

Guide

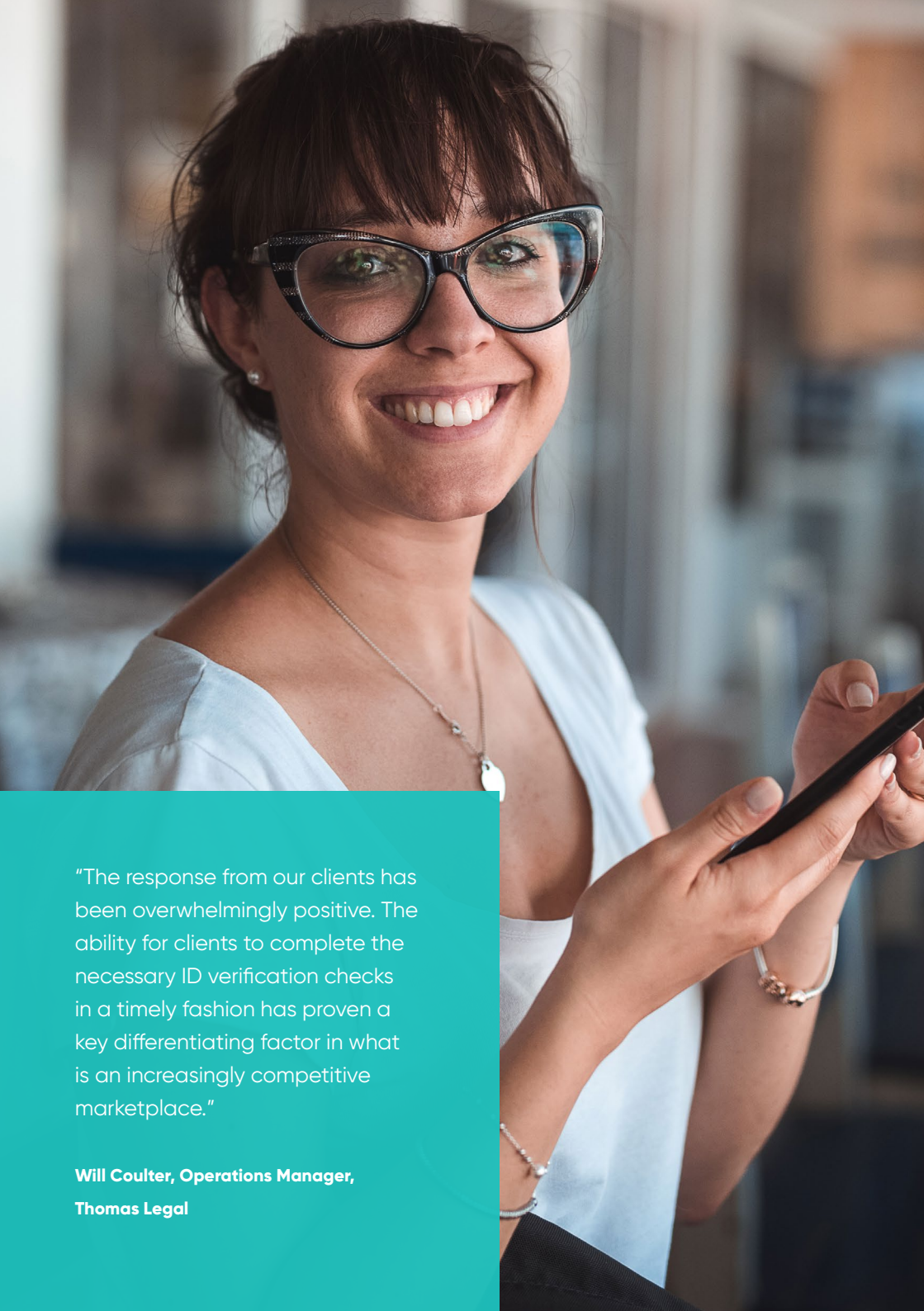
From Manual to Digital: Electronic ID Checking



thirdfort

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"The response from our clients has been overwhelmingly positive. The ability for clients to complete the necessary ID verification checks in a timely fashion has proven a key differentiating factor in what is an increasingly competitive marketplace."

