Unit21

Envel Reduces Time-to-Rule-Creation from Days to One Hour

Envel, a fast-growing, Harvard-founded and MIT-backed fintech startup headquartered in Boston, Massachusetts, has engineered the first-ever AI-based autonomous fintech app. Powered by its unique patent-pending AI and behavioral engine, Envel's mission is to help millions of Americans to budget better, save more, invest, and create wealth.

We recently spoke to Brian Higdon, Envel's Chief Compliance Officer, to discuss Envel's journey to Unit21 and what his experience with Unit21 has been since coming onboard. Here is what he had to say, in his own words.

Some Background on Envel and what Growth Looks Like

Envel is a software and technology company. Our bank of record is National Bank of Kansas City. Our customers are everyday Americans. We only offer our services to U.S. individuals, not to business or entities at this time.

We see growth as verified users coming onboard and transacting in their accounts, setting up deposits and using our products for financial well-being. It includes bringing users in the door and engaging them, having them hungry for more. The most vocal positive customers love the concept and personally relate to the company. What we are bringing to market benefits their livelihood, so we want to see mass adoption of products and services.

In terms of the team here, we recently hired a financial crimes director and a team member, which shows that we have tenure and maturity in the senior leadership team and that we are growing Risk & Compliance operations across the organization. We are setting up risk operations to delineate which team sets policy and which team executes on that policy. Growing risk and compliance overall is better than just having just compliance.

Dissatisfaction with Previous Provider Led Us to Unit21

I had oversight for the switch to Unit21 in January 2021, so we started the transition at the end of 2020. We had a provider that we weren't thrilled with because they were a more foundational transaction monitoring service provider, and there was a lot of complexity in trying to manage that system. Every rule had to be a ticket request. There was a lack of visibility or transparency into the way the rules were running and parameters

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behind the rule. And there was an inability to test the rules. This tool also didn't generate any alerts. It wasn't a great experience and the lack of auditability was tough to deal with.

Some industry colleagues shared that they were using Unit21 so we looked at your company. We quickly knew that Unit21 was the right partner, so we got on the implementation calendar for January and launched within weeks in February.

With Unit21, we have a testing, tuning and deployment engine that a compliance person or a financial crimes person can quickly use with á-la-carte rule sets. We can also develop new rules and run them on historic data within minutes, in a fully auditable manner.

As a fintech, we are rich in data and nimble. We have user and transaction data that Unit21 defines at entities and events. We liked that Unit 21 didn't

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Unit21's No-code Rules Engine was the Major Selling Point

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have a preconceived or prescriptive view on what kinds of data points needed to be fed into it. These are the core datasets you need to monitor – basic customer and transaction information. With this baseline, we were able to ingest other custom data fields coming out of our core processing system and other systems, and Unit21 was able to map them. We're able to send alerts that don't originate in the system because Unit21 is able to create alerts and map those data points to the entities.

The ability to feed other external data into the tool was big for us, and so was being able to monitor customer attributes and not just transactions. So for example, if a non-U.S. IP number is registered to a customer, we can generate an alert. It was so simple. The creation and deployment of that alert literally took minutes.

The flexibility and malleability of the platform is simply awesome, and the fact that it allows us to customize the tool to our business is one of the biggest value-adds that we could ask for. Every company is different, and the data they have is different, so we love the flexibility of the tool and the ability of our developers to do that mapping. It's a friendly onboarding process; not some foreign undertaking where we had to have an offshore deployment team that took months and was expensive. Our team was able to deploy it in-house in just a few weeks. Our banking partner has never questioned the coverage or the functionality of Unit21.

Saving Time, Money, and People Resources with Unit21

With Unit21 there has definitely been an increase in operational efficiency and a reduction in time to identify unusual transaction activity.

The fact that we don't need a dedicated analytics or data team to manage our transaction monitoring is amazing. We can have core financial crimes people educate themselves on the Unit21 platform – its features, its functionality, how it works. And then, in real-time, our financial crimes people are able to develop rules, test rules, deploy rules, and validate them. That to me is people and money saved right there.

