



Cox Automotive Dealertrack Adds Synthetic ID Fraud Alert as Part of Compliance Solution

- Synthetic ID Fraud Alert assists dealers in protecting against fraudulent transactions earlier in the Finance & Insurance (F&I) process by assessing the potential use of synthetic identity.
- Dealertrack's new capability is integrated with best-in-class fraud detection from Equifax using patent-pending machine-learning algorithms and proprietary data sources to detect synthetic identity (ID) behaviors.

ATLANTA, Feb. 2, 2024—Cox Automotive announces the enhancement of the Dealertrack Compliance solution through the addition of a new Synthetic ID fraud indicator, which will help protect dealers against fraudulent transactions earlier in the F&I process. The new Synthetic ID Fraud Alert integrates with trusted technology from Equifax, using patent-pending machine-learning algorithms, coupled with proprietary data sources, to detect synthetic identity behaviors, offering additional peace of mind to auto dealers.

In 2022, fraud grew to \$8.1 billion, with a substantial increase in the use of synthetic identities. (Source: Point Predictive 2023 Auto Fraud Trends Report.) Loans and leases are the third most common type of fraud reported over the past five years. Fraud is becoming more advanced with the use of synthetic ID. This type of fraud involves combining fake information with real data to create a credit profile.

“As automotive fraud exposure continues to grow, synthetic ID fraud is increasingly impacting the industry, so there has never been a more pressing need for advanced tools to protect dealers from associated risks,” stated Kait Gavin, vice president of operations, titling and F&I solutions, Cox Automotive. “Cox Automotive Dealertrack recognizes the importance of giving retailers insights into identity verification (IDV) so they may circumvent increasing instances of ever more sophisticated fraud. With this new Synthetic ID Fraud Alert, dealers can rely on advanced technology to implement IDV best practices in their transactions online or instore to safeguard their business.”

As auto dealers expand online and omnichannel workflows, it becomes increasingly difficult to identify potential fraud risks. Dealers who adopt Synthetic ID Fraud Alert can alleviate that risk and help protect their businesses from the financial losses caused by these fraudulent activities. With the new offering dealers receive an alert when a customer may be using synthetic ID and get a risk level assessment score when pulling credit. This will assist dealers to:

- Better address fraud risk and establish a more secure end-to-end process for deals.
- Reinforce early validation of a consumer before progressing them through the financing process by adding an additional layer of security for fraud detection.
- Help protect their dealership from potential chargeback from lenders, which can be up to \$15,000 per incident in potential losses. (Source: *Synthetic Identify Fraud in the U.S. Payment System: A Review of Causes and Contributing Factors*, The Federal Reserve, July 2019.)

- Gain peace of mind in an era of increasingly sophisticated fraud.

“Based on our location in the Tri-State Area, our dealership regularly does business with customers from New Jersey, Pennsylvania, Delaware, and New York, and many of our customers have dual residences in many other states as well, which can complicate ID verification,” noted David Giovine, finance director at Subaru of Cherry Hill in New Jersey. “Since it's not out of the ordinary for our customers to have out of state credentials, Synthetic ID Fraud Alert is an extremely valuable tool that we utilize to not only protect our dealership as well as our customers, but also to ensure our business is protected when we are working with customers across so many locations.”

Dealertrack Compliance helps protect dealerships from fines and penalties with visibility to compliance responsibilities at every stage of the deal. Cox Automotive's industry-leading compliance solution offers dealers ID verification tools with red flag and OFAC checks, the ability to pull out of wallet questions, fraud index to validate customer credentials, automation of mandatory notices, multi-factor authentication for remote signing, and dashboard and reporting tools to ensure compliance for a dealership. More information is available at <https://us.dealertrack.com/content/dealertrack/en/f-and-i/compliance.html>. Dealers can download the complimentary 2024 Dealertrack Compliance Guide at <https://us.dealertrack.com/content/compliance-guide/en.html>. Dealers interested in speaking with Cox Automotive at NADA 2024 about Dealertrack solutions and strategies to develop their own compliance action plan can visit booth 2341W within the West Hall or request a meeting through the [Cox Automotive NADA Hub](#).

About Cox Automotive

Cox Automotive is the world's largest automotive services and technology provider. Fueled by the largest breadth of first-party data fed by 2.3 billion online interactions a year, Cox Automotive tailors leading solutions for car shoppers, auto manufacturers, dealers, lenders and fleets. The company has 29,000+ employees on five continents and a portfolio of industry-leading brands that include Autotrader®, Kelley Blue Book®, Manheim®, vAuto®, Dealertrack®, NextGear Capital™, CentralDispatch® and FleetNet America®. Cox Automotive is a subsidiary of Cox Enterprises Inc., a privately-owned, Atlanta-based company with \$22 billion in annual revenue. Visit coxautoinc.com or connect via [@CoxAutomotive](#) on X, [CoxAutoInc](#) on Facebook or [Cox-Automotive-Inc](#) on LinkedIn.

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