Will Coulter, Operations Manager,
Thomas Legal

Introduction

Why you need a smarter approach to identity verification

We are living in an increasingly digital world. Convenient online payments and cloud servers are the norm and the average adult in the UK is spending 24 hours per week on their smartphone. The rise of challenger banks such as Monzo have transformed customer experience and reflect the emergence of digitally led businesses in age old industries.

The way solicitors manage their client relationships is changing. Fewer are seeing clients face to face and clients are demanding a faster, more automated service. Meanwhile, law firms are an increasingly attractive target for fraudsters looking to use client accounts to launder criminal proceeds into

legitimate assets, duping solicitors in the process.

Solicitors are expected to onboard clients without exposing themselves to fraud. For those who see clients face to face, they have to assume the role of an investigator and determine the authenticity of a client's ID from a quick in-person review. Those who onboard clients remotely must be certain of the ID's legitimacy and ownership, despite never meeting the client in person. On top of this, rising client expectations are putting more pressure than ever on solicitors to work quickly while still remaining compliant with regulations.

1/5

of law firms fail to adequately prevent money laundering according to an investigation by the SRA

58%

of all fraud was identity fraud in 2018

£100bn

the amount of money laundered through the UK each year with the number of law firms targeted increasing year on year

Traditional methods

Why traditional methods to verify client identity are no longer suitable

1

Client experience

Clients' expectations are changing. Disruptor banks such as Monzo and Starling enable customers to open bank accounts in minutes via their smartphones. Giants such as Amazon and Uber have created a service-on-demand culture. Meanwhile, recent scandals such as Cambridge Analytica have highlighted the necessity for people's privacy and data to be respected.

Fraud is increasing

The credibility of law firms makes them an obvious target for criminals. Money laundering costs the UK economy more than £100 billion every year, according to the National Crime Agency and solicitors are attractive targets to channel funds as they hold large sums of money on account. Regulators are putting increasing pressure on law firms to comply with anti-money laundering regulations yet a lack of guidance is making compliance ever harder.

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Increasing competition

In the legal industry, competition and client expectations are rising together in a steady cycle of inflation. The reality is that not all law firms are able to thrive, or even survive, in this environment. To stay on top, leading law firms are looking toward new solutions, including advanced technologies to reduce manual tasks and free up time to focus on the legal work and delivering exceptional client experience.

The consequences of using traditional methods

Exposure to fraud

Criminals are ever-evolving and will use a number of sophisticated methods to commit fraud such as obtaining a fake ID; or in property transactions, changing their name by deed poll to the real property owner's name and obtaining genuine documents. With property fraud and bogus identity documentation estimated to have cost the UK Land Registry in excess of £73 million over the last 18 years, law firms and in particular residential property practitioners, need to be extra vigilant to threats.

Using valuable time and money

Whether it is fee earners, PAs or an onboarding team carrying out due diligence checks, firms are still using valuable and expensive human resources on a largely manual and time-consuming process. Ever tighter margins are putting rising pressure on firms to streamline and automate processes where they can, while remaining compliant with regulations.

Penalties for misconduct

Regulators are treating those who fail to carry out proper identification checks with an evermore heavy hand. As well as hefty financial penalties for misconduct, those who fail to comply face reputational damage, leading to a loss of trust from clients and other third parties.

Delays

It takes, on average, five working days to request, receive and manually verify a client's identity documents. This causes delays from the outset and not only slows down the legal work from starting, but leads to frustrated and unhappy clients.



Electronic ID verification

Be confident in your clients' identities with Thirdfort

Thirdfort: How it Works

We combine leading technologies to ensure you remain compliant and that your clients' information is safe.

Address checks and PEPs & Sanctions screening

The first step to verifying a client's identity is to obtain a proof of address. Using basic information entered by the client, Thirdfort verifies their address with at least two sources using Experian.

