

BIIA Newsletter

Market Intelligence - Industry Development & Trends - Information Technology - Regulatory Issues - User Community

BIIA NEWSLETTER ISSUE 10 II - 2018

OCTOBER II - 2018 ISSUE

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LATE BREAKING NEWS

BIIA 2019 Biennial Conference - Call for Papers and Conference Ideas



Dear members,

We are working on ideas for the BIIA 2019 Biennial Conference and need your help.

We would appreciate it if you would provide us with feedback on critical topics you are most interested in by participating in a short survey. To open the survey, please click on this link: [BIIA Survey](#)

The conference will take place in late October or early November 2019. The venue will depend on the preference of members and the availability of attractive locations in terms of easy to get to and cost of conference facilities.

Call for papers: If you would be interested in speaking at the event or would like to suggest a possible speaker please contact any of the Executive Committee Members indicated below.

Sponsorship: BIIA will be looking to offer a number of sponsorship opportunities at the event. If you would be interested in further information please contact any of the Executive Committee Members indicated below.

Organizing Committee: We are keen to involve the membership in the organization of the event. Please join the Executive Committee to make this an outstanding event!

Please contact any of the members of the Executive Committee: [Joachim Bartels](#), [Neil Munroe](#) or [Peter Sheerin](#)

The BIIA 2017 Biennial Conference was an outstanding success. Please help us to make the BIIA 2019 Biennial Conference an equally great success. For background information on last year's conference click on [conference videos](#) and [presentations](#)

BIIA's Latest Milestone: The Content of BIIA.com Has Reached 10,000 Articles



When we launched BIIA in 2005 one of our priorities was to launch BIIA website [biiacom](#) to promote the information content industry by demonstrating the value of information for businesses and national economies.

Biiacom was to serve as a resource on industry standards, trends, technological developments, and policies not just for our members, but also for business information users, regulators, and government and public information sectors.

In line with our 2005 objectives we have created a comprehensive reference site for business information. As of the end of October our data base has reached 10,000 articles!

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LATE BREAKING NEWS

Tim Cook's Blistering Attack on the 'Data Industrial Complex'

Apple's CEO Tim Cook has joined the chorus of voices warning that data itself is being weaponized against people and societies — arguing that the trade in digital data has exploded into a “data industrial complex”.



Cook did not namecheck the **adtech elephants** in the room: Google, Facebook and other background data brokers that profit from **privacy-hostile business models**. But his target was clear.

“Our own information — from the everyday to the deeply personal — is being weaponized against us with military efficiency,” warned Cook. “These scraps of data, each one harmless enough on its own, are carefully assembled, synthesized, traded and sold. “Taken to the extreme this process creates an enduring digital profile and lets companies know you better than you may know yourself. Your profile is a bunch of algorithms that serve up increasingly extreme content, pounding our harmless preferences into harm.” “We shouldn't sugarcoat the consequences. This is surveillance,” he added.

Cook was giving the keynote speech at the 40th International Conference of Data Protection and Privacy Commissioners (ICDPPC), which is being held in Brussels this year, right inside the European Parliament's Hemicycle.

“Artificial intelligence is one area I think a lot about,” he told an audience of international data protection experts. “At its core this technology promises to learn from people individually to benefit us all. But advancing AI by collecting huge personal profiles is laziness, not efficiency,” Cook continued.

“For artificial intelligence to be truly smart it must respect human values — including privacy. If we get this wrong, the dangers are profound. We can achieve both great artificial intelligence and great privacy standards. It is not only a possibility — it is a responsibility.” That sense of responsibility is why Apple puts human values at the heart of its engineering, Cook said. **He also laid out a positive vision for technology's “potential for good” — when combined with “good policy and political will”.**

Cook argued for a US privacy law to prioritize four things:

1. **Data minimization** — “the right to have personal data minimized”, saying companies should “challenge themselves” to de-identify customer data or not collect it in the first place
2. **Transparency** — “the right to knowledge”, saying users should “always know what data is being collected and what it is being collected for, saying it's the only way to “empower users to decide what collection is legitimate and what isn't”. “Anything less is a shame,” he added
3. **The right to access** — saying companies should recognize that “data belongs to users”, and it should be made easy for users to get a copy of, correct and delete their personal data
4. **The right to security** — saying “security is foundational to trust and all other privacy rights”

“We should celebrate the transformative work of the European institutions tasked with the successful implementation of the GDPR. We also celebrate the new steps taken, not only here in Europe but around the world

— in Singapore, Japan, Brazil, and New Zealand. In many more nations regulators are asking tough questions — and crafting effective reform.

“It is time for the rest of the world, including my home country, to follow your lead.” Cook said Apple is “in full support of a comprehensive, federal privacy law in the United States” — making the company's clearest statement yet of support for robust domestic privacy laws, and earning himself a burst of applause from assembled delegates in the process. **Author: [Natasha Lomas @riptari](#) Source: [TechCrunch](#) - To read the full story click on the link**

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MEMBER NEWS

Refinitiv (Formerly Thomson Reuters) Partners with Squirro



Refinitiv (Thomson Reuters) has partnered with augmented intelligence solution provider Squirro to provide an AI-driven solution that leverages the power of today's customer relationship management (CRM) platforms to deliver a complete, current overview of each client, boosting engagement and facilitating deal idea generation for the banking industry.

The solutions combine Thomson Reuters trusted data and insights including company overviews, I/B/E/S Estimates and financial statements, alongside Squirro's AI technology and CRM integration capabilities to provide a single view of customers' information. Instead of having a vast amount of data scattered across unconnected siloes, Thomson Reuters and Squirro's combined technology allows the co-mingling of customer's own proprietary data with third party content. Customers benefit from increased productivity thanks to a flexible user-interface to help with their decision-making processes, allowing them to build on the predictive insights leading to enhanced customer relationships, deal idea generation, and increased ROI.

