

Product: Nexmo SMS API
Use Case: 2FA & Account Notifications
Industry: Financial Tech



OVERVIEW:

By eliminating the forms, agents, codes, extra time and fees typical of the traditional, century-old money transfer process, Remitly makes the process of sending money faster, easier, more transparent and less costly via an easy-to-use mobile app. Remitly is the largest independent digital remittance company headquartered in the U.S.

CHALLENGE:

Reducing the number of fraudulent transactions that resulted in monetary losses.

SOLUTION:

Nexmo's SMS API with two factor authentication.

RESULTS:

- Fraudulent transactions dramatically reduced.
- High level of transparency and communication for Remitly clients.
- Scalable and efficient communications via Nexmo SMS.

IMPACT:

\$250K - \$300K has been saved since implementing Nexmo.



Creating a more secure, lower-risk remittance service with Nexmo's SMS API, Two-Factor Authentication, and Account Notifications

Matt Oppenheimer, the co-founder and CEO of Remitly, launched his company in 2011 after living in Kenya and seeing firsthand how difficult and expensive it was to send money across borders. At that time, the going rate was 8 to 10% of the total transfer just to send the money. He realized that, with the help of technology, the cost of these kinds of transactions could be greatly reduced and that remittances could be made easier, faster, and more transparent by replacing the existing cash-based brick-and-mortar model with a purely digital one.

Today, Remitly is the largest independent digital remittance company headquartered in the U.S. The 400+ person, Seattle-based company transfers over \$2 billion annually from their customers in the U.S., United Kingdom and Canada, to recipients in India, Mexico, Latin America and the Philippines. The funds that Remitly users send to other countries are most often lifelines that enable their loved ones to pay rent, have enough food and clothing, or pay for a child's education. As such, it is imperative that these remittances are sent through legitimate, highly-secure channels that use the most innovative technology to safeguard against fraud and suspicious activity.

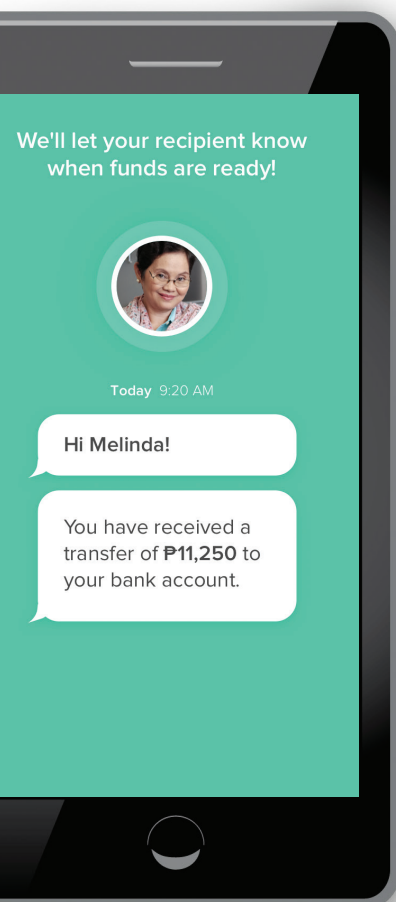
Finding Nexmo

Because authentication and security were so high on Remitly's list of "must-haves," the company consulted with an industry specialist to help them find a vendor that would provide the best communications options for the countries they wanted to reach. Nexmo was at the top of the list of recommendations.

According to Nick Moiseff, director of products at Remitly, "The metrics that Nexmo provides around each recipient had a lot to do with our choice. When we first started, we didn't have a lot of experience with customer communications and text messaging. The Nexmo team was very helpful in getting things set up. It was more 'plug-and-play' as opposed to 'here's a lot of infrastructure that we have to set up and own.'" In addition to how easy it was to work with Nexmo APIs, Moiseff is also extremely pleased with the ease of use in sending messages and the ongoing technical support that Nexmo offers.

“When we first started, we didn’t have a lot of experience with customer communications and text messaging. The Nexmo team was very helpful in getting things set up ... It was really easy to work with the APIs, easy to send messages, and easy to get technical support with any issues we experienced. That helped us initially, when we first were getting started, but it’s also been true throughout the subsequent years that we’ve used Nexmo. Even today, I can send an email to Nexmo support and get an answer within a couple of hours. That’s a good experience.”

- Nick Moiseff
Remitly | Director of Products



Keeping Risks and Costs Low

One way in which Remitly ensures that the costs involved with sending money remain as low as possible is by eliminating any of the forms, codes, agents, extra time and fees that are typical of the older, more traditional money transfer processes. Another significant way of reducing costs is for Remitly to make sure that fraudulent transactions are kept to an absolute minimum.

“If there are a lot of fraudulent transactions, then we need to reserve money to pay for those fraudulent transactions or to reimburse customers,” said Moiseff. “Then, the low fees that we offer our customers would need to be raised in order to cover the problem.” That, according to Moiseff, is where Nexmo provides a tremendous benefit.

“Nexmo helps with this situation by providing its [two-factor authentication](#). Then, there’s also a number of alternatives that Nexmo offers to keep things even more secure, such as a one-time password which is received via email, phone call, or both. With Nexmo, we can verify a customer’s identity, or the ownership of an account, in various ways. We have actually seen a discernible decrease in fraud rates by using these different methods that allow us to authenticate customer accounts.”

Not only did Nexmo’s [SMS API](#) make a significant impact in reducing Remitly’s fraudulent transactions, but it also made a big difference in terms of the money saved because of the losses that were prevented. Moiseff estimates that somewhere in the neighborhood of \$250K - \$300K have been saved since implementing Nexmo.

Moiseff also has high praise for the level of transparency and communication his company can offer its clients because of Nexmo technology. “Just like when you make an online purchase and you want to know where your goods are [at] any given point in time, Remitly is extremely committed to letting our customers know where their money is in the process of moving it between accounts. Nexmo plays a crucial role in allowing us to send our customers these important updates through SMS as well as email and push notifications.”

The only personal information that is known to Remitly is the recipient’s phone number. “Whereas we can email and contact the sender via the app that they installed, the only way we can communicate with the recipients is through SMS. It costs a lot of money to make outbound calls to different countries, so SMS is the most scalable and efficient way to communicate with customers or their recipients.”

Nexmo’s Consistent High Quality of Customer Support

When Moiseff joined the team at Remitly two and a half years ago, he recalls that the Nexmo account manager was incredibly helpful. He claims that this high level of Nexmo support has remained consistent in the years that have followed. “Our original account manager was really great; super responsive. Anything he didn’t know he would reach out to his technical team and provide an answer within less than an hour in some cases.”

As both Remitly and Nexmo grew, Moiseff remembers being concerned that he wouldn’t get the same level of support as the companies expanded, but his fears were quickly abated. “Not only was there the same responsiveness and support, but also, our new account manager reviewed our current situation and found some opportunities to improve our transactions. We hadn’t had a lot of time to work at optimizing our SMS infrastructure and so, to have an account manager who could do that—someone who takes the time to proactively provide great suggestions, share insights and give us details of how we can troubleshoot on our end—that is awesome.”