PEPs, sanctions and adverse media checks are performed using LexisNexis and ComplyAdvantage.

Document verification

It is a regulatory requirement to see satisfactory photo evidence of the identity of every client.

Thirdfort users take a photo of their identity document. Thirdfort uses Onfido to check data consistency across the ID, perform image analysis and detect anomalies using the best combination of machine learning fraud detection and human experts.

Biometric verification

Thirdfort guides the user to take a selfie and short video. Onfido's texture analysis is used to ensure it is a genuine selfie, which is then compared to the ID photo to make sure the faces match.

For extra assurance a 'Liveness' test guides users to take a short video on their phone. Audio processing, face tracking and mouth tracking is used to verify the video and ensures there isn't any attempted spoofing.

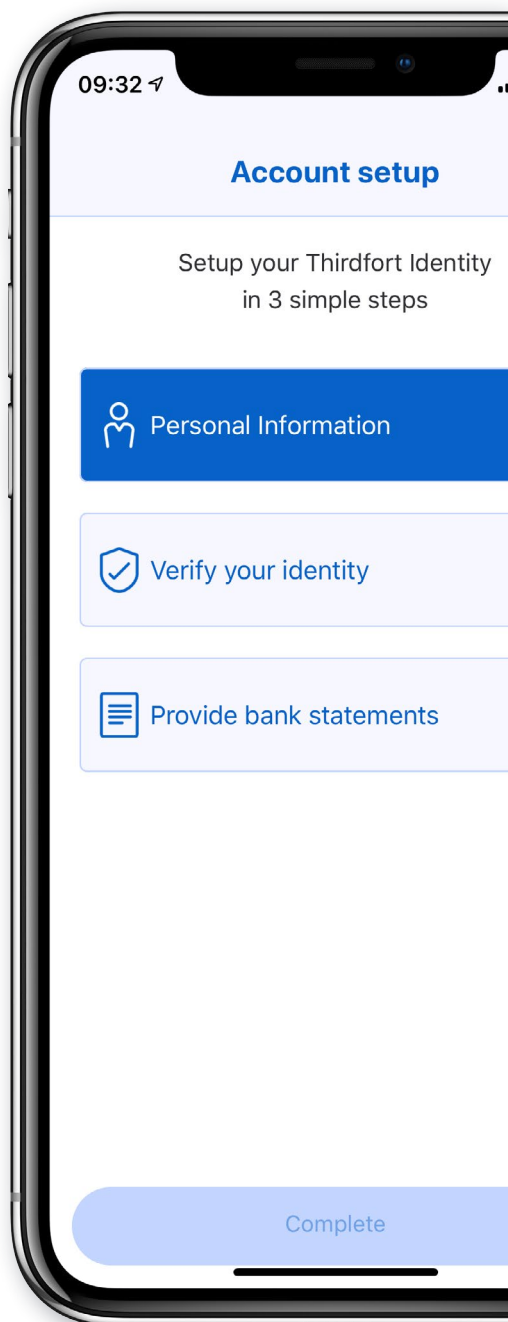
We combine leading technologies to ensure you remain compliant and your client's information is safe.

Does it actually work?

Many studies have shown that it is difficult for humans to identify whether two unfamiliar faces are a match, and that face matching algorithms often outperform humans. Combining the accuracy of machine learning systems with a human safety net can achieve the highest level of accuracy while maximising completion rates.

The benefits of technology

- Can spot fakes that humans can't
- Continuously improving and reacting to fraud trends
- Can recognise 4,500 separate documents, and passports for over 195 countries
- Cuts onboarding time
- Clients can use anywhere via an app
- Removes back and forth of emails



Thirdfort as a solution

Reap the rewards of safer, faster identity checks

Increase security

Advances in technology mean document forgeries can now be so realistic that it is almost impossible to tell that they are not real through manual checks. Thirdfort uses Onfido document scanning and facial recognition technology to verify an ID's authenticity and prove your client owns it. Onfido's technology is better at spotting fraudulent documents than human review alone, putting you at ease that your client is who they say they are.

