



How to Select the Right Identity Verification Provider

Find Your Perfect Match for
Smoother, More Secure Customer
Onboarding

A Guide for Banks and Financial Services Providers



This toolkit is for:

- Organizations who are looking to improve their customer onboarding and verification process and therefore need to understand the Identity Verification (IDV) landscape to explore solution options.
- Companies who already have an IDV solution in place but want to ensure it is the best option for their business needs.

THIS TOOLKIT IS COMPRISED OF 3 SECTIONS:

1. The Situation

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Background on the current financial landscape and the crucial role of accurate, secure identity verification for online banking.

2. Solution Provider Evaluation

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Tools and strategies for outlining your key IDV priorities and a set of ready-made questions which can be used to assess providers and their solution.

3. How HID can help

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Get personalised support for your IDV evaluation journey, and explore HID's AI-powered IDV solution for smooth digital onboarding and beyond



Section 1: **The Situation**

**The Financial Business Landscape and The
IDV Solution Market**

The Financial Business Landscape faces new challenges and undergoes significant changes



The 5th Anti-Money Laundering Directive (AMLD5): All transactions above €150 of e-money or €50 pre-paid card for online transactions now require customer identity verification



User experience today is challenging and complicated, but it doesn't have to be



Customer drop-off rates across financial services industry are 40% on average



Online account opening can take up to 25 minutes



113% increase in identity theft and fraud from 2021 to 2022



IDV solutions in the market today require manual intervention for data validation more than 50% of the time

These increased financial crimes and stricter measures increase the regulatory burden placed on businesses, potentially driving up the cost of operational efficiency. If organizations fail to implement user-friendly solutions, they could face higher customer drop-off rates.





Understand the IDV Solution Landscape

There are 3 broad categories of Identity Verification solutions available on the market today. The solution best suited to a business depends on the business’ appetite for risk, budget and time constraints as well as technical resources available to design, develop, test and deploy the solution.

API/SDKs: A highly customisable IDV solution that could be integrated into the customer’s business application to deliver a seamless and branded front end user experience

Web Apps: IDV customer journey takes place via the web rather than a mobile app

SaaS: Out of the box solution with a customizable front-end user experience and back-end business workflow

	API/SDKs	Web Apps	SaaS
Level of customisation possible	High	Low/Moderate	High
Level of development effort required	High	Low/Moderate	None
Level of technical complexity required	High	Low	Low
Expected integration time to deliver	Weeks/Months	Week(s)	Day(s)
Level of fraud protection offered	High	Moderate	High

Note: The assigned gradings above for solution characteristics may vary according to different interdependent variables and by solution provider. We suggest to consider it as an initial frame of reference.



Section 2: **Solution Provider Evaluation**

Tools and strategies for selecting the perfect IDV solution

Step 1: Review Business Priorities Against Solution Features and Capabilities

Request providers to address the following questions for a comprehensive understanding of how the solution aligns with your organization.

User Experience	Regulatory Robustness	Operational Efficiency
- What is the average time taken to complete the customer journey? - What is the average time taken to verify the customer? - How many identity documents does the solution support? - Does the solution have multi-language capability? - Does the solution provide in-journey guidance and prompts to assist the customer to a successful submission? - Does the solution include journey customization and branding?	- What is the rate of correctly categorised documents using your solution (i.e. fraudulent vs genuine)? - Is the solution consistent with the relevant data privacy regulations? - Where is the data processed and stored? - How can the system support my organization's data retention policy? - Does the solution enable a multi-layered and risk-based approach to customer due diligence? - Is the solution ISO certified for data protection and information security? - Can the solution provider provide independent security audits?	- Is it a fully or partially automated solution? - Is there a back-end business portal and workflow to manage submissions? - Does the system produce a customer file with audit trail and supporting evidence? - How easy is it for administrators to customize the system? - Is customer data stored on the system?

Ease of Solution Deployment	Total Cost of Ownership
- Does the solution provider offer an out-of-the-box solution or is development effort required? - Does the solution offer an API or SDK? Is there an additional cost and how long does it take? - How can the front-end customer journey and back-end business workflow be tailored to the specific requirements of my business? - Can the solution be rolled out across all of my customer channels without additional development effort?	- What is the cost for a standard customer verification? - What volumes do I need to commit to in order to realize the pricing quoted? - Are there any other fees or costs associated with implementing and maintaining the solution? - Is there a cost for branding/customizing the solution? - What is the solution provider offering in terms of technology/support/services and what additional resources are required from my side to fully implement the solution?

Step 2: Shortlist Solution Providers

Following your initial search, prepare a shortlist for the next round of provider engagement considering the following criteria.

- Assess the provider's industry experience and reputation
- Collect customer references and gauge satisfaction levels
- Check for the availability of demo videos and solution reviews
- Examine scalability of the solution to meet evolving business needs
- Scrutinize the pricing structure, including hidden fees, in relation to provided value and budget constraints
- Understand the process of migrating to another provider or discontinuing the service if necessary



If your business operates globally, remember to ensure that the provider extends identity verification services across multiple countries and is equipped to handle various types of identification documents.

Step 3: Run a PoC Pilot

Once you have assessed and selected a shortlist of potential providers, request a demo account so that you can validate your findings in a real-life environment.

1. Decide on a group of key stakeholders and select them to participate in PoC
2. Define test cases including both happy path customers and exceptions handling across all relevant customer channels
3. Tailor the demo account to replicate the specifications of your end-vision solution and test all possible use cases
4. Gather feedback from participants and key stakeholders
5. Evaluate feedback against your business priorities, including ease of implementation in your test environment and performance of test cases
6. Assess the compatibility and interoperability of the solution with your existing systems and solutions



Gather feedback from participants and key stakeholders, evaluate ease of implementation in test environment and performance of test cases against your business priorities.



Your Next Steps

**How HID Can Support Your IDV Journey
for Seamless Digital Onboarding**

HID's IDV Solution for Digital Onboarding and Beyond

HID Identity Verification Service (IDV) improves general security and user-experience, while helping further your organization's compliance to new directives and regulations.

HID IDV runs a suite of advanced technical checks against every customer submission to ensure that identities are thoroughly authenticated and verified.

Your business is protected from fraudulent identities that have been tampered with or forged, as you offer customers a more user-friendly onboarding experience.

- 90 Second Identity Verification
- 99.6% True Accept Rate
- 0.01% False Accept Rate
- 100% Automated Document Analysis

Want personalised support for understanding the identity verification market?
We are here to help. [Request a call from one of our trusted advisors.](#)

For more information on HID Identity Verification Service, visit our [webpage](#) or download our [executive brief](#) to explore all features.

Components of a streamlined identity verification process



- A Government Issued Photo ID**
- Captured on the user's device



- Document Verification**
- Instant data extraction
 - Verification of security features
 - ID tampering detection



- Selfie Capture**
- Passive liveness



- The Identity Decision Engine**
- Facial matching to ID photo
 - Passive liveness detection



- Comprehensive Customer Report**
- Quick data insights and intelligence through customer dashboards
 - Look up transactions in real-time





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