



Fighting friction, fees and fraud with Plaid



A solution to provide speed and security in the digital remittance space

Placid Express, a remittance company founded in 1996, enables its customers to securely, affordably and efficiently send money to friends and family abroad. It services eight countries in South and Southeast Asia, including India, the Philippines and Vietnam. Consumers can also utilize its in-network direct deposit services to many countries in Europe.

When Placid Express introduced a digital version of its money transfer service in 2014, it faced unprecedented challenges. Top-notch fraud verification took on new importance, for starters. Moreover, many remittance companies in the digital space force consumers to choose between speed and price—a tradeoff Placid Express didn't want to make.

Unlike cash-based payments, where finality of funds and associated money transfers are immediate, electronically funded transfers are not so simple. For credit or debit card payments, a transfer takes mere minutes, but there are high fees associated with the service. Conversely, consumers who elect to use ACH pay almost no fees but face transfer times of three to five days given the nature of the micro-deposits used to authenticate their accounts.

Placid Express quickly realized it needed to offer consumers a better solution: a fast transfer option with built-in security features, minus the high fees. To that end, Placid Express built its own advanced fraud detection platform to intelligently approve transactions on the fly, regardless of payment method. With this model, it increased early approvals of ACH-funded transfers from 40 to 62 percent—a meaningful jump, but there was still room for improvement.

Enter Plaid's fast, secure identity verification

Placid Express found its solution in a customized suite of Plaid instant bank verification products that make it possible to provide consumers with a quick and secure experience without burdensome fees. Plaid also proved much less expensive and easier to implement than other options.

"Once we signed with Plaid, we definitely had the edge in competition," said Ahsan Choudhury, CTO of Placid Express. "We can expedite transactions without waiting the three-day ACH confirmation period, and, ultimately, customers are happy. We are able to retain them very effectively."

With Plaid's Auth and Identity products, Placid Express can now quickly and accurately confirm bank details and verify ownership of accounts. