



Speck Protects Against Fraud and Quickly Exits Excessive Chargeback Programs



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Kari Bernardo
E-Commerce Risk
Manager, Speck

SITUATION

Speck strives to craft the best protective cases for mobile devices. The company stands out in a highly competitive market by delivering the freshest ideas built by the cleverest team. Founded in 2001 by a group of California-based engineers, their mission is to create perfectly-fitting, insanely-styling protective cases for iPhone, MacBook, iPad and other gadgets.

As part of their customer-first approach, the customer service department at Speck goes out of their way to cater to customer needs. Unfortunately, fraudsters were taking advantage of this attitude and generating excessive chargebacks for the company. When Kari Bernardo, E-Commerce Risk Manager, joined Speck, they had been bouncing in and out of Excessive Chargeback Programs for months. “Because we didn’t have the right kind of systems in place, I couldn’t tell where the fraud was coming from or what the specific problems were. All I really knew was that we were paying thousands a month in fees and fines.”

Having worked previously at a fraud prevention solution provider (not Kount), Kari understood exactly what type of capabilities Speck required. Interestingly, Kari chose Kount over her previous employer. “While working there, I had heard great things about Kount. In fact,

[the company I worked for] lost a number of bids to Kount. So when I came to Speck, I immediately contacted Kount. Of course, we evaluated other vendors too, but in the end Kount’s pricing, capabilities, and reputation won out.”

SOLUTION

“It was a pretty chaotic time when we implemented Kount,” recalls Kari. “We were changing payment processors, we had a lot of new IT projects going on, and we lost our programmer. Through it all, Kount was the easiest thing to implement.”

With Kount in place, Kari was able to quickly get a handle on fraudulent transactions. The company’s chargeback rate dropped immediately and they were able to exit the Excessive Chargeback Programs. “No more fines and fees,” notes Kari. “We went from 150 chargebacks a month—99% of them due to fraud—to an average of about 10 chargebacks a month.” After five months, Kari conducted a review and identified more than \$100,000 in savings directly attributable to Kount: “We avoided about \$103,000 in chargeback fees and fines, as well as lost/stolen merchandise.”

Not only has the company shut down fraud, Kount has also made it possible for Kari to pinpoint the various sources: “A lot of the fraud was coming from card testers.”

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Kari continues: “Another problem area was fraudsters using stolen credit cards to buy our products and then resell the stolen merchandise on eBay. With Kount, we just don’t see this happening anymore.”

Kari relates some of the other benefits of Kount: “We weren’t doing manual reviews before, but now I can. Kount pre-screens transactions really well, so it’s not like I have hundreds in my queue. And Kount shows me all the information I need, so I can quickly approve legitimate orders and decline fraudulent ones.” Support from Kount has been exemplary, too. “Kount has been great to work with,” Kari explains. “Any question or issue we’ve ever had, Kount has been on top of it. They’ve worked closely with our programmers and have been very detailed oriented, going so far as to tell our programmers ‘line 80 is where this needs to go.’”

In addition, Kount simplifies Kari’s management duties: “I meet with our Controller once a month to review progress. With

Kount’s detailed reporting, I can show the savings we’re getting and demonstrate the return on investment that Kount is delivering.”

OUTCOME

- Exited Excessive Chargeback Programs within 30 days of implementing Kount.
- \$103,000 savings in first five months (avoided chargeback fees, fines, lost merchandise)
- Ability to efficiently conduct manual reviews on borderline transactions

Kari summarizes her experience with Kount: “The pricing and value we get from Kount is totally worth it. We’re a smaller firm in a highly competitive market going up against a number of giant companies. We have to be very careful with money. I have a really good friend on the East coast. He was pricing fraud prevention solutions and I said to him, ‘I am telling you right now, you’re going to want to go with Kount. Don’t go with anybody else.’”



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