



A guide to
reducing false positives
with Bridger Insight

Bridger Insight is specifically designed to help organisations of all sizes across regulated industries to:

- Comply with requirements under the Money Laundering Regulations 2007
 - Have in place appropriate procedures to establish if a customer is a politically exposed person (PEP)
 - Conduct ongoing monitoring
- Comply with the UK and other financial sanctions regimes
 - Ensure prospective customers, suppliers and other third-parties do not appear on a sanctions or watch list prior to starting a business relationship
 - Monitor important customers, suppliers and other third-parties against the latest sanctions or watch lists in order to mitigate future risks.

The Bridger Insight sophisticated matching algorithm helps you to locate more relevant matches and fewer false positives. You can configure this powerful functionality to help reduce risk.

Watch List Checking

The Money Laundering Regulations 2007 and UK financial sanctions regime prohibit companies from conducting business with certain entities. To abide by relevant laws and regulations, companies check their customer information against watch lists to alert them to non-compliant transactions.

These watch lists are provided by UK and international governments as well as non-government organisations in several formats. LexisNexis converts the original data into a format that can be used for rapid comparison. In addition, you can create your own custom watch lists (proprietary hot lists) for searching purposes unique to your organisation.

Matching Algorithm

While watch list checking is a relatively simple concept, the actual process can be complex and time consuming. The Bridger Insight matching algorithm automates much of this process by comparing information against selected watch lists and reporting potential matches that meet a defined threshold.

All potential matches found during a search are assigned a confidence score, indicating how close the match is to the information on the watch list. The matching algorithm is formulated to find potential matches despite common entry errors, while at the same time limiting the number of false positives reported. For searches with name matches that meet or exceed a system-defined threshold, the product compares other data elements to strengthen the match. For searches with low or no name matches, you can choose to have Bridger Insight compare other data elements that may find matches that otherwise would not be reported. You can also set rules indicating which result records should be set to an Automatic False Positive status.

Data Element Comparison

Bridger Insight uses a comparison process to match data elements you provide about your customers with watch list information. The application first compares the customer name to every name and alias in the watch lists you chose to search. Since names are exposed to unavoidable variation and errors, the matching algorithm employs sophisticated searching techniques capable of finding relevant potential matches.

To find relevant potential matches, the matching algorithm takes into account many naming considerations, such as:

- Abbreviations
- Anglicised Words
- Extra Words
- Foreign Transliteration
- Missing Double Letters
- Mis-spellings
- Nicknames
- Run Together Names
- Single Initials
- Titles
- Typographical Errors
- Word Order

Naming Considerations	User-Provided Customer Name	Watch List Entity Example
Abbreviations	Shoes LTD	Shoes Limited
Anglicised Words	Michael Munez	Miquel Munez
Extra Words	Red River Rock Store	Red Rock Store
Foreign Transliteration	Mohammed Jazini	Muhamed Jazini
Missing Double Letters	Helga Bekemelem	Helga Bekkemellem
Misspellings	Collene McMurphy	Colleen McMurphy
Nicknames	Alex Ivanov	Alexander Ivanov
Run Together Names	Kaylee Miller	Kay Lee Miller
Initials	T. Arthur Kane	Theodore Arthur Kane
Titles	Javier Labrun	Dr. Javier Labrun
Typographical Errors	Shakevisin Choqdhury	Shakevisinh Chowdhury
Word Order	Ti Wu	Wu Ti

To identify name variations, Bridger Insight compares the customer name to an internal file that contains a vast database of nicknames, abbreviations, and anglicised words. Currently, the database lists mostly Latin-based variations. This file is dynamic, however, allowing LexisNexis to continually add name variations.

By supporting Unicode character sets and normalisation, Bridger Insight can match against watch list data from other languages. The input information must be in the same language as the watch list data for a match to occur. For example, you may want to create a custom watch list to flag entities known to write bad checks. The data in the custom watch list can be in another language and you can search against the list using search terms in that language.

Although important in establishing an entity's identity, names are generally not unique. By comparing additional data elements, Bridger Insight further assists you in determining the strength of a potential match. The matching algorithm compares any address, ID number, date of birth, gender and phone number data elements you provided. The same sophisticated techniques that were used for name matching are also used to find matches against these other data elements. When these matches meet system-defined thresholds, all matches except gender can raise the overall confidence score.