Key benefits of the solution include: Increasing productivity by providing a single view of the customer: blending internal information (meeting notes, deal history, pipeline, products) and third-party market data in one application. Providing pertinent and resonating talking points and material as the basis for each client interaction, allowing a proactive approach to customer service. Using AI-driven tools and predictive analytics to facilitate cross-selling, the sourcing of new prospects, deal origination and fulfillment

The Thomson Reuters Financial & Risk business is now known as Refinitiv, following the closing of the strategic partnership transaction between Thomson Reuters and private equity funds managed by Blackstone.

About: Squirro is a modern Cognitive Insights Engine that uses Predictive Analytics, Machine Learning and more to enable you to turn even unstructured data into actions. You can use it to spot anomalies or trends, predict future incidents before they even happen, react early to trends and be the first to jump on new opportunities. Or you use it to find matches in big data, much faster than most other approaches, to personalize and optimize your customer relations with a perfect fit. Smart business is about connecting the dots. And with Squirro you are always automatically one step ahead! *Source:* [Thomson Press Release](#)

FICO and U.S. Chamber of Commerce Release First U.S. Cybersecurity Assessment

The U.S. Chamber of Commerce and FICO released the first national cybersecurity assessment at the Chamber's Seventh Annual Cybersecurity Summit. The U.S. Chamber's Assessment of Business Cybersecurity (ABC), powered by the FICO® Cyber Risk Score, measures the cybersecurity risk of the entire business community and risk across key sectors. The ABC provides actionable intelligence for businesses, which will help them improve their individual cyber risk profiles and help strengthen the cyber readiness of the nation.

Quarterly **Assessment of Business Cybersecurity** (ABC) gives businesses a benchmark for assessing their cybersecurity risk; first results show an overall score of 687 out of 850 for U.S. businesses. The Assessment of Business Cybersecurity (ABC) shows significant differences across sectors, and across organizations of different sizes. The ABC is based on scoring more than 2,500 U.S. companies using the FICO® Cyber Risk Score, an empirical standard for assessing cybersecurity risk. *More information:* www.cyber-abc.com *Source:* PRNewswire.com

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Creditsafe Expands Global Business Intelligence with the Addition of Argentina and Chile

Creditsafe Database now includes immediate insight on 90% of South American Companies

Creditsafe USA, the global business intelligence experts, has announced that it has extended its global database to include information on private and public companies in Argentina and Chile.

Argentina and Chile represent over 20% of the South American economy and \$54.1 billion in two-way trade with the US. Nonetheless, the economies of these two countries are currently headed in different directions with Argentina marked by a shrinking economy and Chile's economy expected to grow over 4% this year.

"Anyone looking for business clarity in a complex region can find solace in knowing that by using Creditsafe's global business intelligence, they'll now have one source of information on the companies that make up 90% of the South American economies," said **Matthew Debbage**, CEO of Creditsafe Asia and Americas.

In addition to Argentina and Chile, Creditsafe already has comprehensive business data for companies in Brazil, Columbia, Venezuela, and Ecuador. Specifically for Argentina and Chile, Creditsafe provides customers with immediate online intelligence for many aspects of a company's key information including company name/address, financial, industry code/description, Negative data, Payment behavior, shareholder information, and group structure. "With data now available instantly on companies in these countries, we provide unrivalled access to insight on South American companies," said Debbage. "I try to avoid hyperbolic language, but no one else comes close to providing data-rich business intelligence on companies throughout the region."

Creditsafe's global database is one of the most rapidly expanding in the industry and one of the most comprehensive. Updated over a million times a day with information gathered from thousands of sources. In 99.9% of the cases, reports requested by customers are delivered instantly. Over 40% of Creditsafe's customers leverage the company's international reporting capabilities.

Each day over 250,000 users around the world leverage the company's database to make more than 450,000 business decisions daily. Currently, Creditsafe has 14 offices around the world and maintains the only truly global international database of online credit information. Globally, the company reports a 28 percent growth in revenue over the past twelve months. For more information, please visit www.creditsafe.com *Source: [Creditsafe Press Release](#)*



FICO Decision Management Platform Streaming is now in the Oracle Cloud

FICO, a leading analytics company and gold level member of the Oracle Partner Network (OPN), announced that its streaming analytics platform FICO® Decision Management Platform Streaming (DMP Streaming) has achieved 'Powered By' Oracle Cloud status.

FICO's DMP Streaming service running on Oracle Cloud Infrastructure helps retailers deepen personalization through the innovative use of streaming analytics. **With FICO DMP Streaming, retailers can engage customers better by using contextually relevant and tailored decisions that unify in-the-moment interactions with data from customer databases and offline channels.** *Source: [FICO Press Release](#)*

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D&B Links Accounts Receivable (AR) Data To Business Credit Reports

Business Credit Reports (BCR) announced it has added Dun & Bradstreet's Payment Performance Insights to its business credit solution.

BCR is one of the largest independent providers of credit information on businesses around the globe, offering multi-bureau reports. A company's accounts receivable (AR) data can now be combined with Dun & Bradstreet's data and analytics to get a better understanding of customer payment performance, with the aim to reduce delinquency. The cloud-based portfolio analysis tool allows clients to prioritize collection calls by looking at account payment behavior across a portfolio; segment and filter that portfolio to get a better understanding of customers' exposure and payment performance; and *"view account-level firmographics and details to understand payment performance on an individual customer."*



Pam Ogden, president and founder of Business Credit Reports, said in a [press release](#), "When companies use Payment Performance Insights, they are able to get their chronic slow payers to pay on time and keep them from becoming no-pays. It is a great tool for improving customer payment behavior. We are happy to partner with Dun & Bradstreet to deliver this outstanding tool to our customers."

