New Verification System

A system to automate retail customer verification and reduce fraud.

Team: Software Development, Verification, Sales
Contributors: Product Owner, Project Manager, VP of Sales, VP of Software Development
Resources: System Design, Flow Chart
Status: Draft / Problem Review / Solution Review / Launch Review / **Launched**

Problem Alignment

The existing customer verification process was manual, time-consuming, and error-prone, resulting in high chargebacks and revenue loss.

- **Why it matters:** Inefficient verification caused delays, customer friction, and financial risk.
- **Evidence:** Over 500 orders/day required manual review, fraud rates were high, and authorization charges accrued due to improper order flow.

High Level Approach

Design and implement a fully automated verification system that checks order/customer legitimacy before credit card authorization. This will also integrate with a third party provider to help us in the verification process.

Goals

1. Automate 98%+ of all order verification for retail
2. Reduce fraud rate by at least 90%
3. Increase order total in dollars by $7 million
4. Allow scalable order volume growth without adding headcount

Non-goals

1. Not going to touch business ordering segment
2. Will not be for alternate payment forms outside of cards
3. Will not include in person payments

Solution Alignment

Key Features

Plan of record

1. Automated pre-authorization verification workflow
2. 3rd party integration for verification
3. Override for necessary manual intervention
4. Outage backup

Future considerations

1. *Full chargeback reporting with 3rd party*

Key Flows

1. *When order ready for checkout and all order information is captured, send to 3rd party using API*
2. *When the decision comes back, go down one of two flows*
   a. *If customer is good to go, authorize the credit card for funds*
   b. *If they are fraudulent, take them back to order and alert them order couldn't go through.*

Key Milestones

TARGET DATE	MILESTONE	DESCRIPTION	EXIT CRITERIA
2025	Initial Launch	Rollout to only MBCC to start	No high priority defects
Late 2025	Addition 1	Including PBCC	No high priority defects
2026	Addition 2	Send 3rd party all chargebacks we get	No high priority defects

Appendix

Open Questions

Q: What happens if the fraud system is down?

Q: Can customers appeal blocked orders?