Beating Fraud While Boosting Sales Is No Game for Jagex

> " Kount offered us something other companies couldn't: the ability to write our own custom rules that apply to our unique situation. I didn't have to buy someone else's pre-packaged sets. Further, the Kount system is easy to integrate and set up, so I could use what I already had in place…Quickly and intelligently.
>
> Dave Parrott
> Fraud Manager
> Jagex

SITUATION

For more than a decade, Jagex has been a leading online game developer with a global reputation for creating hugely popular, free-to-play games. The company has developed and self-published online titles, including RuneScape, the Guinness World Record-holding "Most Popular Free Multi-player Online Game." With over 480 staff, Jagex currently stands as the largest independent games developer and publisher in the UK.

In 2009, the company started using an internally-developed fraud prevention solution. But fast-changing fraud tactics, high rejection rates, and increasing competition for in-house development resources caused Dave Parrott, Fraud Manager at Jagex, to seek a solution that would allow him to rapidly respond to fraud, while reducing decline rates.

"In 2009, we were hit with a round of fraud attacks," says Dave. "Fraudsters would use stolen credit cards to buy paid memberships—which let them earn virtual currency at a much faster rate—so they could then sell this virtual currency for real money. It's called Gold Farming. We implemented new rules to stop the fraud, but it left us with a high rejection rate. Then in 2011, the Gold Farmers attacked us with everything they had. This took a lot of effort to combat, diverting time and programming resources that we wanted to devote to our games." Dave became convinced they needed help from outside fraud prevention experts. "We realized our internal system was not the long-term solution. Our rejection rate was too high and implementing changes to respond to new attacks was too awkward."

SOLUTION

Dave began with a Google search, and came up with a substantial list of candidates. After interviewing multiple local companies and viewing demos from five finalists, Jagex chose Kount. "One of the deciding factors was how easy Kount makes it to rapidly write and implement custom rules to defeat new fraud tactics."

"Integration took about 2 weeks," recalls Dave. "It was quite simple, really. At first, we had the Kount system merely replicating the old system. But then we started using Kount's easy rule writing to make fine-grained modifications to quickly stop new fraud attacks. Next, we put Kount to work reducing our rejection rate. All the data I was seeing suggested we were missing out on sales…That our rejection rate was too high."

Leveraging the Kount Score functionality, Dave was able to quickly and easily write additional rules that cut their rejection rate by 50% with no increase in fraudulent charges.

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In fact, even with the lower rejection rate, Jagex was still able to hold their chargeback rate at around 0.2%. "Altogether, that's equals almost 1% more net credit card revenue each year," notes Dave.

Kount also helped Jagex improve revenues in other areas. "After we implemented Kount, our conversion rate on longer-term membership subscriptions increased 3% to 4%," notes Dave. What's more, with Kount protecting their back end, Jagex was able to discontinue front-end screening measures that were previously necessary. "We turned off 3D Secure and we saw no increase in fraud," says Dave. "That will save us hundreds of thousands of pounds in expense each year."

In the coming months, Jagex plans on rewriting many of the rules in the Kount system to take full advantage of all of Kount's capabilities (instead of just having it mimic their old system). "I expect that update will cut the rejection rate in half again," says Dave.

BOOST SALES, BEAT FRAUD

Kount helps online businesses boost sales by reducing fraud and allowing them to accept more orders. Kount's all-in-one, SaaS platform is designed for merchants operating in card-not-present environments and the payment service providers that support them, simplifying fraud detection and dramatically improving bottom line profitability. Companies using Kount can accept more orders from more people in more places than ever before. Kount is a turnkey fraud solution that is easy-to-implement and easy-to-use. Kount's proprietary technology has reviewed billions of transactions and provides maximum protection for some of the world's best-known brands. For more information about Kount, please visit **www.kount.com**

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