



Remote Deposit Capture  
Offers **Big Bang,**  
**Low Risk**



# Click. Snap. Send. Deposit made.

Consumers love the simplicity of remote deposit capture (RDC). More than 20 million people accessed RDC in 2013 and usage is expected to more than triple by 2016.<sup>1</sup> RDC is mobile banking users' most desired app.<sup>2</sup>

Mobile RDC also offers advantages to financial institutions. A recent survey of financial institutions revealed that 63 percent either offer mobile RDC or plan to within 12 months (33 percent).<sup>3</sup> It is a cost-effective, efficient means to serve account holders and expand electronic banking options. But are there risks that could outweigh the benefits and, if so, how can these risks be averted?

## **Losses Within Acceptable Limits**

Few technologies come without risk, but losses from RDC appear to have been minimal to date. In 2013, 77 percent of 266 financial institutions said they had experienced no losses. Nine percent said they had only one loss incident; 12 percent said they experienced "several loss incidents." Survey respondents also said associated RDC losses were at or below established risk thresholds.<sup>4</sup>

## **Establish Risk Mitigation Strategies NOW**

RDC risk is now growing in the retail channel with 48 percent of financial institutions having experienced losses in 2013.<sup>5</sup> Now is the time for banks to establish strategies for loss prevention.

Possible risk mitigation strategies vary. The majority of financial institutions apply deposit value limits (84%). Some banks have explored "smart" limits that are based on account type, length of account relationship and risk score. Others use image quality analytics (71%), CAR/LAR mismatch (59%) and deposit volume limits (54%).

<sup>1</sup> Celent, *State of Remote Deposit Capture: All About Mobile*, January 10, 2014

<sup>2</sup> iath Power Consulting, *Mobile Banking Study*, 2013

<sup>3</sup> RemoteDepositCapture.com, *Demystifying Risk Associated with Mobile RDC*, May 21, 2014

<sup>4</sup> Celent, *Survey of U.S. Financial Institutions*, October 2013

<sup>5</sup> Ibid.

Other approaches might include:<sup>6</sup>

- Endorsement analytics and restrictive endorsement policies
- Predictive fraud and abuse scoring
- Rules that identify account abuse indicators
- Cross-channel and cross-bank visibility for detection of duplicates
- Mobile, account holder and account authentication and monitoring
- Limit and fund availability testing that can be applied to broader segments

Financial institutions should also remind consumers of the importance of protecting their financial information and documents, just as they would with regular checking deposits, when using RDC.

### **Focus on the Positive**

The risks associated with RDC are not insurmountable. Ninety percent of surveyed financial institutions that offer the service believe they are outweighed by the benefits.<sup>7</sup> RDC is appealing to both consumers and financial institutions alike. Consumers can quickly deposit and access funds. Financial institutions reduce costs and streamline operations.

Financial institutions that don't offer or fully promote RDC due to concerns about risk must push beyond perceived limitations. Developing and implementing a well-crafted risk mitigation strategy will free financial institutions to deliver a satisfying customer experience that serves their own interests equally well.

For more information on payment strategies, call  
1.800.351.3843, email us at [contactHC@harlandclarke.com](mailto:contactHC@harlandclarke.com) or  
visit [harlandclarke.com/PaymentSolutions](http://harlandclarke.com/PaymentSolutions).

### **Related Resources**

Article: [True Value of the Checking Account](#)

White Paper: [How Safe is Your Data?](#)

White Paper: [The Value of a Brand](#)

<sup>6</sup> RemoteDepositCapture.com, *Demystifying Risk Associated with Mobile RDC*, May 21, 2014

<sup>7</sup> Mitek Systems, *New Research Shows 90 Percent of Financial Institutions Report Mobile Deposit Benefits Outweigh Risks and Costs*, May 21, 2014