Payment Performance Insights provides a variety of graphs, charts and detailed views, including a Comparative Payment Behavior chart that displays customers' payments, compared to how they compensate other vendors, and how fast their rivals pay. In addition, it provides Days Beyond Terms Trends graphs, which show 24-month payment trends on the account and portfolio levels, as well as account-level and segment views for insights on payment performance.

For BCR clients who report their accounts receivable data to Dun & Bradstreet's Global Trade Exchange Program, via BCR's free credit bureau data reporting services, there is no additional charge to use the Payment Performance Insights tool. [Source: Pymnts.com](#)

Radius in Partnership with Dun & Bradstreet

Radius Unveils Largest Global B2B Data Ecosystem with New Data Relationship. Expanded data source alongside Radius' CDP delivers single source of truth for B2B data.

Radius, a B2B enterprise customer data platform, announced that [The Network of Record](#) will include the [Data Cloud by Dun & Bradstreet](#). Radius customers can now access unprecedented breadth for global account and contact data, including business data across 190 countries, five million corporate hierarchies, 80 additional business firmographics, and D-U-N-S numbers to fuel go-to-market insights, revenue operations, and customer experiences. Radius welcomes Dun & Bradstreet as its first branded data source as it expands The Network of Record and data platform toward a data-agnostic, real-time access model.

About Radius: Radius (www.radius.com) claims to be the first enterprise customer data platform (CDP) on a mission to power data intelligence across all B2B applications, channels, and users. Built on The Network of Record™ – the most accurate and comprehensive B2B data source – and pioneering AI, Radius helps companies discover, manage and reach their audiences. With Radius, our customers have a single source of truth, a unified view of every possible customer, and the largest reach across more than 500 channels. [Source: Radius Press Release](#)

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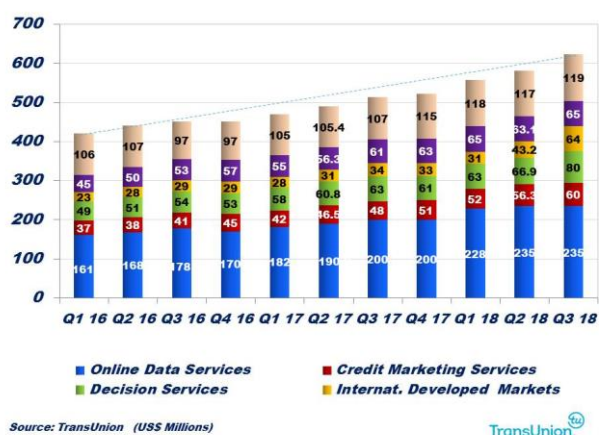
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MEMBER NEWS

TransUnion Q3 Revenue Growth Up 21%

Total revenue was \$604 million, an increase of 21 percent compared with the third quarter of 2017 (22 percent on a constant currency basis, 11 percent on an organic constant currency basis). Adjusted Revenue, which removes the impact of deferred revenue purchase accounting reductions and other adjustments to revenue for our recently acquired entities, was \$621 million, an increase of 25 percent compared with the third quarter of 2017 (26 percent on a constant currency basis, 11 percent on an organic constant currency basis).

- USIS revenue was \$375 million, an increase of 20 percent compared with the third quarter of 2017 (11 percent on an organic basis). USIS Adjusted Revenue was \$376 million.
- International revenue was \$129 million, an increase of 36 percent compared with the third quarter of 2017 (42 percent on a constant currency basis, 12 percent on an organic constant currency basis). International Adjusted Revenue was \$145 million.
- Consumer Interactive revenue was \$119 million, an increase of 11 percent compared with the third quarter of 2017. Revenue in the third quarter of 2018 included approximately \$5 million of incremental credit monitoring revenue due to a breach at a competitor.



Source: [TransUnion Earnings Release](#)

TransUnion Announces the Launch of IDVision with *iovation*



Announcing
IDVision

TransUnion (NYSE: TRU) together with *iovation*, a TransUnion company, announced at Money20/20 the launch of [IDVision with iovation](#), an enhanced suite of identity management, authentication and fraud prevention solutions that protect businesses from fraud while enabling great experiences for their online users.

IDVision with *iovation* brings together a combination of TransUnion's extensive personal data with *iovation*'s digital data. This results in a global network effect of fraud and risk insights that allow businesses to quickly and accurately determine good customers from fraudulent ones. In addition to other capabilities, *iovation*'s marquee FraudForce Device-based Reputation product has been integrated into the enhanced suite of solutions.

IDVision's fraud identification and mitigation capabilities will work together with *iovation*'s longstanding fraud prevention solutions – which have identified or prevented nearly 145,000 fraud attacks daily and have protected up to 7 billion transactions since January 1, 2018. Additionally, *iovation*'s database contains over five billion identified devices to date. Source: [TransUnion Press Release](#)

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MEMBER NEWS

TransUnion's Strategic Rationale for Acquiring *iovation*

Jim Peck, CEO commented on the rationale of the recent acquisition of *iovation* during the recent 3rd Quarter 2018 earnings call with analysts. He stated: "One of those areas that I believe is still relatively nascent in spite of its meaningful size and growth rate in our portfolio is fraud and ID."

He asked Chris Cartwright to join the earnings call, to present the suite of products and particularly the recent acquisition of *iovation*. "Chris and team identified the device authentication market as a critical new dimension for Transunion. The champion of the transaction and I think you'll see that their vision will provide us for another very strong long-term growth engine."

