

## Case study

# How Worldline uses Owlin for Adverse News Monitoring



*Even if adverse news monitoring in Owlin helps companies with large-scale clients like Worldline avoid just a single loss per year, it will bring an extremely solid ROI*

In a nutshell:

- As a world-class leader in payment services, Worldline needs to remain on top of the latest developments in its merchant portfolio at all times and be able to intervene on time when critical situations unfold;
- Using Owlin cuts down operational time for adverse news monitoring to no more than an hour per day for the whole portfolio. Doing it manually would require a whole day and would still not cover all clients;
- Owlin helps Worldline avoid significant financial losses. It also ensures adequate control of non-financial risks like reputational harm and compliance issues.

## About Worldline

For over 30 years, Worldline has been pioneering the payment services industry. Today, the company is a global leader in providing smart and secure payment solutions. Merchants from over 170 countries use Worldline's online, mobile, and in-store commerce solutions to accept any means of payments – from debit and credit cards to alternative methods.

Since October 2020, Ingenico is a part of Worldline, the European payment services niche leader. The company offers best-in class payment services, including omnichannel solutions, digital banking, online payment solutions, POS, and more, to over 1m merchants and 1 200 financial institutions worldwide.

## The Challenges

Worldline's scale of operations requires dealing with a portfolio of thousands of merchants, conducting millions of transactions per day. As a result, the company has to ensure the adequate monitoring of:

- Credit and chargeback risk – by timely capturing potential signals that merchants might not be able to meet their obligations to third-parties and might face bankruptcy;
- Compliance risk – by ensuring it keeps track of suspicious or non-compliant activities among the merchants' network that might expose it to regulatory scrutiny;
- Reputational risk – by picking up arising threats and problems along the merchants' portfolio to avoid exposure to reputational damage;
- Private and foreign companies – by continuously monitoring everything that happens within its extensive merchant portfolio. However, data for small private companies or merchants from foreign jurisdictions is often limited or behind a language barrier, further complicating the monitoring process.

## The Pre-Owlin Era

Managing a portfolio with thousands of merchants requires in-house research and risk management teams to handle various operations, including addressing integrity risk, KYC and compliance procedures, merchants' due diligence, initial onboarding, and continuous client monitoring. Considering that millions of news articles are published daily in official and unofficial sources, all these operations require processing massive amounts of information. When handled manually, this can be an extremely difficult, slow, labor-intensive, costly, and error-prone process, prone to missing key insights.

However, acting timely is of utmost importance. In situations where clients are facing bankruptcy, are being investigated, or involved in questionable activities, for example, immediate intervention is often required.

***“Owlin is an important tool to pick up these signals because we have hundreds of active clients across the globe which we cannot keep an eye on with a single team.”***

- Erik Stelwagen, Senior Investigation Manager at Worldline

*„Without Owlin, this process isn't feasible,” shares Mr. Stelwagen. “We can try to look at the news only a few times per year during review cycles. However, we then risk missing critical information. In that case, we can't act proactively but instead make decisions based on retroactive data,” he adds.*

In a dynamic industry such as the payment services one, reviewing a client only a few times per year or relying on backward-looking data is simply not an option.

*“When you do such a review, you get a snapshot of the past. With Owlin, you don't get such surprises as you get updates as soon as they happen, instead of months later when the problem could have worsened,” explains Mr. Stelwagen.*

## The Owlin Difference

Thanks to Owlin, Worldline's in-house merchant risk management can timely notice if a merchant faces any troubles and intervene to prevent the associated risks. The case can then be investigated more deeply by the credit risk team and, if necessary, escalated further. This whole procedure reduces the number of high-risk situations Worldline has to face, thus minimizing its exposure to non-compliance, financial, and reputational risks.

*“Bankruptcy risk has by far the most direct impact. In the case of travel agencies, this can have an immediate snowballing effect. If a client goes bust, you will start receiving the chargebacks. While they will be piling up as a result of the losses, the deposit funds will quickly be depleted,”* shares Mr. Stelwagen. *“Thanks to Owlin, we have a good control of these processes and the ability to intervene in time,”* he admits.

Owlin’s adverse news monitoring capabilities help the payment service provider remain in total control of its extensive merchant portfolio. By generating real-time signals about looming financial and non-financial risks, the technology ensures Worldline has everything needed to intervene directly or further investigate complex situations.

Worldline also relies on Owlin’s capabilities to mitigate reputational risk.

*“In critical situations, the problem is that if your partners in the industry pick the news up, but you don’t, it becomes a question of whether you have the right type of controls in place. You might be viewed differently, and it becomes some form of reputational risk,”* explains Erik Stelwagen.

## Results

Owlin helps Worldline improve its research team's efficacy and significantly reduce the amount of manual and non-analytical work it has to handle.

**“With Owlin, our monitoring procedures take no more than an hour. If we had to do this manually, we would need a whole day and still not be able to cover the entire portfolio.”**

Most importantly, the early-warning system and the ability to capture adverse signals like a merchant’s potential bankruptcy right when they unfold allows Worldline to react immediately and prevent further losses.

*“While in the final stages with a leading client, Owlin alerted us about news of financial difficulties that would have likely resulted in chargebacks,”* points out Mr. Stelwagen.

According to him, the potential financial damage Worldline could incur in a scenario like this equate to millions of dollars. In that sense, even preventing a single loss per year makes Owlin’s adverse news monitoring capabilities invaluable.

**About Owlin:** Owlin is a news and text- analytics company, which helps finance professionals around the globe monitor large portfolios and detect early warning signals posing potential risk or creating opportunities that foster their investment decisions. Owlin serves a global client base which consists of Asset Managers, Banks, Pension Funds, Payments Service Providers, and Corporates. Owlin taps into more than 3M global internet sources across 12 languages and creates actionable insights in near real-time. For more information visit our [website](#) or reach out to us via [sales@owlin.com](mailto:sales@owlin.com).