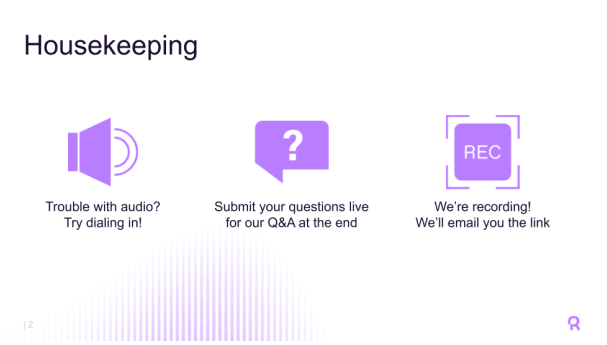
Webinar transcript: From Challenge to Solution: FREENOW’s Firsthand Experience

Henry Patishman:

Hello and thank you for making the time to join us for this Regula webinar. Today, we have the pleasure of hearing a firsthand experience from challenge to solution for FREENOW.

Henry Patishman:

Before we begin, a few housekeeping items:
If there are any audio issues please try dialing in using the numbers provided in your invitation.
Also, feel free to submit your questions live in the chat during our presentation. We’ll answer them in the Q&A session at the end, or our team will address them as we go.
This webinar is being recorded, and we’ll be sending out the link over the next few days.

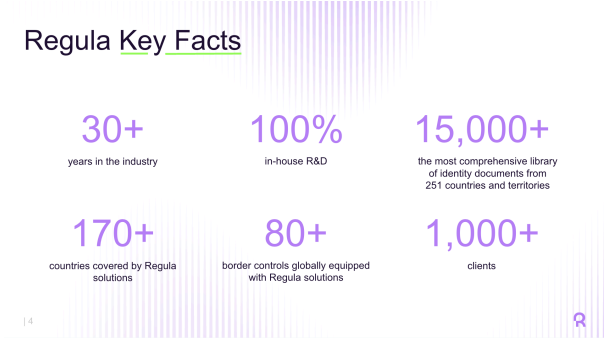


Henry Patishman:

My name is Henry Patishman. I am the Executive Vice President of Identity Verification Solutions at Regula, and I will be one of the presenters for this webinar.

Henry Patishman:

Just a few words about our company.
Regula has been in the industry for over 30 years - it was founded in 1992. It all started with manufacturing of devices for banknote authenticity and ID verification purposes. From the very beginning we’ve had all our research and development 100 percent in-house, which allows us to control and guarantee the quality at every step of the verification process. Currently, more than 80 countries' borders are equipped with Regula solutions



and devices. Also, we proudly offer the most comprehensive library of identity documents from 251 countries and territories that is being used by thousands of our clients.
My name is Henry Patishman, I'm Executive VP of Identity Verification Solutions at Regula and I will be one of the two presenters for this webinar.

Henry Patishman:

Now please let me introduce my co-presenter for this webinar, Oliwier Migasiewicz, Head of Operations at Freenow. Over to you, Oliwier.

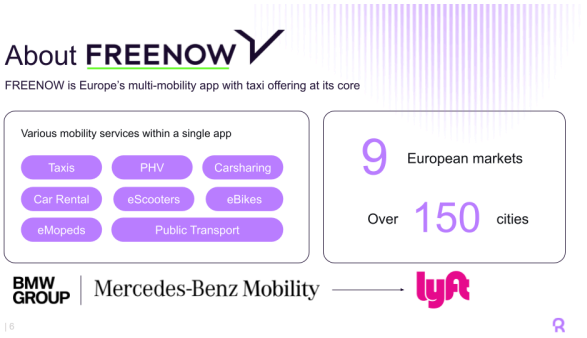
Oliwier Migasiewicz:

Good afternoon. I'm very happy to be here. Thanks a lot for the invitation. So, as Henry mentioned, I'm Oliwier, Head of Opps at FREENOW.
As my everyday work, I'm dealing with the areas across the board in our business starting from higher level ones like, for example, strategy or analytics to even more detailed topics like, for example, process excellence. Today, we will dive deeper on driver onboarding as an example of such a case.

Oliwier Migasiewicz:

A couple of words about FREENOW. We are a multi-mobility application that operates in 9 European markets and it states for more than 150 cities. We are a mobility platform that aggregates various transportation options, such as Taxi, Car sharing, eScotters, all reasonable types of mobility, allowing users to access them through a single application.

