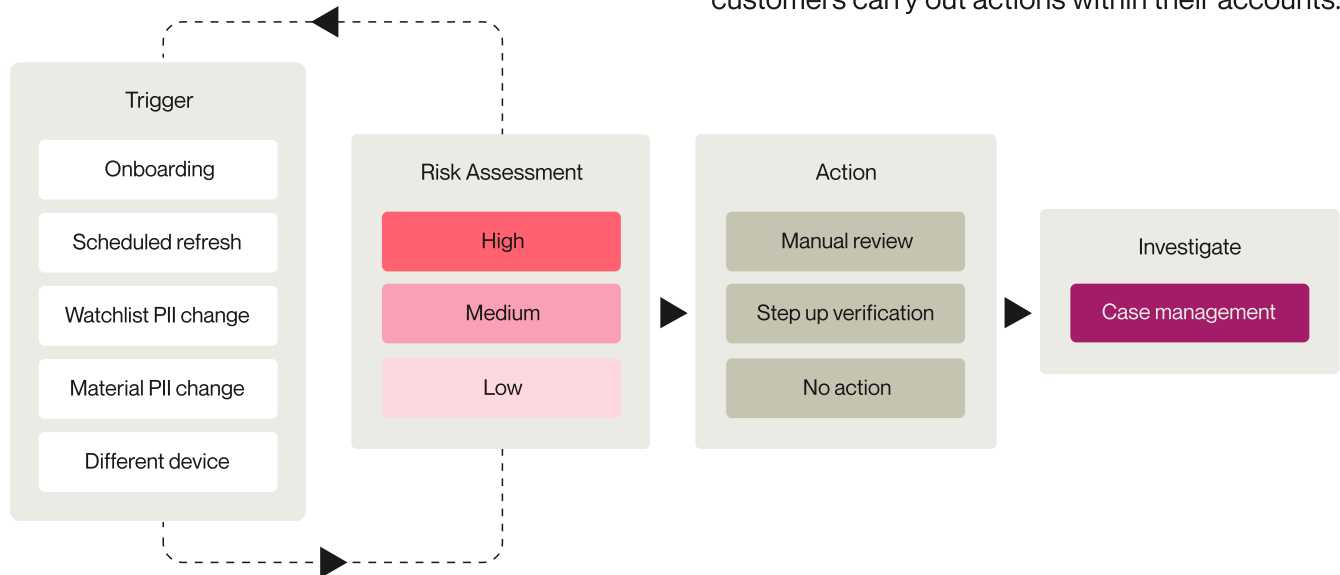# Guide decisions with risk ratings in Alloy

Enable a dynamic risk-based approach to decisioning with Customer Risk Assessments. Bring your risk assessment framework into Alloy to automatically assign risk scores to new customers at onboarding. Maintain a dynamic, real-time view of risk ratings as customers carry out actions within their accounts.

Trigger
- Onboarding
- Scheduled refresh
- Watchlist PII change
- Material PII change
- Different device

Risk Assessment
- High
- Medium
- Low

Action
- Manual review
- Step up verification
- No action

Investigate
- Case management

Automatically assign risk ratings
Increase straight-through processing (STP) by reducing manual work at onboarding. Re-calculate risk ratings throughout a customer lifecycle for a dynamic, real-time view.

Tailor customer experiences based on risk ratings
Apply the optimal amount of friction needed to mitigate risk. Determine the frequency of KYC/KYB refreshes for each risk level, and save high-friction step-up verification for the highest risk customers.

Meet audit requirements
Point auditors to the version of your risk assessment workflow that a customer went through, and export the full history of customers' risk ratings over time.

Reduce manual intervention
Reduce operational costs by reducing manual intervention for low-risk customers and focus attention on the riskiest ones.

Multi-market ready
Streamline global compliance by tailoring risk assessments based on a customer's geographic location and local regulations.

Low-risk testing
Adjust your risk assessments as industry and regulatory guidance shifts. Conduct a What/If Analysis to test how changes may impact your customer base before setting them live.

How to use Customer Risk Assessments in Alloy

Get started with Alloy's quick-start customer risk rating framework, and tailor inputs and weightings to your organization's risk tolerance levels.

Customer story

A leading cash deposit platform in the UK built out a CRA in Alloy with nuanced thresholds and weightings for each risk assessment factor and override logic built in.

After three months of going live with Alloy's identity risk platform, they increased their STP from **33% to 70%**.

Calculate a customer risk rating dynamically based on multiple inputs such as:

Product Risk

Certain types of products and money transfers (e.g. business accounts, payment platforms, wire transfers) that may carry more risk

Entity Fraud / Compliance Risk

Historical behavior and other identifiers, including device information, Alloy's Entity Fraud Model (EFM) score, and fraud scores provided by data vendors

Entity Demographic Risk

Basic information related to the user, such as age, geographic location, and income data, and any changes to them

Entity AML Risk

Watchlist and sanction list updates and identifiable information mismatches

Leverage risk ratings to:

Meet compliance requirements

- Determine frequency of periodic reviews and KYC/KYB refreshes
- Automatically trigger a KYC/KYB refresh off of high-risk events (e.g. suspicious activity by the entity or a watchlist update)
- Demonstrate to regulators how you've applied your risk assessment framework

Increase operational efficiency

- Let low to medium-risk customers take steps to verify their identity (e.g. completing a step-up verification) without requiring manual review
- Fewer manual review alerts for agents to manage and address
- Enable agents to focus on high-risk applicants, allowing you to control headcount

Fight fraud

- Take automatic action to mitigate risk from high-risk customers
  - Add step-up verification for customers rated as higher risk
  - Freeze accounts of suddenly high-risk customers
- Inform a risk rating of multi-entity business applications (e.g. if one entity is rated high risk, then all entities are rated high risk)

Improve customer experience

- Reduce friction for low-risk customers (e.g. routing to a simpler workflow)