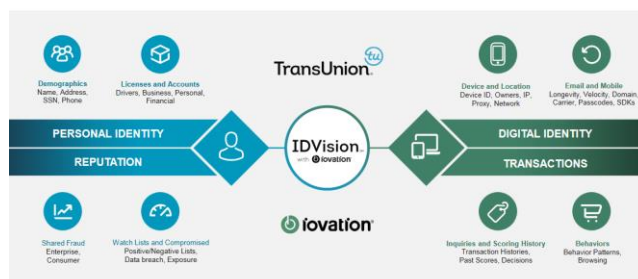


Christopher Cartwright: "Before I jump into the *iovation* story, it's important to set the market context of why this acquisition is so valuable to our customers. With the enormous growth in online channels in recent years, fraudsters have become more sophisticated and aggressive and our customers are facing a new set of challenges.

First, we've reached the point where the vast majority of transactions are now digital, with mobile device transactions in the majority. This digital migration has supplanted in-person transactions which were much easier to authenticate and much harder for fraudsters to perpetrate that scale.

Second, with more than 1500 reported data breaches in the U.S. alone, there is a considerable amount of personal information available to fraudsters, making it easier for them to answer challenged questions about identity or even to build synthetic identity.

Answer Critical Questions In Real Time
Comprehensive views of a consumer's identity across the customer lifecycle



And **third,** as the need for more sophisticated intelligent fraud protection has increased so to have consumer expectations for fast frictionless online experiences.

So, this is clearly a challenging landscape for our clients and they need additional tools to protect themselves and their customers and that's what's driving significant growth for products that reduce fraud risk and friction.

As a result, the global fraud month and occasion [ph] market is growing double-digits in a row and by more than 20% per year in the U.S., the UK and many other large markets. So, it's with this market context, slide six provides an overview of the fraud prevention assets that TU has assembled with the acquisition of *iovation*. **[to be continued on next page]**

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TransUnion's Strategic Rationale for Acquiring *iovation* [continued from previous page]

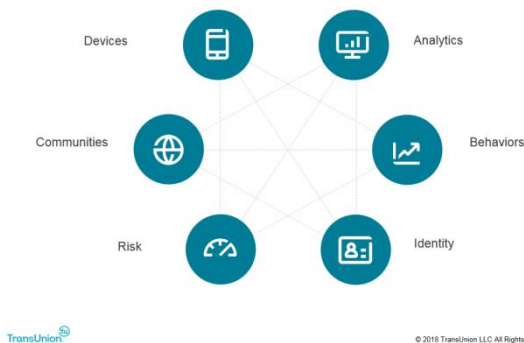
Unifying Personal And Digital Data Across The Globe
For an unmatched view of consumers to build a defined identity strategy



So, next slide shows the personal identity and reputational information that TransUnion utilizes within its IDVision suite of products. In simple terms, you can think of IDVision as a means to validate the identity of an individual typically as part of an application process or account opening if you will and this is highly valuable to our customers and we've delivered strong growth in recent years as the troubles of fraud continues to increase.

Now as you can see on the right side of slide six, we are combining this so-called offline data with *iovation's* online device data to create a broad and powerful fraud prevention suite, which we can utilize both at account opening and throughout the account lifecycle.

Our Global Network Enhances Fraud And Risk Insights
A network effect of interconnected communities, practitioners and real-time signals



Let's take a moment to survey the massive amount of identity and authentication data that we can now bring to our customers. On the TransUnion side, we have 1 billion consumer records and 500 million credit histories across more than 30 countries all updated regularly. We will now merge that with a digital data from *iovation*, which includes 13 years of history on 5 billion of ICs globally with visibility into the interaction of these devices with the more than 35,000 websites and applications that *iovation* protects.

Importantly, this history allows us to connect devices to each other and to device families. This means that if a fraudster uses a device to perpetrate fraud that device is identified as unsafe. We're then able to link additional devices that have been used to access the same account back to the unsafe device marking each one as suspect. This integrated deep historical record around device families is unique to the industry and extremely

valuable for reporting fraudsters.

So, at its core *iovation* is a contributory database into which clients provide real-time feedback on device behavior during account interactions including whether a device is used to perpetrate a fraud. *iovation* incorporates this information and its massive history of device data for use across the *iovation* network. *iovation* also use machine learning to identify suspicious online behaviors and to quickly identify whether a device is suspect or safe. **[To be continued next page]**

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MEMBER NEWS

TransUnion's Strategic Rationale for Acquiring iovation [continued from previous page]

IDVision™
with **iovation**

Introducing
IDVision with iovation

A holistic fraud solution enabling
businesses and consumers to safely and
seamlessly transact in a digital world

TransUnion

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Establish identity

- Identity Verification
- FraudForce Device-based Reputation
- IDVision Alerts
- Verified Prefill

Authenticate consumers

- Knowledge-based Authentication
- One-time Passcode
- ClearKey Device-based Authentication
- LaunchKey Multifactor Authentication

Prevent Fraud

- FraudForce Device-based Reputation
- Fraud Models and Scores
Synthetic Fraud Model, Custom Fraud Analytics,
SureScore Trust Indicator
- Fraud Prevention Exchange
- Investigations (TLExp)



The *iovation* acquisition brings other important new products such as ClearKey, which is a lighter weight device-based authentication and LaunchKey, which is a consumer directed multi-factor authentication.

The breadth of this product enables us to provide solutions for both new applications and account login and authentication. Now, this is significant as we see 10 to 20 times of the volume around account login and ongoing transactions compared to new applications, so it provides TransUnion with a major increase in our addressable market.

Combined with the current data assets, we have now an unprecedented view of both the online and the offline characteristics of consumers with the most sophisticated data and technology in the industry and to put the scale and perspective in

2017 alone through *iovation*, we reviewed about 8 billion transactions and we found about 100 million of instances of fraud. So, the strength of this contributory model lies in the power of the network. As *iovation* reviews transactions, we gather about 200 data elements from the device being used by the consumer, including device specific such as the IP address, the device type, the browser version the operating system.