Also, fresh news that is worth noting that recently we changed our ownership structure and right now we are part of Lyft, one of the top global ride-hailing players. So, very exciting times.



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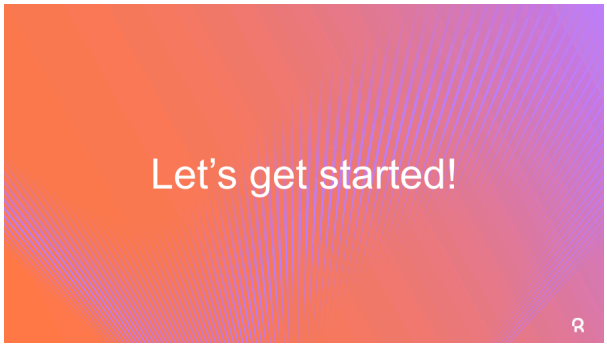
Henry Patishman:

Fantastic. Oliwier, that's very interesting news and I guess we'll have a bit more of a chat about that in the Q&A.
So, let's get started! Today, you'll hear how FREENOW securely onboarded thousands of drivers while meeting tight new regulatory deadlines.

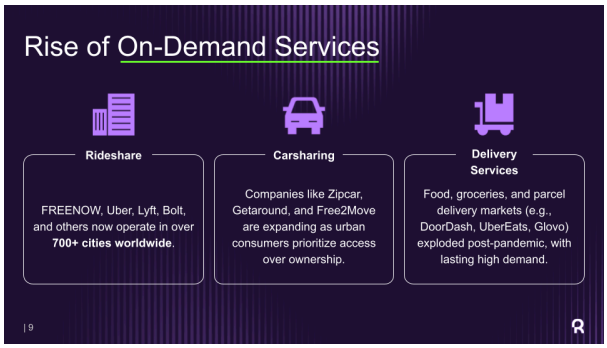


Henry Patishman:

But first, let me share some Mobility Market insights. According to McKinsey, the global mobility services market, including ridesharing and carsharing, is projected to reach $615 billion by 2030, growing at a CAGR
of 10–12% year-on-year. Much of this growth is due to the global urban shift where in major cities, consumers expect instant mobility options - car, scooter, bike - with minimal barriers, pushing platforms to scale rapidly.

Henry Patishman:

There is a major rise in a variety of on-demand services with tremendous growth for Rideshare companies like Freenow, Uber, Lyft, Bolt, Grab, Didi and others that now operate in over 700 cities around the world. Carsharing services like Zipcar, Freenow, Getaround, Free2Move and others are expanding as urban consumers prioritize on demand access over ownership. And who could forget the explosion of delivery services, Food, Groceries parcels, etc with companies like DoorDash, UberEats, Glovo and others having experienced explosive demand during the pandemic and the continuation of this high demand remains.



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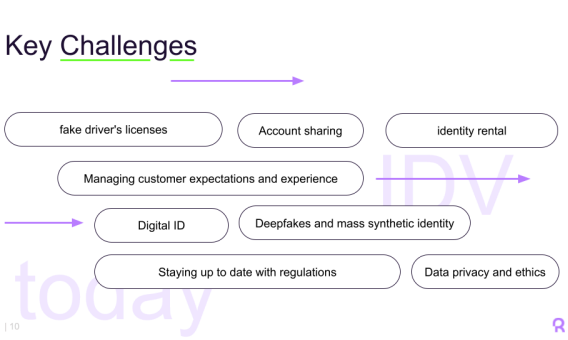
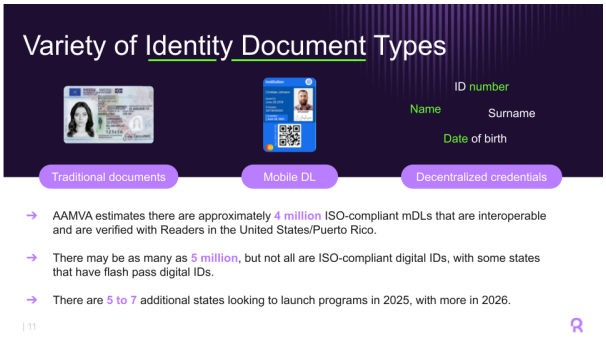
Henry Patishman:

