

Case study - Auto dealer's staff and assets safeguarded by TransUnion Auto's 1Check Test Drive report

Auto dealers in South Africa face unexpected risks when potential buyers arrive to test drive vehicles as criminals can put the security and safety of assets and staff in jeopardy. One dealer in Gauteng has on two occasions turned away high risk test drive requests, basing decisions on a sure thing - TransUnion Auto's 1Check Test Drive report.

Says Kriben Reddy, head of product development at TransUnion Auto Solutions: "Vehicles are high value assets and with the extreme levels of crime in South Africa, dealerships are constantly at risk. To address this challenge, TransUnion developed the Test Drive report – it's the only report of its kind that we know of."

The 1Check Test Drive report makes use of TransUnion's sophisticated Fraud Prevention Model (FPM) to enable dealers to evaluate the level of risk associated with a potential customer. This test is usually done before entering into a sales negotiation, or before allowing a customer to test drive a vehicle.

The FPM is designed to identifying irregularities and detect the level of suspicious data in consumers' credit applications. To access the TransUnion 1Check Test Drive feature, dealers can either scan the consumer's driver's licence or manually input an ID number. TransUnion 1Check utilises the FPM to verify the customer's ID number and also checks for fraud risk alerts, which include confirmed fraud activity based on shared fraud data within the TransUnion database, and other predictive elements of fraud behaviour associated with the ID number.

The model then uses a refined rule set to predict application fraud based on patterns of information and key fraud trend analysis. TransUnion 1Check immediately returns a score rating to the dealer's mobile device, allowing for an on-the-spot decision to be made.

Notes Reddy: "Dealers typically face three main challenges: the buyer's drivers licence may have expired, they may be dealing with a criminal that will hi-jack the vehicle once it has left the dealer's lot, or they may be dealing with a criminal that is impersonating a valid buyer. The Test Drive report will help identify inconsistencies and alert the dealer."

Among others, the Test Drive report does a first line check using a scan of the driver's license barcode (taken by the dealer using a smartphone), which decrypts the image of the driver for a visual match. The potential buyer's ID is also checked against the Department of Home Affairs' records to see if it matches the age and gender of the person, does not belong to a deceased person, etc. Another check assesses whether the potential buyer's cell phone has been used in fraudulent activity.

“The check is quite comprehensive, providing first line protection to the dealership and its staff. It’s a fast, easy and convenient tool – one that dealers are finding increasingly essential.”

1Check leverages the power of the TransUnion database of over 19 million consumer records and the TransUnion Auto database, the largest database of vehicle manufacturers, financing and valuation records in South Africa, giving motor dealers the ability to make instant, informed decisions. Key features of the solution include the Quick Credit, Test Drive, Verification, Valuation and Historical Values reports.

In order to comply with the National Credit Act (NCA) as well as the privacy principles enshrined in the Protection of Personal Information (POPI) Act, dealers must obtain the consumer’s consent before utilising some of the TransUnion 1Check features and services. However, after obtaining this consent and once subscribed to the TransUnion’s Auto Dealer’s guide, dealers can access and choose from a range of TransUnion 1Check services, paying only for the individual features they require.

There is no charge for scanning or inputting the ID number. The cost per Test Drive transaction is R6.00.

About TransUnion (NYSE:TRU)

Information is a powerful thing. At TransUnion, we realise that. We are dedicated to finding innovative ways information can be used to help individuals make better and smarter decisions. We help uncover unique stories, trends and insights behind each data point, using historical information as well as alternative data sources. This allows a variety of markets and businesses to better manage risk and consumers to better manage their credit, personal information and identity. Today, TransUnion has a global presence in more than 30 countries and a leading presence in several international markets across North America, Africa, Latin America and Asia. Through the power of information, TransUnion is working to build stronger economies and families and safer communities worldwide.

We call this *Information for Good*.