The other set of contributory models is that we gained the real time learnings from over 4000 fraud analysts within our network of customers who provide us with over 1 million data points about adverse device behavior every month. In other words, we not only gain data about the device, but customers then identified devices that have been used for fraud, enhancing the efficacy of our products for all of our network partners.

In the strong nodes of the geographic boundaries. The other benefit of this network is that we can acquire data from anywhere in the world without having to be present in that country and without having to buy data from the new one.

So, for example, if somewhat in the remote country where TransUnion has absolutely no presence goes online and conducts business with any of the 35,000 websites and apps we protect. We then acquire data about that device and we added to our archives for future use for any of our other clients. Thus, the bigger the global network kit the more powerful it becomes.

And when we put all of this together, we now have the most comprehensive suite of products for *personal and digital authentication* in the world. We're able to verify a consumer's identity against the broad set of personal and digital data, authenticated consumer on to a customers' platform and prevent fraud.

The combination of our global footprint and market positions along with our new *iovation* capabilities in a very high growth market creates a compelling source of diversified revenue growth for TransUnion. And we also believe we are in a position to become a leading source of truth about consumer identities and enable business as a consumer interacts safely and seamlessly in a digital world. **Source: TransUnion Earnings Call Transcript (Seeking Alpha)**

INDUSTRY NEWS

Oracle acquires DataFox

Oracle acquires DataFox, a developer of 'predictive intelligence as a service' across millions of company records

Oracle [announced](#) that it has made another acquisition, this time to enhance both the kind of data that it can provide to its business customers, and its artificial intelligence capabilities: it is buying [DataFox](#), a startup that has amassed a huge company database — currently covering 2.8 million public and private businesses, adding 1.2 million each year — and uses AI to analyses that to make larger business predictions. The business intelligence resulting from that service can in turn be used for a range of CRM-related services: prioritizing sales accounts, finding leads, and so on.



“The combination of Oracle and [DataFox](#) will enhance Oracle Cloud Applications with an extensive set of AI-derived company-level data and signals, enabling customers to reach even better decisions and business outcomes,” noted Steve Miranda, EVP of applications development at Oracle, in a note to DataFox customers announcing the deal. He said that DataFox will sit among Oracle’s existing portfolio of business planning services like ERP, CX, HCM and SCM. “Together, Oracle and DataFox will enrich cloud applications with AI-driven company-level data, powering recommendations to elevate business performance across the enterprise.”

Terms of the deal do not appear to have been disclosed but we are trying to find out. DataFox — which launched in 2014 as a contender in the [TC Battlefield at Disrupt](#) — had raised just under \$19 million and was last valued at \$33 million back in January 2017, according to [PitchBook](#). Investors in the company included Slack, GV, Howard Linzon, and strategic investor Goldman Sachs among others.

Oracle said that it is not committing to a specific product roadmap for DataFox longer term, but for now it will be keeping the product going as is for those who are already customers. The startup counted Goldman Sachs, Bain & Company and Twilio among those using its services.

The deal is interesting for a couple of reasons. First, it shows that larger platform providers are on the hunt for more AI-driven tools to provide an increasingly sophisticated level of service to customers. Second, in this case, it’s a sign of how content remains a compelling proposition, when it is presented and able to be manipulated for specific ends. Many customer databases can get old and out of date, so the idea of constantly trawling information sources in order to create the most accurate record of businesses possible is a very compelling idea to anyone who has faced the alternative, and that goes even more so in sales environments when people are trying to look their sharpest.

It also shows that, although both companies have evolved quite a lot, and there are many other alternatives on the market, Oracle remains in hot competition with Salesforce for customers and are hoping to woo and keep more of them with the better, integrated innovations. That also points to Oracle potentially cross and up-selling people who come to them by way of DataFox, which is a SaaS that pitches itself very much as something anyone can subscribe to online.

About: DataFox Intelligence, Inc. offers a platform that helps sales and marketing teams prospect personalized conversations at the right time. Its platform brings together best data sources to help sales reps find new account and contact information for companies. The company was founded in 2013 and is based in San Francisco, California. **Source:** [Tech Crunch](#)

INDUSTRY NEWS

PwC Enters the KYC Arena by Acquiring RegTech Solutions

Global professional services firm, PricewaterhouseCoopers announced the acquisition of KYC-Pro, a RegTech solution, from boutique financial services compliance firm, FSCOM Limited, for an undisclosed amount. The move comes as part of PwC's plans to bolster and expand its regulatory compliance offering. Research shows that by 2020, European banks will spend more than €1 billion annually on their KYC management.



KYC-Pro enables customers' access to over 127 million companies worldwide, conduct individual AML checks across more than 20 countries and cross reference potential customers against international PEPs and Sanctions lists. It also boasts meticulously designed APIs and a user-friendly dashboard which improve the customer experience. Unlike most RegTech solutions, KYC-Pro has been developed by compliance experts. Combining fscom's deep knowledge of financial services regulation with the best databases and intuitive technology, KYC-Pro ensures customers meet their regulatory requirements in the most effective way possible.

fscom has developed a reputation for delivering unrivalled compliance advisory services to financial services companies across the UK and Ireland, particularly those operating in the payment services and e-money sector. Philip Creed, Director at fscom comments, "The rapid expansion of the FinTech industry and continued changes in regulation require that we focus our efforts on our core consulting business. Through PwC, KYC-Pro has the potential to become a global brand, which offers compliance officers peace of mind both in terms of its accuracy and regulatory compliance." *Source: [FSCOM.co.uk blog](http://FSCOM.co.uk)*

Cyber Criminals Are Outspending Business

Cyber criminals are spending 10 times more money finding weaknesses in the cyber defenses of organizations than the organizations they target are spending on protecting against attack.

The cybercrime community spends over \$1tn each year on developing attacks compared with the \$96bn being spent by organizations to secure themselves from attacks. This is increasing the number of attacks on organizations around the world, with the UK a major target.

