directs BusinessWorks to send the customer-supplied personal information to the appropriate external sources. The responses from these external sources are passed back via BusinessWorks to the rules engine, which makes a yes/no identity decision based upon the information.

Scalable Infrastructure Identifies More New Revenue-producing Customers

With the TIBCO infrastructure in place, the time needed to perform an identity verification transaction varies between four and ten seconds, with the most of the time spent accessing the data sources, according to O'Conneide. And with a 400 percent increase in the number of available external data sources, he expects more accounts to be automatically verified, thus enabling the company to prudently extend credit to a larger number of people. He explains, "With a larger number of information sources, we improve our understanding of a person. This allows us to give higher credit limits to many more people while managing our risk."

Ease of Integration Reduces Development Costs

By using the TIBCO infrastructure to tap additional data sources, IT developers can quickly add new external data sources, substantially reducing IT involvement. Says O'Conneide, "With BusinessWorks, the technical side of adding a new data source gets done in a day or two instead of several months."

Once a new data source has been integrated, IT development hands over control of the integration project to business analysts. This division of labor yields two benefits – development resources are freed to focus on more strategic tasks while analysts can quickly modify the identity verification logic to meet their needs. O'Conneide says, "In one case, we identified a data source in Norway that could very accurately identify our Scandinavian customers. After the integration was complete, an analyst brought the service online in several hours."

NETELLER Banks on New Infrastructure

The ability of the identity verification system to quickly respond to business needs is causing a wave of innovation at the company. For example, O'Conneide is planning a new fraud detection service. The fraud service will spot when a transaction exceeds a credit limit and then analyze the customer profile to determine if the transaction is out of the ordinary, providing the firm with another layer of protection from online scams. Another project under consideration would offer new accounts a \$250 loan while the user session is still active. O'Conneide estimates that could bring the company an additional \$250,000 in revenue.

With TIBCO's software, NETELLER has increased business agility, reduced IT development costs, and paved the way for further innovations. "The TIBCO infrastructure affords us a competitive advantage," says O'Conneide, "because we can implement innovative new ideas very quickly."



TIBCO Software Inc. (NASDAQ: TIBX) is a provider of infrastructure software for companies to use on-premise or as part of cloud computing environments. Whether it's optimizing claims, processing trades, cross-selling products based on real-time customer behavior, or averting a crisis before it happens, TIBCO provides companies the two-second advantage™ – the ability to capture the right information at the right time and act on it preemptively for a competitive advantage. More than 4,000 customers worldwide rely on TIBCO to manage information, decisions, processes and applications in real time. Learn more at www.tibco.com

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