For us, being an IDV vendor with extensive experience and unparalleled commitment to IDV. We make a point to closely collaborate with many analysts like Gartner, Forrester, and others as well as place great emphasis to perfectly understand our customers' needs and consider and action their feedback. Thus, here I am sharing and highlighting some of the key challenges on-demand services businesses face today.
Fake driver's licenses, account sharing and identity rental are major concerns relating to driver on-boarding and passenger safety. Digital ID's continue to gain more traction. There are many changes in regulations and they are becoming more frequent. Generative AI is having major impacts. Customer expectations keep evolving and customer experience is a major focus. There are also many region specific challenges. Deepfakes and synthetic identities continue to be a major challenge. And of course data privacy and ethics is a very real challenge and has rightly seen much attention drawn to it in recent times.



Henry Patishman:

Many here would be aware of the incredible number and variety of traditional physical identity documents, as I mentioned previously, at Regula our database is now at over 15,000 different document types. But did you know that there is also a tremendous variety of Digital Identity documents like Mobile Drivers Licenses and these are becoming more and more popular.
At last estimate the American Motor Vehicle Association estimates that there are 5 million mDLs in use in the US with only about 4 million that are ISO compliant and there are another 5 to 7 states looking to launch mDLs in the very near future. This is also happening all around the world and unfortunately without much standardisation. Therefore the variety of ID's used is becoming more and more complex and that's before we even mention any of the decentralized credential approaches.



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Henry Patishman:

Now that I have covered a bit of the background. Oliwier, I would like to discuss with you the challenges and issues that arise during driver onboarding.
What you faced and what triggered you to re-think the onboarding process at Freenow.

Oliwier Migasiewicz:

Alright, Henry. So, firstly, let's walk through what a traditional, manual driver's onboarding process often looks like or could have looked like some time before the transformation in our case, and where it was falling short back, especially for fast-scaling services like FREENOW.

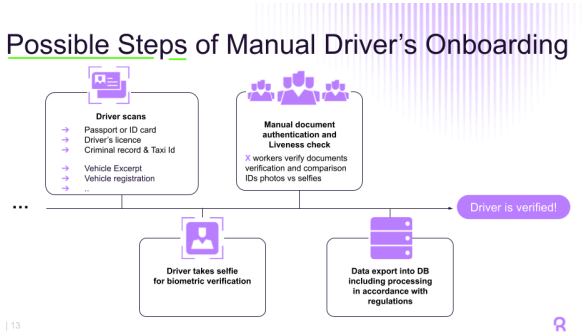
Usually, it starts with the driver presenting a holistic set of multiple documents: such as a passport or ID card, driver's license, all the vehicle documentation like registration card or some industry specific, taxi licence excerpt.

Then as a part of the process the driver takes a selfie for biometric verification, ideally when it is done in a good light and proper framing. And here it is worth noting that some automated guidance also needs to be provided, because otherwise the results could be often subpar including being blurry, glares or poor facial image quality.

Then normally, if there is no process automation already in place the manual step would kick in: human operators would review each document for authenticity, for completeness, and accuracy. That's in order to manually compare the selfie with the photo in the ID.

Once verification is complete, driver's data is exported into internal databases and also requires additional checks under GDPR or other applicable regulations when applicable, such as AML.

At a small case it seems all good and manageable but when we are talking about thousands of drivers going through verification across numerous cities and countries it quickly becomes a bottleneck.



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Oliwier Migasiewicz:

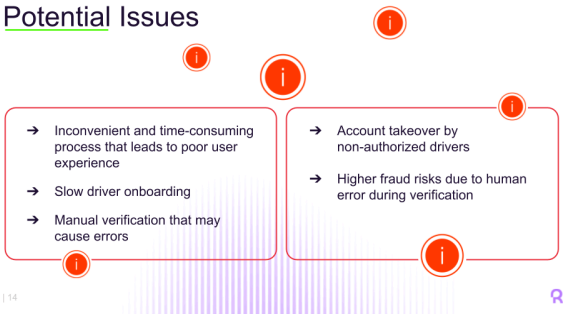
So, let’s imagine what might be the result of inefficiently approached processes in this case and what issue we can save ourselves from with proper process set-up.