Research from **Carbon Black** carried out in August also asked 250 UK-based CIOs, CTOs and CISOs about the attacks they faced over the past 12 months. In total, 92% of UK businesses have been breached in the past year and nearly half of those reported falling victim to multiple breaches (three to five times in the past year).

A total of 82% of respondents said they have experienced more attacks this year than last year. In the financial services sector, 89% said this is the case, while 83% of government organizations and 84% of retailers had also experienced an increase in the number of attacks.

Malware was the most common attack on the UK organizations surveyed, with about 28% experiencing at least one such attempted breach. Ransomware was the next most common, with 17.4% reporting at least one attack. The report found that IT leaders believe Russia and China to be the source of the vast majority of cyber-attacks, but it identified North America as the starting point for more attacks than Iran and N Korea combined. Source: [Cyber Security Intelligence](#)

ARTIFICIAL INTELLIGENCE (AI)

Artificial Intelligence: Winter Is Coming

Today's AI is not much better at solving real world problems than its ancestors opines Zia Chishti Chairman and Chief Executive of Afinity

'Blade Runner 2049' was released 35 years after its predecessor predicted the development of sentient robots — a prophecy that remains a fiction

Expert systems, neural networks, and predictions of generalized intelligence are everywhere. Venture capitalists are rushing to fund start-ups with the magic letters "AI" grafted on to their PowerPoint presentations. Consultants and chief executives endlessly proclaim the need to embrace artificial intelligence and its sibling "big data".

We have seen this movie before. Fifty years ago, "chatterbots" such as Eliza and Parry were heralded as victories on the march to generalized intelligence. Complex neural networks were considered primitive but reasonable models of human brain functions. And on the back of intense interest in AI, Ridley Scott's 1982 film Blade Runner projected a dystopian future in which artificial lifeforms exceeded human intelligence and strength. Surely humanity was about to give birth to a digital Adam and Eve?

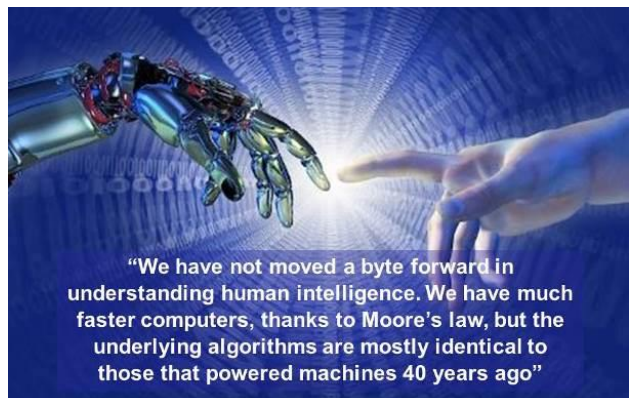
Of course, it did not happen. We have not moved a byte forward in understanding human intelligence. We have much faster computers, thanks to Moore's law, but the underlying algorithms are mostly identical to those that powered machines 40 years ago.

Instead, we have creatively rebranded those algorithms. Good old-fashioned "data" has suddenly become "big". And 1970s-vintage neural networks have started to provide the mysterious phenomenon of "deep learning". But didn't **IBM's Watson** beat human contestants on the television show Jeopardy? Surely that's revolutionary?

More to the point, however, is Watson's commercial success. It was reported by Stat that IBM internal documents indicated that Watson had recommended "unsafe and incorrect" cancer treatments. It turns out that going from Jeopardy to cancer diagnosis is a bit harder than IBM thought.

Another contender for the AI crown is Google with **DeepMind**. In a salute to IBM's strategy of throwing hundreds of engineers at flashy victories in deterministic games, DeepMind trumpeted the triumph of its AlphaGo program over the world's top player of the ancient strategy game Go. This was somehow supposed to be an even greater victory than those of Deep Blue, the chess-playing computer that beat Garry Kasparov in 1997, or Watson.

But let's consider a case where DeepMind has attempted to extract commercial value. With much fanfare, the UK's National Health Service employed DeepMind in 2015 to improve patient outcomes and reduce costs. Three years later, an audit of the DeepMind project for acute kidney injury, known as Streams, conducted by the law firm Linklaters said: "Without intending any disrespect to DeepMind, we do not think the concepts underpinning Streams are particularly groundbreaking." In short, DeepMind is providing nifty graphical interfaces to existing NHS algorithms. *[Continued on next page]*



ARTIFICIAL INTELLIGENCE (AI)

Artificial Intelligence: Winter Is Coming [Continued from Previous Page]

The fact is that the latest incarnations of AI are not much better at solving real world complex problems than their ancestors were three decades ago. Heavily-tuned systems can win at narrow challenges such as Go, chess, or Jeopardy. But diagnosing a disease from the myriad and conflicting symptoms a human being can exhibit is currently beyond them.

So what is AI good for? What it has always been good for: the identification of patterns in complex data. Medical image anomaly detection, hydrocarbon detection, consumer behavioral prediction and fraud detection have all benefited from advances in computational capacity. These all share two things: large volumes of well-structured input data and well-defined endpoints.

How could companies benefit?

First, we should stop investing in generic AI and big data projects. Consultants love these, but the vast majority of such investment is a waste. The question we ask ourselves at my technology company, Afiniti, is this: "Can the CEO understand in five minutes or less how we add value?" If there is not an exceptionally clear business case for the pitch, then it is almost certainly not worth pursuing.

Second, chief executives must personally drive AI projects. Delegation is a recipe for failure.

Similar principles apply to investing in AI. Investors should stop funding companies that simply tack AI on to their pitches. Many companies merely rebrand pre-existing algorithms as AI or else just purchase off-the-shelf AI "tools". Investors should focus on fundamental questions. What problem does this use of AI solve? How do you measure outcomes? How does the AI provider capture its share of value? These questions must be answered convincingly for an investment to succeed.