Naming Considerations	User-Provided Customer Name	Watch List Entity Example
Abbreviations	PO Box 123	Post Office Box 123
Misspelling	Rural Root 1	Rural Route 1
Run Together Numbers	5556667777	555-666-7777
Typographical Error	Weston Ave	Western Ave
Extra Words	123 High St Flat 5	123 High St

Potential Match Reporting

A key feature of Bridger Insight is the ability to influence which potential matches are reported by adjusting the minimum score threshold and other search settings. With the abundance of entity information available, the number of potential matches being reported can be great. However, much of this information is not unique, resulting in many false positive matches.

Using Bridger Insight, you can define your own risk-based approach to watch list checking that maximises the number of true matches found while minimising the false positives reported. Configuring the matching algorithm to return only watch list matches that represent your greatest risk may lighten your compliance processing load. The quality of potential matches that you allow Bridger Insight to report (or that you choose to disregard) is a business decision that you must make based on your organisation's level of risk.

False Positive Reduction

The Bridger Insight matching algorithm can eliminate a large number of false positives from being reported as potential matches. False positives are potential matches in which the user-provided customer information is similar to the data contained in a watch list, but the customer is not actually the watch list entity.

When searching customer information against watch lists, Bridger Insight factors in frequent causes of false positives such as missing or initialised last names and common words. Like name variations, the matching algorithm compares the customer information against an internal file of common words. This file is dynamic, allowing LexisNexis to continually add newly-determined common words. Bridger Insight weights matches against common words lower than matches against more unique words.

You can also instruct Bridger Insight to set the record status to Automatic False Positive for potential matches in which the name matches exactly, but a selected data element does not. Data elements that can cause an Automatic False Positive status to be set when they do not match include addresses, date of birth, gender, ID numbers and phone numbers.

Business Benefits

The quantity and complexity of data encountered during watch list checking makes a powerful search tool vitally important in lessening your manual workload and ensuring that relevant matches are found. This need is compounded by the legal, financial, and reputational consequences your organisation may incur if you are caught doing business, even unwittingly, with barred entities. Bridger Insight can help alleviate this burden by providing watch list searching that features a matching algorithm that systematically resolves many of these data issues.

Missing/Initialised Last Name Example	
Watch List Entity	Thomas Jeffrey Madison
Likely Match	Thomas Madison
Unlikely/Low Match	Thomas Jeffrey, Thomas M.
Common Terms Example	
Watch List Entity	Bird Bath Factory
Likely Match	Bird Bath Company
Unlikely/Low Match	Bubble Bath Factory

Using Minimum Scores

You have set the watch list minimum score threshold for the predefined search to 80. When you search your customer information, Bridger Insight finds five matches with the following confidence scores: 65, 72, 77, 89, 95. However, Bridger Insight will only report the two potential matches with scores above 80.

Confidence Scoring

All potential matches are assigned a confidence score. The confidence score is not a percentage, but an indicator of how closely the customer information matches a watch list entity. This score can range from 0 (low) to 100 (high).

Only potential matches that meet the minimum score threshold defined by the user for the watch list are reported. You set this minimum score threshold for each watch list selected for the search.

The strength of the name match is used as the base of the confidence score. If the name match meets or exceeds a system-defined threshold, the product also compares other data elements and uses those matches to raise the confidence score. Unless specifically set in the product, Bridger Insight does not compare other data elements for low or no name matches. However, you can configure match options that cause Bridger Insight to compare other data elements even if the name match does not meet or exceed the system defined threshold. For low or no name matches, you can choose to have exact address, ID and phone number matches increase the confidence score to 100. In addition, you can choose to have close address matches (that meet a Bridger Insight-defined threshold) greatly increase the confidence score.

Summary

By allowing you to influence the potential matches that are reported, Bridger Insight can be used to help you meet your compliance needs based on your organisation's level of risk.

This configurability will save you time and resources while allowing you to efficiently address compliance requirements and protect your organisation's reputation. Bridger Insight features configurable watch list searching that may help you find more potential matches and fewer false positives. LexisNexis provides this through its powerful matching algorithm.

About LexisNexis

LexisNexis helps firms from financial services to the pharmaceutical sector manage their corporate risk both in the UK and globally. Our solutions are used by the world's top 5 banks to protect their reputation and security by balancing their risk exposure and the cost of compliance. Checking individuals, clients and third party organisations, we protect our clients' people, property and profits.

To find out more about Bridger
Insight or to arrange a trial:

Call: **020 7400 2984**

Email: **risk@lexisnexis.co.uk**

Visit: **www.lexisnexis.co.uk/risk**