Speed up onboarding

Thirdfort's AI driven technology enables identity checks to be initiated and completed remotely in minutes, reducing the time it takes to complete onboarding administration and enabling the legal work to start sooner. As a result, there's no trade off between speed and security.

Free up time and resources

Electronic identity verification removes the need to manually collect and review original or certified copy IDs. Thirdfort streamlines the verification process and frees up staff to focus on winning new business and providing exceptional client service.

Stay compliant

The importance of electronic identity verification has been recognised by the Regulators with its explicit addition to the Fifth Anti-Money Laundering Directive. These solutions provide a competitive advantage to those who adopt them, offering a smoother and quicker onboarding journey for clients, alongside security and reliability for law firms.

Delight your clients

Electronic identity verification lets clients carry out their identity checks remotely from their smartphone, whenever and wherever they wish. What's more, Thirdfort's support team are on hand to chase incomplete checks and answer clients' queries, allowing you to focus on the work that matters.



What do our clients say?

We are already working with some of the best law firms and conveyancers in the UK.



David Bridge

Managing Director, BPL Solicitors

"By combining the cutting-edge level of AI and Open Banking built into this product we have improved client experience and begun to address the real risks that face every law firm."

"Thirdfort saves us a huge amount of time undertaking ID checks and our clients (of all ages) love using a simple, intuitive app."



Simon David

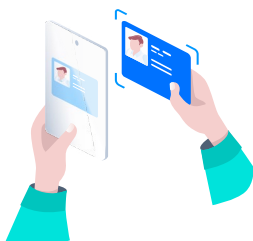
Managing Director, Thomas Legal

"Having a one stop shop to access a range of checks has given us a huge risk management boost and it took us no time at all to go live."



Paul Adams

Director, Adams Kaye



PM Property Lawyers reduced the time it took to complete client onboarding administration from an average of 5 days using manual verification to 1 day using Thirdfort.



What do the regulators say?

"Neither the money laundering regulations, nor guidance require firms to see or verify original documents, so if a firm is using a technology solution to obtain and verify identification documents, they wouldn't be required to duplicate those checks themselves by calling in originals, except where they wish to monitor the performance of the product or have concerns about its results."



Colette Best

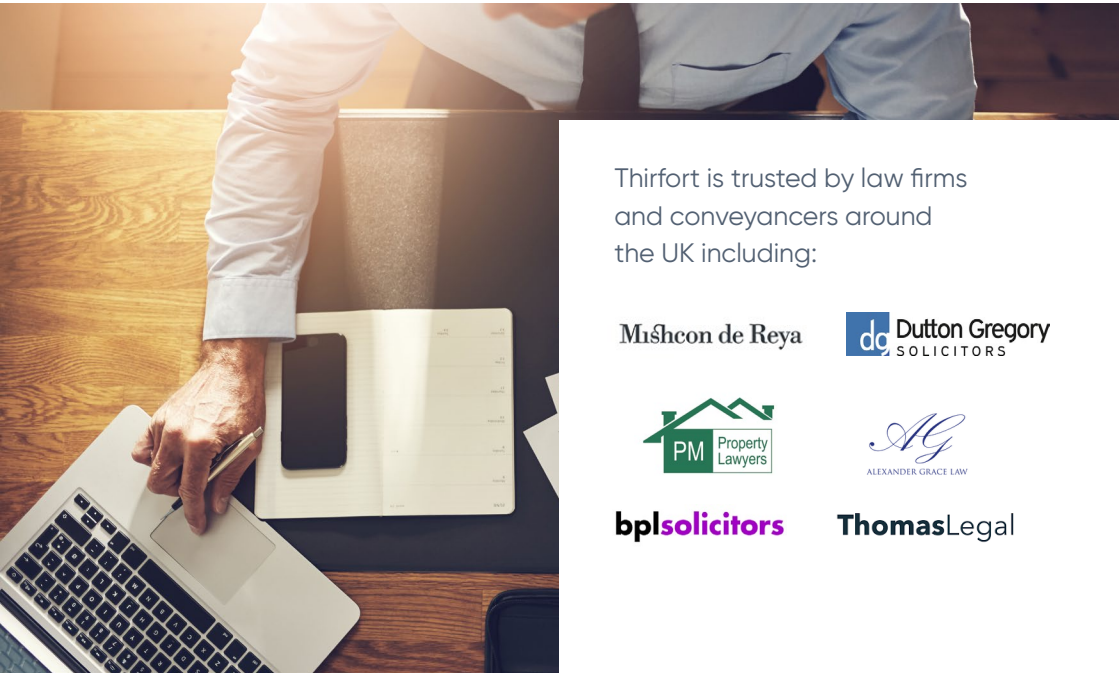
Director of AML, Solicitors' Regulation Authority