Blade Runner 2049, a sequel to the 1982 film, was released last year amid intense hype around AI. Here again is a movie which conjures, as its predecessor did, a dystopian future in which humans are supplanted by sentient robots. But we might recall that the term "AI winter", signifying a dramatic slowdown in interest and investment was coined by the American Association for Artificial Intelligence in 1984 — just two years after we saw the original "blade runner", Deckard, fall in love with an artificial lifeform named Rachael.

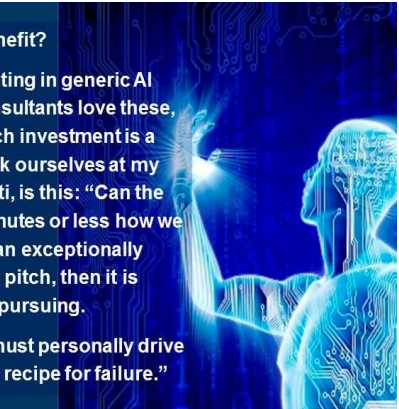
The writer is chairman and chief executive of Afiniti

Source: [Financial Times](#)

"How could companies benefit?"

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CREDIT BUREAU NEWS

FICO Plans Big Shift in Credit-Score Calculations, Potentially Boosting Millions of Borrowers

- Consumers with a low FICO could get a higher UltraFICO, a new score that factors in bank-account activity as well as loan payments
- In a move designed to boost approvals for credit cards, personal loans and other debt, Fair Isaac Corp. is launching a new type of credit score in 2019, the UltraFICO, which factors in bank balances as well as payment history. PHOTO: DANIEL ACKER/BLOOMBERG NEWS
- Credit scores for decades have been based mostly on borrowers' payment histories. That is about to change.



[Fair Isaac](#) Corp, creator of the widely used FICO credit score, plans to roll out a new scoring system in early 2019 that factors in how consumers manage the cash in their checking, savings and money-market accounts. It is among the biggest shifts for credit reporting and the FICO scoring system, the bedrock of most consumer-lending decisions in the U.S. since the 1990s.

The UltraFICO Score, as it is called, isn't meant to weed out applicants. Rather, it is designed to boost the number of approvals for credit cards, personal loans and other debt by taking into account a borrower's history of cash transactions, which could indicate how likely they are to repay. The new score, in the works for years, is FICO's latest answer to lenders who after years of mostly cautious lending are seeking ways to boost loan approvals. This is occurring at the same time the consumer-credit market appears relatively healthy. Unemployment is low and consumer loan balances—including for credit cards, auto loans and personal loans—are at record highs, and lenders are looking for ways to keep expanding loan volume. *Source: [Wall Street Journal](#)*

Experian, FICO and Finicity Launch New Ultra FICO Credit Score



Following the above announcement Experian®, FICO and Finicity® announced the introduction of the UltraFICO credit score during the Money 20/20 USA conference. The partnership leverages account aggregation technology and distribution capability from Experian and Finicity to help consumers improve access to credit by tapping into consumer-contributed data, such as checking, savings and money market account data, that reflects responsible financial management activity. To read the full story click on this link.

Experian, FICO and Finicity estimate this new score has the potential to improve credit access for the majority of Americans and is particularly relevant for those who fall in the grey area in terms of credit scores (scores in the upper 500s to lower 600s) or fall just below a lender's score cut-off. Consumers who are relatively new to credit with limited history or those with previous financial distress that are getting back on their feet stand to benefit the most. Experian has partnered with Finicity previously. *To read the full story click on this [link](#).*

CREDIT BUREAU NEWS

Access to Credit Registers: Portugal's Competitive Authority Asks for Fair Play

With the heading **Fair Play** the Portuguese Competition Authority has published a paper looking at the barriers for FinTech and InsurTech companies to enter the Portuguese financial ecosystem. The authority analysed feedback from financial regulators, businesses and business associations.



In their analysis of crowdfunding, the Authority concludes that lack of access to the central credit register is a constraint on the sector. Concretely, the Authority recommends that the Bank of Portugal should consider allowing credit-granting FinTechs to "have access to" and "be able to report to" the Portuguese Credit Register - Central de Responsabilidades de Crédito (CRC), in Portuguese. **Source: ACCIS Newsletter**

European Data Protection Board (EDPB): Dealing with 80,000 Data Breach Notifications



The European Data Protection Board (EDPB) has 162 cross border cases on its register, but no fines issued as yet. It has also received 80,000 data breach notifications.

The European Data Protection Board (EDPB) has by now 162 cross-border cases on its case register, the **Board's Chair Andrea Jellinek** said in Brussels today. She would not confirm when the first large fines would be issued - 'we are investigating' she said. When asked about a public register of fines, she said this would not be possible unless the details were anonymised. Under her native Austrian DP law, the authority has to anonymise any details if they publicise details of fines.

Jellinek said that the first five months of the GDPR have been busy for the authorities. Some 80,000 breach notifications have been received by the 25 EU DPAs which have issued their statistics, and 15 One Stop Shop procedures have been started at the Board. In addition, there have been 233 procedures relating to Mutual Assistance between the DPAs. **Source: [Privacy Laws & Business](#)**

Equifax and Yodlee in Partnership

Equifax Inc. (NYSE: EFX) has announced that it is working with Yodlee, a financial data aggregation and data analytics platform, to help simplify the mortgage loan process by making it easier for lenders to derive insights from borrowers' financial data.

This collaboration provides Equifax with access to real-time asset and income information on prospective customers who have granted permission and helps streamline loan production, reduce fraud exposure in the application process, and give banks, loan originators and lenders additional tools to assess risks in underwriting and portfolio management.