So, it will be more specific. For example: in the taxi industry main risks we identified were including longer activation times, contributing to driver frustration, more human error, and a greater chance of unauthorized account use or fraud.

In our case it was crucial to consider all potential issues already in the design phase of the process to make it
1. Quicker so less time-consuming
2. More automated i.e. Less labor-intensive
3. More consistent so more manageable and scalable in the future
4. Error proof

As each error slows down onboarding and increases risk - especially at scale. I think it's a very valid point.

Another aspect is automation upside as manual checks might miss subtle signs of document manipulation, from our experience it's especially worth it to keep track of such cases, especially with foreign IDs or poorly captured documents.



Oliwier Migasiewicz:

And if we go to the next slide we can give you some background. We need to remember that topic complexity has increased a lot. It is not a surprise that many industries are being regulated now quite strictly, regulations have tightened. One example is the taxi industry, where we are operating and to a huge extent it was happening due to reasons for example related to keeping our users meaning both passengers and driver safe, due to safety reasons.

And our processes have gone through a transformation also due to changes in legislation, so that at least one upside of the regulations, which might vary between the countries. And currently FREENOW as the taxi service intermediary is obliged and provides verification identity and document verification of all our drivers.

Of course, more fraud, especially sophisticated ones such as e.g. deepfakes, that also add complexity

especially with the rise of GenAI.
Also, worth to mention, privacy remains crucial and is increasingly in focus.
And we see the global shift toward user-centric design, that is also one of core points while developing the solution with Regula.

So right now, wrapping up - that's how the new business as usual looks like for us and for mobility platforms.

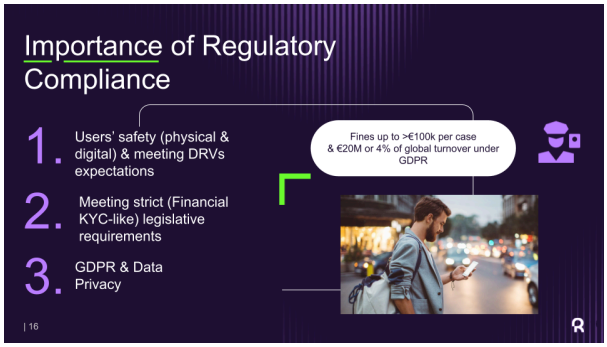
Oliwier Migasiewicz:

Someone might think but why is it even important to us? Actually, because of a couple of reasons, I tried to list the most important ones here in the slide, obviously the overall list will be much longer.

Firstly, we care about our users regardless of whether we speak about passengers or drivers - we want them to be safe both physically, but also in a digital way. That's also why collecting ID documents, biometrics, and personal data requires explicit consent and strict data protection protocols.

Secondly, mobility services are getting increasingly similar to KYC standards which are known from the financial industry to ensure smooth processes and prevent fraud. Fraudulent drivers accounts are secured from being exploited for illicit activities.

Last, but not least - Companies must ensure both local legislations imposed on the industry and more general governance rules such as data storage, access, and processing. It's because these need to be compliant or risk fines for non-compliance can be massive - up to €20M or 4% of global revenue.



Oliwier Migasiewicz:

All of the above formulated our key requirements imposed from different angles, let it be business requirements or legislative regulations, and based on this right now we can walk through the goals that we wanted to achieve.

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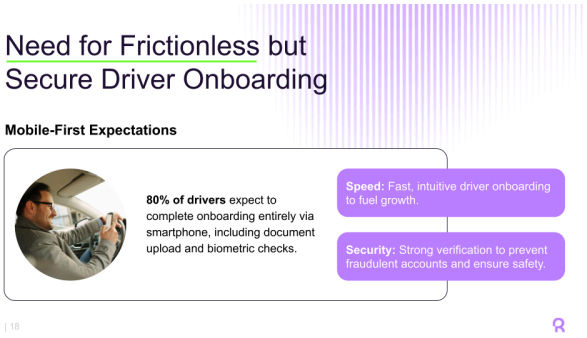
Oliwier Migasiewicz:

As you already have seen, the need for frictionless and secure driver onboarding was huge. Speed and security are no longer trade-offs and companies must balance two conflicting demands:

- Firstly - fast, intuitive driver onboarding that drives company's growth
- And secondly - strong verification that prevents fraudulent accounts and ensures the safety of all users



Oliwier Migasiewicz:

An interesting part related to challenges of driver's licence verification is that one of the biggest obstacles was verifying driver's licenses itself, which can be pretty tricky documents.

