Banco Popular Dominicano

Success story

Challenge:

Reduce fraud, phishing, and dependence on branches.

Solution:

Fingerprint biometrics from Identy.io

Implementation:

- **Date:** 2024
- **Integrated into flows** such as:
  - **Digital profile creation:** Customers can **register directly within the app using biometric validation,** eliminating the need to visit a branch.
  - **Beneficiary management:** Customers can **securely add third-party beneficiaries** by capturing their fingerprints and verifying them in real time.

Results:

- **25%** of all banking products are now **purchased digitally.**
- **50%** of credit cards are issued **through the app.**
- From **0% to 34%** of new accounts created in a one-year period were done **through the app.**
- **Loading times were reduced** from **45 to 5 minutes.**

POPULAR

Banco Popular Dominicano is a leading private financial institution committed to offering security and efficient banking services aligned with the new digital needs of its customers.

Founded in 1963, it currently has more than 1.5 million customers, more than 164 bank branches with 912 ATMs throughout the country, and the most extensive network of banking sub-agents, with 1,700 affiliated points in the Dominican Republic. It has been named the **Best Digital Bank and the Most Innovative Bank in Latin America.**

Context:

According to the latest annual report on Operational Risk in the Dominican Republic's financial system, published in December 2024 by the Superintendency of Banks, **losses due to operational risk in online purchasing processes** amounted to DOP 722 million, representing **43% of the total losses reported through the various distribution channels** in that year.

In addition, it is noted that **more than half (51%) of the net losses reported are due to external fraud events.** These figures highlight the **urgent need to strengthen preventive measures,** especially in payment gateways, as well as in any remote banking operation.

The challenge facing Banco Popular

Banco Popular Dominicano **faced the following problems:**

Security and prevention of fraud and identity theft:

Without a secure digital identity verification system, **the bank was exposed to high costs and fraud rates.**

Low-end mobile phones:

The so-called **digital divide between different population groups,** as well as mobile devices that make it difficult to integrate solutions that are not customisable and adaptable to their characteristics.

Customer experience:

The need to carry out transactions in person at the branch forced customers to travel and wait long periods of time to be served. The consequences included difficulty for many customers to travel, heavy loads on the call centre and high abandonment rates in onboarding and recovery flows.

Banco Popular Dominicano's applications are used by different customers in 32 provinces, 8 of which are remote areas, **sometimes with limited Internet access:** Elías Piña, Pedernales, Independencia, Bahoruco, Dajabón, Monte Cristi, Hermanas Mirabal, and San Juan.

The Identy.io solution

Identy.io's fingerprint biometrics is a **contactless fingerprint authentication solution** that allows users to securely verify their identity using only their mobile phone's camera and flash. It also **improves security, reduces the risk of fraud, and streamlines self-service operations,** as well as configuration, profile recovery, product acquisition, beneficiary management, and bank payments.

In 2024, Banco Popular Dominicano implemented Identy.io's fingerprint biometric solution in its mobile applications, enabling secure user identity validation and eliminating the need to visit bank branches.

Identy.io's solution is a perfect fit for Banco Popular:

Regulatory compliance:

The solution **complies with local and international security** and data protection regulations.

Robust authentication:

High levels of accuracy and interoperability thanks to advanced algorithms that guarantee secure authentication.

Low friction:

Enables **real-time verification** and the best balance between false acceptance and false rejection rates.

Compatible with any mobile phone:

All you need is a **low-end camera with a flash or torch.**

Passive liveness detection:

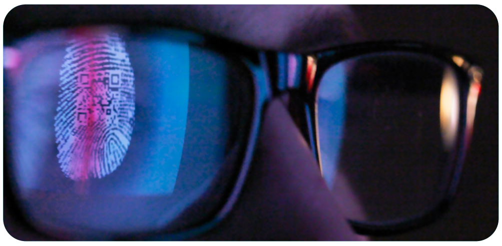
Passive liveness verification mechanisms **distinguish between real fingerprints and replicas.**

Roadmap

Implementation	Milestone	Result
November **2020**	**Digital Token**	The first in the country to **allow secure online authentication** without visiting a branch.
May **2021**	**Digital integration**	**Between 0% and 34% of new accounts were created through the app in just one year.** Processing time was reduced from 45 minutes to 5 minutes.
September **2022**	**High-risk transfers and beneficiaries**	**Biometric authentication has been enabled for sensitive flows,** replacing SMS/Token methods.
June **2024**	**Recovering credentials using the application**	**The reliance on call centres was eliminated** thanks to biometric recovery self-service.

Business impact

Today, **Banco Popular Dominicano is known throughout the country for its biometric fingerprint technology,** which enhances the bank's reputation and **customer loyalty.**



Reduction in identity theft:

Strengthens defences against cyber threats by significantly reducing unauthorised access and account theft. High-trust authentication (MFA, biometrics) is crucial to preventing fraud.

Operational efficiency:

Increase efficiency by reducing the volume of calls to call centres for initial application setup, account recovery and beneficiary management. The push for digital self-service **reduces costs and improves satisfaction.**

Regulatory compliance:

They ensure compliance with KYC/AML and data protection regulations. Automation in compliance reduces errors, reinforces credibility with regulators, and builds trust.

Customer experience:

They enhance the customer experience, simplify key processes in more than 50 digital self-service functionalities, and improve convenience and accessibility.

Business performance:

Boosts digital banking product acquisition by 25%, reducing costs and accelerating the adoption of online banking. Biometrics allows digital identity verification regardless of the user's location, even in rural areas.

To date, **Banco Popular is ready to implement biometric authentication across all user channels and processes.** With Identy.io, biometrics is not an add-on, but rather the necessary infrastructure for a secure, inclusive and frictionless identity.