

How Phone Verification Fights Identity Theft

Article by: Alexa Foster

Just like anything on Earth modern society has some kind of balance. So on one hand we have a progressive electronic community and on the other hand we have army of internet criminals whose both work and fun consists of so called identity theft.

As the main weapon of a scammer is his anonymity the main purpose of a Site Owner consists in confirmation of Users identity.

There are some methods to verify website user's identity. Confirmation by email is used when it concerns password reminder service; e-merchants use AVS checking to authorize their customers as true cardholders while processing credit cards in e-shops and so on.

But it's not enough. Passwords can be stolen through so called phishing. And Address Verification System is used in US and Canada only and moreover its scheme is rather imperfect. There should be another solution. And it does exist.

Telephone verification is a kind of universal method to verify user's identity. It works as follows:

A. A user enters his personal data including phone number at a certain site and presses "submit" button. B. Phone verification system initiates a call to this number. C. After greeting a system asks to enter pin-code that a user sees on the screen using a phone keypad. D. A user enters pin-code and hangs up.

After a call is done system passes a merchant user's country and city by phone number area code, phone number type and matching of pin-code entered and pin-code shown on site. Some companies e.g. Proveout.com provides Geo IP research in addition to telephone verification. This allows to compare IP address data with phone number data (whether country and city identified by IP address matches the ones identified by phone area code).

It is a lot. It is surely enough to define whether a Customer is a person he seems to be – a real website user and a real cardholder.

Optionally system can ask a person to confirm his identity/order by saying something like his name or any other information that is recorded. Afterwards, such recordings can prove that a person had indeed used certain service (ordered certain goods). A Site Owner can download a wav-file with a recorded voice message of a customer at any time as it is saved on server of telephone authorization service provider.

This is telephone verification and how it works.

Where telephone verification is used

1. E-commerce. Identity theft is a serious problem for plenty of merchants. Telephone verification helps to reduce fraudulent transactions. Customer just passes the standard procedure of authorization and proves that he is a true cardholder. Recorded message with Customers voice can afterwards become a proof of ordering a good/service by a certain person.

2. Any website where registration/authorization is required. VoIP telephone verification can be used at the registration stage in order to confirm users' identity (e.g. it's of high importance at different forums, online communities, online financial services etc).

Also it can be used in case a user has lost his password. Sending it to a specific email address doesn't guarantee Site Owner cannot be completely sure that password reminder procedure isn't initiated by a scammer with an idea to manage somebody's personal data. Passing telephone verification by user can prove his identity.

3. Sites with free content limiting. Very often different companies carry on advertising campaigns that permit using their online services for free for certain time (trial periods). In order to anticipate multiple signing up (which is a bad experience for a marketing report) each new registration can be verified in order to prove that use hasn't signed up before.

4. Sites offering region limiting services. In some countries it is prohibited to distribute security software to certain countries. Using telephone verification service Site Owner can be sure that his new registered user doesn't live in one of these countries. Phone number area code helps to reveal user's location. This service is even more effective when it is used together with Geo IP research.

VoIP telephone service can be used for automation of webmaster's work by programming scheduled phone calls with a request of certain info or a confirmation of certain info. E.g. you can automatically initiate a call when a new order with shipment requirement is submitted in order to confirm shipment details. In case you're an owner of an internet-catalogue you can initiate a call e.g. once a month to the members of your catalogue in order to confirm that their sites

still exist with the same domain names, so to confirm their membership.

You can use VoIP telephone verification as a perfect marketing tool. For example you can supply your Clients with information concerning some changes in their maintenance by phone or automatically play them greeting messages on specific dates.

To sum it up, I'm to say that there is a great variety of variants on how VoIP telephone verification can be used in internet space. You can offer another ways according to your e-business. It gives great opportunities to communicate with your Clients without being bounded by electronic means (email, ICQ). Specialist in web development and internet marketing.