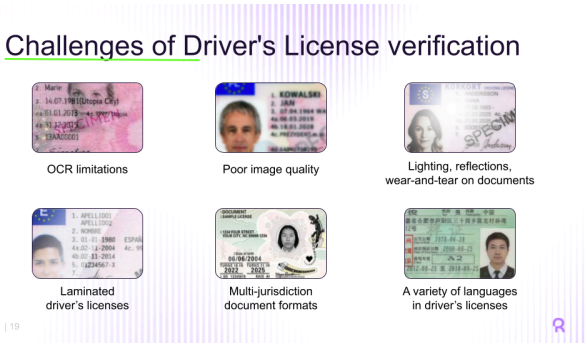
They often have complex backgrounds, special fonts, micro-printing and non-standard layouts that make them difficult to accurately OCR. OCR stands here for optical character recognition.

If you combine this with risk-generators such as:

- Poor OCR that can result in the risk of fraud going undetected
- In addition, that there are hundreds of different driver's licenses in a variety of languages
- Or that systems that are not trained on enough document samples and might fail to recognize or incorrectly validate IDs

All of this leads to

- Increased document authentication error rates
- growing risk of fraud when forged or modified templates are used
- And mobility solutions that operate internationally face a number of challenges without global document coverage



Regula

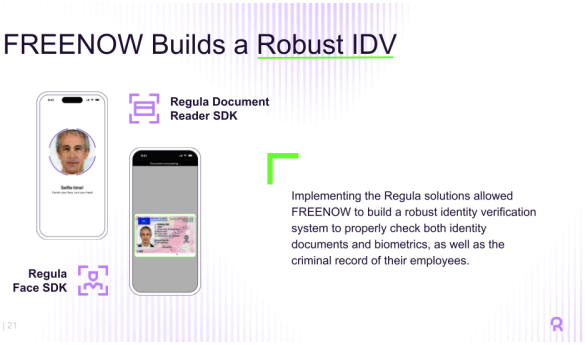
Oliwier Migasiewicz:

With all this in mind, we needed a stronger ID verification process that would meet regulatory requirements. We also obviously wanted to select the best solution for comprehensive identity verification for our business.

Oliwier Migasiewicz:

As a result, we opted for a set of Regula software solutions, including Regula Document Reader SDK and Regula Face SDK, which met our requirements both in terms of technology and price. Implementing the Regula solutions allowed us to build a robust identity verification system to properly check both identity documents and biometrics, as well as the criminal record of the drivers.

This in turn gave us instant validation of drivers - all automated and scalable as we want.



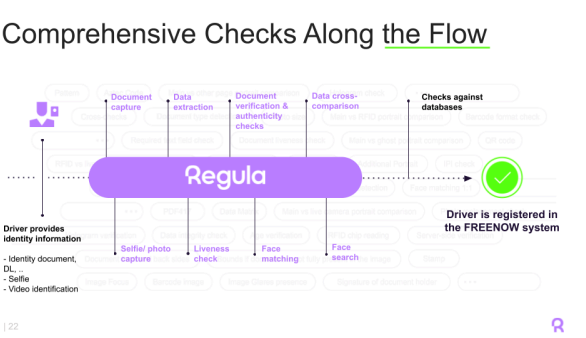
Oliwier Migasiewicz:

Along the customer journey, no matter the use case it is crucial to run all the possible checks, regardless if we speak about using mobile or web, only document or with biometric data.

So e.g. speaking about Polish cases - driver verification is done in person at one of the 25 FREENOW offices across Poland. The process is as follows:

Firstly, a taxi driver provides their industry related documents, but also some generic ones like ID card or passport and driver's license for verification. At this step, Regula Document Reader SDK automatically recognizes the type of the document; reads the data in all the document fields, including visual and machine-readable zones (MRZ), barcodes, and NFC chips; checks the authenticity of the personal data and the document itself; and cross-compares all the information to check for possible inconsistencies that may indicate fraud.

After this, the taxi driver goes through biometric



verification with the help of Regula Face SDK. The face-matching technology incorporated with the Regula solution verifies the identity of the driver and compares a real face image taken on site with the portraits in the documents to ensure the person is the same.

