



# SHOP DIRECT

## Foiling Fraud and Supporting Shoppers with RSA Adaptive Authentication

### AT-A-GLANCE

#### Challenges

- Shop Direct offers online shopping and credit, meaning it frequently faced attacks from fraudsters. Each attack had to be analyzed manually by the fraud team
- The company needed to enhance and accelerate its ability to identify and combat fraudulent purchases and credit requests, without disrupting the experience for genuine customers

#### Results

- The fraud team used RSA Adaptive Authentication to help narrow in on a significant fraud ring, the members of which were identified and prosecuted
- Shop Direct has seen its overall fraud rate drop to about a third of the level that it was three years ago
- The customer experience remains smooth and unaffected by the stringent anti-fraud efforts in the background

**“By using a series of products from RSA including Adaptive Authentication, we've seen our overall fraud rate drop to about a third of the level that it was three years ago. So that's a real success for us.”**

JOHN PEARS, RISK AND OPERATIONS DIRECTOR, SHOP DIRECT

**With £1.7bn in annual sales, Shop Direct is the UK and Ireland's leading multi-brand digital retailer, delivering 48 million products every year to millions of customers. 84% of its sales are online, with 44% of those from mobile devices. Its websites receive 950,000 visits every day. The company has been in business for 80 years and each of its digital department stores is now a household name brand, from newer brands, Very.co.uk, isme.com and Woolworths.co.uk, through to heritage brands like Littlewoods.com and KandCo.com.**

## ABOUT RSA

RSA's Intelligence Driven Security solutions help organizations reduce the risks of operating in a digital world. Through visibility, analysis, and action, RSA solutions give customers the ability to detect, investigate and respond to advanced threats; confirm and manage identities; and ultimately, prevent IP theft, fraud and cybercrime. For more information on RSA, please visit [www.RSA.com](http://www.RSA.com).

## CONTACT US

To learn more about how RSA products, services, and solutions help solve your business and IT challenges contact your local representative or authorized reseller — or visit us at [www.RSA.com](http://www.RSA.com)

## *Please tell us about yourself and your organization*

I am John Pears I am the risk and operations director for Shop Direct. Shop Direct is an online digital retailer and one of the biggest in the UK. As well as being a digital department store, we provide the means for customers to spread the cost of retailer purchases with a credit enabled product offering at the back end.

## *What is your approach to IT security?*

We have a very comprehensive approach to security across our business. We have a large IT security team that is responsible for making sure our infrastructure can stand up to an attack, all the way through to a physical security team who make sure that our warehouses and our locations are secure. We also have a large fraud team who deal with fraud referrals, help our customers when they experience possible identity theft and check transactions to make sure we're making the right decisions, using the intelligence from products we've been purchasing.

## *What challenges were you facing?*

Around three years ago we saw significant growth in our digital brands. A lot of our advertising activity was attracting customers in through the door and we had fantastic growth levels. At the same time though, because we have a credit offer that doesn't require a deposit, and customers can purchase digital goods for delivery, it was quite tempting product for fraudsters as well. So we saw fraud levels start to increase.

We had previously taken a very detailed approach to fraud prevention but that was mainly in the form of fraud referrals being handled manually. The fraud team would use data and scorecards, limited to the controls that we would have set at the time, but we certainly saw that fraud was continuing to escalate and we wanted to layer in additional controls in order to control that risk.

## *What is does Intelligence-driven Security mean to you?*

We have a huge portfolio of about five million customers and we handle about £2 billion in of customer transactions each year. It's essential for us to have analytical insight into all that data. We can't just go off past patterns: we have to be able to mine the data and look for behavioral routines from fraudsters, to see how they operate differently from a genuine customer. That can include assessing their web browsing behaviour, finding links

between customers with similar IP addresses, spotting multiple applications coming through, or any other different data dynamics that stand out from genuine customer behaviour.

## *What RSA solution are you using?*

We've had a lot of success with RSA Adaptive Authentication, using its risk scoring to look at the right transactions in our fraud department. We've also got an RSA risk account manager and a technical account manager, who are really helping us look for intelligence on our portfolio behaviors, and we've also seen a lot of success around our anti-phishing service. Being an online digital retailer, Shop Direct sees a lot of attempts at setting up fake sites, and they often appear very, very quickly. In fact, we now challenge our marketing department to see if they can get our online content up just as quickly as we see fraudsters doing it.

## *How has RSA helped make a difference?*

We've had quite a few incidences where using this solution has enabled us to highlight a series of fraudulent accounts. By analyzing those accounts and looking for patterns of behavior, we were able to identify a significant fraud ring in Glasgow. We were able to really drill down into particular areas and postal regions to see where the fraudulent activity was occurring the most. We followed that all the way through to some controlled deliveries and we actually ended up arresting a series of individuals who are now thankfully rather than being online and attacking us, spending a bit of time at Her Majesty's pleasure.

## *How do you measure your security success?*

We'd measure it in a series of ways. Firstly what does the happy path look like for a genuine customer, and are fraud prevention controls actually getting in the way of genuine customers transacting with us? That's a big area of focus for us: to make sure that from our customers' point of view they can transact with us with ease. We're an online digital retailer so it's really important that we make it as pleasant a journey as we can for customers.

Of course we also measure our fraud losses. By using a series of products from RSA including Adaptive Authentication, we've seen our overall fraud rate drop to about a third of the level that it was three years ago. So that's a real success for us.

*To view the full video interview, [click here](#)*