How Qube Money proactively blocks fraud before it happens

- ✓ 285% ROI
- ✓ Lowered fraud rate to 0.1%
- ✓ 10,000+ fraudulent accounts blocked

OVERVIEW

Digital banking and budgeting app all in one

Qube Money is a banking and budgeting app that utilizes digital versions of paper envelopes used in the popular cash-envelope budgeting method. Users can create an envelope or "qube" for various spending categories with their budget, and the funds are transferred to their linked Qube Card through Choice Financial Group, Qube's sponsor bank. Having budgeting and banking all in one place eliminates the need for an additional service or apps, simplifying customers' lives and creating a seamless experience.

Challenge

- Identity theft and account takeover fraud
- Risky international transactions
- Low threshold for risk

Solution

- Using Sift's 16K+ fraud signals to identify fraud
- Blocking fraudulent accounts before they progress
- Easily pinpointing affiliated fraudulent accounts

Results

- 285% return on investment
- Blocked 10,000+ fraudulent accounts, resulting in 0.1% fraud rate
- Opened opportunities to scale securely

> "
> Our fraud rate is low because Sift blocks fraudulent users from the beginning. We're significantly more successful than we would be without Sift.

Jay Anderton, Chief Executive Officer

The app provides two points of friction to help customers get control of their spending—users must assign all of the money they put into Qube to a specific category in order to spend it, and when they want to make a purchase, they can only do so by opening and deducting from a qube. This is Qube Money's Default Zero technology, which makes it so that users can't spend money unless they open a qube. And this modern take on banking and budgeting works—on average, customers save about $400 a month using Qube just by using it. Qube Money was even recently named the #1 budgeting app of 2021 by Real Simple's Smart Money Awards.

CHALLENGE

ID theft and account takeover fraud

Qube Money may have had low fraud rates due to their business model, but there were still points in the user journey that fraudsters could infiltrate. The app experienced identity theft and account takeover fraud, with fraudsters stealing identities and setting up accounts on Qube. International transactions also posed a risk due to more complicated chargeback processes. And in the early stages of the startup that was later branded Qube Money, the app experienced a fraudulent attack by a fraud ring, costing the company tens of thousands of dollars. As an early-stage startup, they knew they couldn't afford to have more fraud like this happen on their app. So, Qube worked with a consultant who recommended Sift far above other fraud prevention solutions, and Sift became one of the first key services brought onto their new platform.

SOLUTION

Blocking fraudulent accounts before they can do damage

Qube Money uses the Sift Payment Protection product to combat fraud at the new account creation level. Accounts are assigned a Sift Score when they're created and are either accepted or rejected based on the risk of the account. Sift provides Qube with a network view to connect accounts through IP addresses, phone numbers, emails, and over 16,000 other signals to not only stop the fraudster at hand, but pinpoint affiliated accounts that could exhibit fraudulent activity in the future. Qube is able to isolate accounts that have been blocked by Sift and monitor the associated IP address to easily hop on other connected accounts. For international transactions, Qube uses Sift to connect suspicious transactions through IP addresses, marking transactions as fraudulent so that repeated transactions can be easily tracked and blocked.

Qube has also had success blocking accounts by evaluating email address names and identifying patterns, looking for strings of emails with only slight variations. The Qube team even utilizes Sift to monitor the age of email accounts, easily identifying fraudulent emails that may have been just created, and flagging them as potential fraud. Additionally, Qube uses Sift alongside Stripe to cross-reference users and identify account takeover situations on Stripe, protecting their business from end to end.

"We're really happy that we got lucky enough to find Sift. I've used what seems like hundreds of fraud detection tools, and Sift is the best one for me. I love that I can press one button and make a quick and educated decision."

Kaden Walker, Director of Operations and Compliance

RESULTS

A low fraud rate saves time and money while fueling growth

Qube Money successfully utilizes Sift as a fraud preventer, saving the business valuable time and money down the road. Sift has helped Qube block more than 10,000 fraudulent accounts from entering the program over the course of a year, resulting in a 0.1% fraud rate and 285% return on investment. By shutting down these fraudulent accounts before they can enter the app, Sift helps Qube reduce the need for additional KYC or AML tactics later in the user journey.

Within Sift, Qube is able to create watchlists of certain attributes that make up a fraudulent account, acting as criteria to enable quick decision-making on similar risky accounts before they can do any damage. Having Sift fully integrated into Qube's systems means that suspicious accounts can be automatically suspended with one click within the Sift Console. This means that the Qube team can spend just a few minutes a day in Sift and be as efficient as possible.

Having access to the multitude of fraud-fighting features in Sift enables Qube's analyst and security team to not only protect the app, but open up opportunities for company growth. By implementing a proactive approach to fraud, Qube can better prepare for the future and plan new product releases without having to worry about fraud.

> " Sift makes me feel safe in the ability to prepare for the future, be proactive, and stop fraud before it happens. Because of Sift, we feel more comfortable releasing new features because we know that Sift is there.
>
> **Jay Anderton, Chief Executive Officer**

ABOUT SIFT

Sift is the leader in Digital Trust & Safety, empowering digital disruptors to Fortune 500 companies to unlock new revenue without risk. Sift dynamically prevents fraud and abuse through industry-leading technology and expertise, an unrivaled global data network of one trillion (1T) events per year, and a commitment to long-term customer partnerships. Global brands such as DoorDash, Poshmark, and Twitter rely on Sift to gain a competitive advantage in their markets.

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