Finally, after this, FREENOW checks the driver's criminal record.
Optionally, depending on the city, taxi IDs are also verified.

Finally, everything is good and if no concerns arise, the taxi driver is registered in the FREENOW system. So basically you can see how here is the difference versus the standard process that I was describing in the very beginning in one of the first slides.

Oliwier Migasiewicz:

So, as we are heading towards the end of my part, I wanted still to show you how the new identity verification (IDV) system based on I believe Regula Document Reader SDK and Regula Face SDK is now helping FREENOW check the identity documents and biometrics of several thousands of our taxi drivers in Poland.

Our cooperation with Regula enabled FREENOW to timely adapt to new legislative requirements across the whole country. And thanks to mutual engagement and dedication from both Regula and FREENOW, we succeeded in building a tailored solution meeting the very specific needs of the taxi industry.

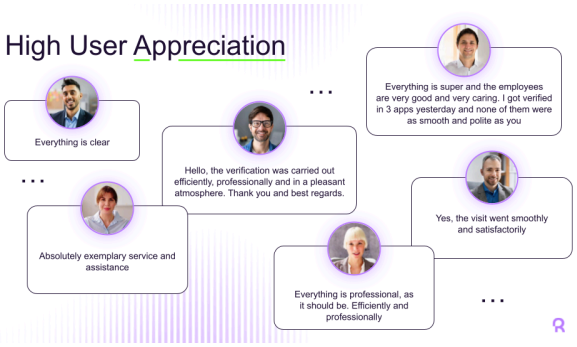
It is also important to note that the whole project of deploying the IDV system was done in just under six months, so the company succeeded in meeting the timeframe requirements as per the law. And such a fast project completion was possible thanks to a holistic approach to technology implementation and ongoing support from all involved parties.

Regula

Oliwier Migasiewicz:

Eventually we got to the most valuable source of product-related knowledge which is driver verification feedback. In this specific case in our industry it's quite often the case that even no feedback would be already quite a good feedback because normally when users might not like something too much, it's way more evident that they are more willing to leave the feedback instead of like in the situation when they are very happy and then not necessarily everyone decides to leave an opinion.

It is worth adding that the most meaningful validation comes directly from our users themselves. Here are just a few examples of the feedback we received during and after the onboarding migration process. What this shows is that security and user experience are not mutually exclusive. With the right tools and automation, they are rather supporting each other and in our case enabled us to create a workflow that's both trustworthy and human-friendly.



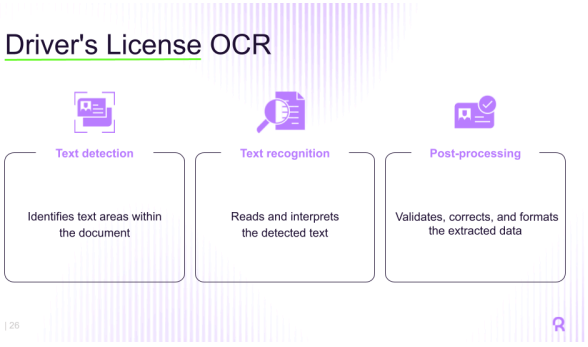
Henry Patishman:

That’s a great example of how a complete IDV solution secures business processes and the user's journey. Thank you, Oliwier, for sharing those insights! Following up on the challenges you faced and benefits you gained I would like to provide some insight into Regula technologies that boost driver’s license verification.

Henry Patishman:

One of the main pillars is OCR. A robust IDV solution must accurately extract and interpret driver’s license data to ensure reliable verification.

What’s more, in remote scenarios, OCR technology replaces a human inspector, who would otherwise examine the whole document while also focusing on details. This makes OCR a crucial component in ensuring both accuracy and security in automated ID verification. Technically, OCR works the same way for any image containing text. The process consists of three main stages: Text detection where the text areas within the document are identified, Text recognition



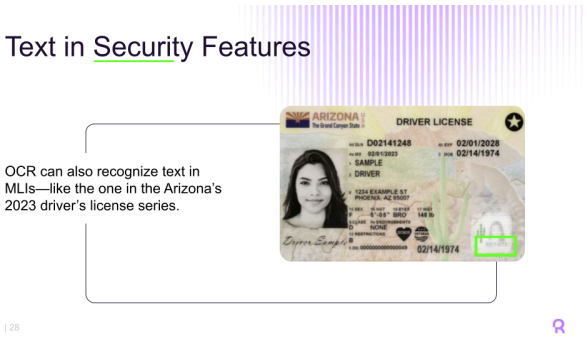
when the detected text is read and interpreted and post-processing where the text is validated, corrected, formatted and the data extracted.