"We encourage conveyancing lawyers to consider technology driven solutions which could help protect their practices and their clients."



Stephen Ward

Director of Strategy, Council for Licensed Conveyancers



Thirfort is trusted by law firms and conveyancers around the UK including:

Mishcon de Reya

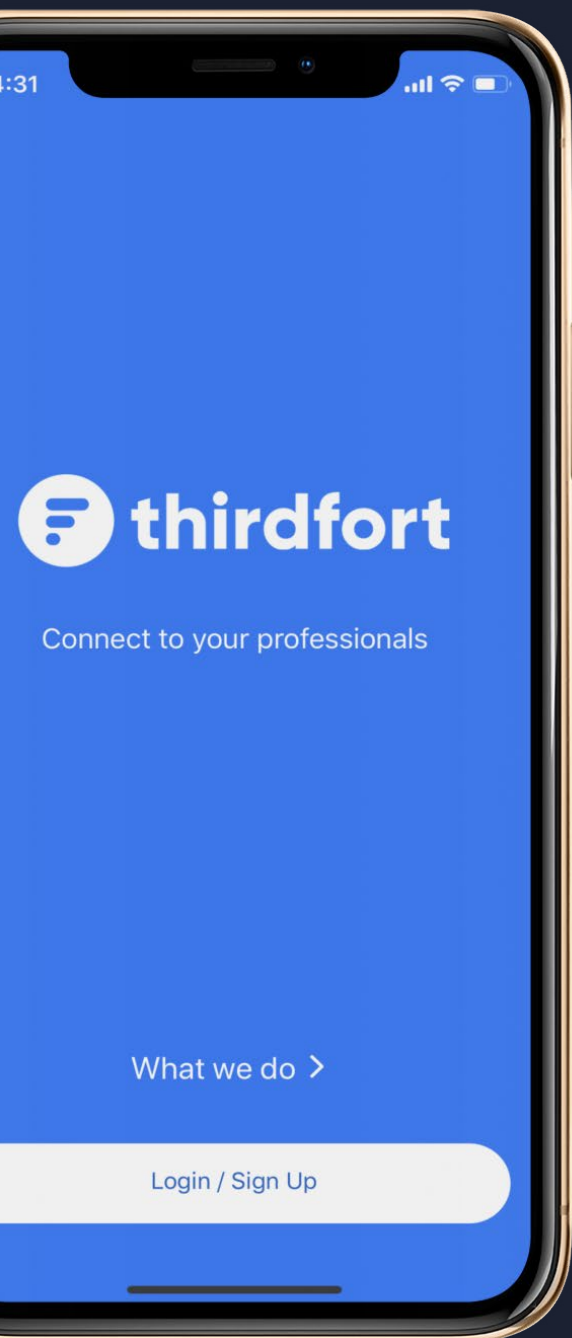
dg Dutton Gregory
SOLICITORS



AG
ALEXANDER GRACE LAW

bplsolicitors

ThomasLegal



Get in Touch

If you would like to read more about electronic identity verification, you can find more information on our resources page

[Click here](#)

If you would like to request a demo of Thirdfort, please do so through our website

[Click here](#)

If you have a question or would like to speak to us, you can contact us at:

- contact@thirdfort.com
- 020 3948 1386

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