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When a bad event happens or when a high-risk event happens, activities can occur in real time, so that's a massive amount of time saved and it's also money saved in fraud losses. It also saves our team from a lot of frustration from just having to click around.

In terms of people resources as well, Unit21 eliminates the need for the expertise of a data scientist or an analytics person. A trained financial crimes analyst, senior analyst, or manager can perform all those

activities without knowing SQL or Python or SAS. They can take core concepts of transaction monitoring and core concepts in financial crimes and develop conditional statements that set off an alert.

That's something that a financial crimes person can get behind and understand. They don't need to know code or be an expert in data science. And when we run the rule, it shows us alerts that we would have on our historic data, and a trained financial crimes person can click through them to see if they are valid alerts. Then they can go back and maybe tweak some of the thresholds and play with it again.

Fintechs don't have the budget to hire people in major U.S. cities. They have a core team and so the Unit21 value is massive because you're able to run a program and still meet your organization's staffing and budget goals, while also meeting the compliance requirements of your bank of record.

Getting Better with Fraud Prevention

From a fraud perspective, Unit21 is helping us to understand how we need to monitor customer activities. Which activities do we need to monitor? How successful are controls at stopping specific activities? Unit21 is helping us to assess the effectiveness of overall fraud monitoring and prevention.

The performance monitoring of these controls is also helping us to understand our effectiveness in other areas. Where does additional monitoring need to occur, and where does more fraud mitigation need to occur? If, for example, certain customers are hitting against the round dollar rule, or velocity rule or volume rule, and those transactions haven't been stopped, that could pose a problem in other areas of the business.

For ACH and debit card fraud, Unit21 is helping us see those patterns and detect when fraud does occur. We can take a look at those customers and those controls and ask, what are we missing? Why is Unit21 flagging this when it should have been interdicted somewhere else? That's a pretty cool function.

In terms of false positives, with the way the rules are running, our rate is very low. We're monitoring for things other than core AML rules. We don't accept cash or monetary instruments. We are truly ACH-in and ACH-out with debit card spending and some cash ATM withdrawals. When an alert fires, it warrants a review by a human to determine if it's unusual. It may not warrant a SAR, but it does need to be looked at.

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Recommending Unit21 to Other Fintechs

We've had a great experience and we're still very small. A small fintech shouldn't be at all afraid to talk to Unit21. From pricing and service to functionality, Unit21 is amazing. The Unit21 team has exceeded expectations and that is their biggest asset. They are accessible and people are always willing to jump on a call to talk through problems.

Unit21 is very good from a business partner perspective and a great no-code rules solution in the marketplace. Looking at our risk and compliance staffing, I don't see us needing to hire different people or specialists to scale with the business over time. We have a business partner we can grow with, so we won't have to go through rebidding in the market and shop around. That's the biggest value prop — having a sustainable partner that is growing as well to ensure they can always meet our needs.

$100B+
Activity Monitored

Unit21 has monitored over $100B+ in transactions and counting. We have protected our customers against hundreds of millions of dollars of fraud loss and money laundering.

60%+
Reduction in False Positives

Customers are able to immediately see a magnitude decrease in false-positive rates. Our customers have more bandwidth to focus on what matters.

20M+
Users Protected

Our customers have been able to protect over 20M users from fraudulent activity. We help our customers enhance their end-user experience and build brand trust.

Backed by Google, Tiger Global Management, and other leading investors, Unit21 is redefining how risk and compliance teams fight financial crime. Unit21's fully customizable no-code platform provides a simple API and dashboard for detecting, investigating, and reporting on fraud, money laundering, and other sophisticated risks across multiple industries. Combining Know Your Customer (KYC) identity verification, transaction monitoring, and outlier detection, and suspicious activity report (SAR) case management, Unit21 streamlines every aspect of risk and compliance operations. Unit21 is based in San Francisco, California.

*If you are interested in discovering how Unit21 can help your risk and compliance teams fight financial crime, **contact us** or **schedule a demo** today.*

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