Henry Patishman:

Let’s take a look at a real-world example for clarity. Can you at a glance distinguish, for example, the format of a Spanish license from 2013 from one issued in 2004? Honestly, I doubt it.
Regula OCR easily distinguishes this, it relies on the most extensive database of identity documents and automatically defines type, country, template and security attributes and what a driver’s license should have.

Henry Patishman:

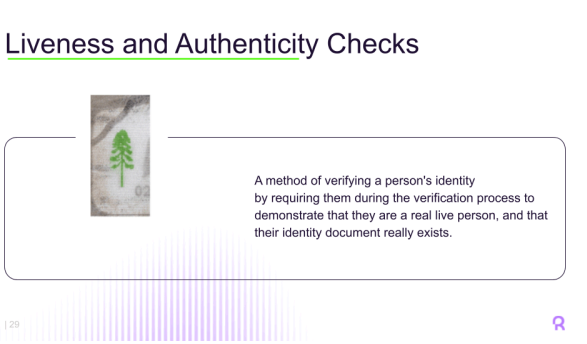
Further, it can read text in dynamic features such as MLI (Multiple Laser Image).



Henry Patishman:

Moreover, validation of dynamic features, like Dynaprint, helps ensure you deal with real physically present and authentic ID’s.
By the way, Regula recently became the First provider to be able to verify all dynamic security features in remote document checks.

https://regulaforensics.com/news/all-dynamic-security-features-verification-in-remote-document-checks/



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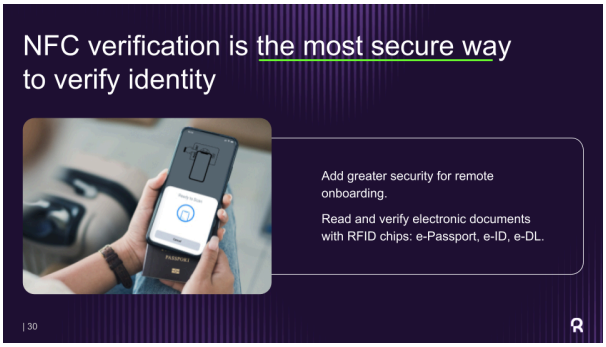
Henry Patishman:

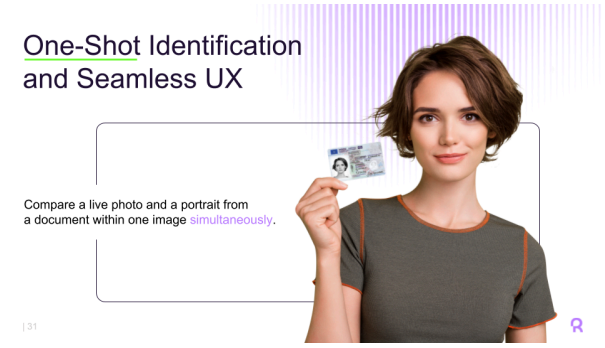
Our solution not only reads the document it can also read the electronic chip embedded in e-Passports, e-ID's and e-DL's. This can be done directly on the clients NFC enabled mobile device which already significantly minimises the threat of fraud. However, when an end-customer uses a mobile device for self-service to read data from an RFID chip, in some cases it's not enough just to verify this data on the mobile device itself - it's not 100% secure, because there is a risk of verification results being modified by fraudsters directly on the same device.

In the "zero trust to mobile" approach, Regula adds another layer of protection against such fraud with complete server-side verification of electronic identity documents that are scanned via mobile phone with NFC technology.



Henry Patishman:

With everything we do customer experience is always central, that is why we also offer a high level of convenience with our one-shot identification feature where we are able to compare a live photo and a portrait from a document within one image simultaneously. That's probably sufficient information on some of our key features and you can certainly have a look at our website for more details or reach out to any of our staff.



Henry Patishman:

I would like to thank you all for your great participation in our webinar. Please do not hesitate to contact us after the webinar in case you have any additional questions- we'll be happy to assist.