

BLOG

KYC and Card Verification for Businesses



KYC (Know Your Customer) and card verification are critical processes that every business needs to go through to comply with regulatory requirements and prevent fraud. By implementing these processes, businesses can ensure that they are dealing with legitimate customers, reduce the risk of fraud, and protect themselves from financial and reputational damage.

Here's a brief overview of how businesses can carry out KYC and card verification:

1. KYC Process: KYC is a process of verifying the identity of a customer. The process involves collecting and verifying personal information, such as full name, address, date of birth, and government-issued identification.

- To start the KYC process, the business must first obtain the customer's consent and provide them with a clear explanation of what information they need and why.
- The next step is to collect the required information from the customer by requesting them to upload their government-issued ID and/or proof of address.
- Once you have obtained the documents, you can use a Verification API tool like Jumio, Onfido, or Shufti Pro to verify them. These tools use artificial intelligence, machine learning, and OCR technology to extract data from images and authenticate the customer's identity.
- After successful verification, businesses can store the customer's information securely and use it to conduct transactions.

2. Card Verification: Card verification is another important process that verifies the customer's card details, authorization, and authentication.

- The business can capture the card details through a secure payment gateway, and check them against the card issuer database using Card Verification Value (CVV) and Address Verification Service (AVS) checks.
- To prevent fraud, some payment gateways offer additional authentication mechanisms like 3D Secure, which asks customers to enter a One-time Password (OTP) sent to their registered phone number, or a biometric verification like Face/Touch ID.
- By implementing card verification and successful authorization, the business can ensure that they are dealing with a legitimate customer, and reduce the risk of fraud.

Implementing KYC and card verification processes are essential for ensuring the legitimacy of your business operations and preventing fraud. By following these steps, businesses can mitigate potential risks and comply with regulatory requirements.