Equifax manages the nation's largest centralized repository of income and employment verifications, powered by The Work Number, a proprietary data asset containing more than 350 million payroll records. Through the collaboration with Yodlee, Equifax is enhancing its already robust verification offering. The addition of asset data will help Equifax provide the industry with a fully rounded solution for verifying borrower income, assets and employment, all delivered in a seamless electronic document and API flow.

About Yodlee: Envestnet® | Yodlee® is a leading data aggregation and data analytics platform powering dynamic, cloud-based innovation for digital financial services. Our platform has proudly fueled innovation financial institutions (FIs) and fintech for over 17 years ultimately helping consumers get better lending rates, lower fees, higher returns, and more. **Source: [Equifax Press Release](#)**

CREDIT BUREAU NEWS

Equifax, Experian & TransUnion are Facing New York Financial Cybersecurity Rules



Equifax Inc., Experian Inc. and TransUnion will have to comply with New York's financial sector cybersecurity rules as of Nov. 1, after the state moved to police the credit reporting companies' data security woes. The New York Department of Financial Services moved to put the credit bureaus under its rules because of the massive 2017 data breach at Equifax and smaller ones at Experian in 2013. The rules will also help impose more cybersecurity requirements on credit bureaus handling some of the most sensitive consumer data, such as Social Security numbers.

"The decision to make credit reporting agencies subject to the NYDFS cybersecurity regulation clearly stems from last year's data breach suffered by Equifax, which was roundly criticized both for being hacked and for its public disclosure and consumer notification efforts after the fact," Keith Gerver, senior white collar defense and investigations associate at Cadwalader Wickersham & Taft LLP in Washington, told Bloomberg Law.

In her June statement announcing the expansion of the rules to cover credit bureaus, New York DFS Superintendent Maria Vullo said the "first-in-the-nation" rules were intended "to safeguard New York's markets, consumers and sensitive information from cyberattacks." Credit reporting bureaus that cover over 1,000 New York consumers will have new regulatory requirements under the rules. **Reporting bureaus will have to register with the state and provide business operation details, and identify a corporate official who is legally responsible for complying with the rules. They will have to recertify with the NYDFS each February.**

Equifax and TransUnion didn't immediately respond to Bloomberg Law's email requests for comments. Experian said in a statement it is "vigilant when it comes to data security and we are in full compliance with New York Department of Financial Services regulations concerning cybersecurity."

Strict Breach Window: Among the strictest of the new rules is a requirement that the bureaus notify the department of a breach within 72 hours. This deadline, which mirrors that of the GDPR, means that covered entities may need to make notification to the regulator even before many of the details of the breach have been investigated and assessed," said Gerver, in a reference to the EU's General Data Protection Regulation.

Credit reporting bureaus may have to spend plenty of time and resources to update their incident response policies to comply with that notification requirement, Robert Braun, co-chair of the cybersecurity and privacy group at Jeffer Mangels Butler & Mitchell LLP in Los Angeles, told Bloomberg Law. "A lot of credit bureaus will have to go back and amend their policies to make it specific to New York," he said. Others may amend their policies to make it easier to adapt to other state regulations that may change to adapt to New York's standards, Braun said.

Enforcement Ahead? The bureaus aren't allowed to engage in conduct harmful to consumers under the rules, and to be available to regulators for internal investigations. Once the cybersecurity rules are in place, New York regulators will likely be aggressive about enforcing them, attorneys said. "It is difficult to imagine that DFS will not take the opportunity to make an example of a credit reporting agency that fails to abide by its new obligations," Gerver said. The NYDFS also has a long history of taking strong actions for non-compliance with its other rules, Braun said. "It certainly ratchets up the consequences of not complying for Equifax, Experian, and TransUnion," Braun said. **Source: Bloomberg Law**

BIIA Newsletter

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CREDIT BUREAU NEWS

World Consumer Credit Reporting Conference Focused on Financial Inclusion, Data Security and the Future of Credit Markets

Top leaders representing financial services and credit reporting organizations from around the world were meeting at the World Consumer Credit Reporting Conference (WCCRC) which was held in New Delhi, India at the end of September, to learn more about the changes that are occurring in their markets. Organizers of the conference were ACCIS, CDIA and TransUnion. Congratulations for this successful event.

Among the key topics being addressed at the conference were issues of how data and new technology are helping support financial inclusion in developing markets – an important factor for all international economies. Globally, about 1.7 billion adults remain “unbanked”, according to the World Bank Group. That means that these adults are without an account at a financial institution or a mobile money provider.

“At a global level, financial inclusion is a key concern,” said **Neil Munroe**, conference chair of the WCCRC. “More information and new technology is facilitating access to financial services for millions and as a result enabling them to improve their quality of life. Providing individuals and



small businesses with more access to purchasing power, and the ability to better manage their finances, is a key enabler for the economic development of all countries.”



BIIA's Executive Committee member **Peter Sheerin** participated in a panel discussion Key regulatory developments impacting the future of the credit reporting and financial services industries. He specifically addressed the need for cross border data sharing and how it can work.

TransUnion (NYSE: TRU), one of the leading global information solutions provider headquartered in Chicago, was one of three primary supporters of this global forum, along with the Association of Consumer Credit Information Suppliers (ACCIS) and the Consumer Data Industry Association (CDIA).

CDIA is the voice of the consumer reporting industry in the US, which represents consumer reporting agencies including the nationwide credit bureaus, regional and specialized credit bureaus, residential screening companies, background check companies, and others.

ACCIS represents the largest group of credit reference agencies in the world. ACCIS brings together 40 members across 27 European countries and 8 associate and affiliate members from all other continents.

The conference provided ample opportunities for networking during two evening events, which included an introduction to Indian cuisine and folklore. Picture on the right: **David Neenan**, President International at TransUnion with **Joachim C Bartels**, Managing Director of BIIA.



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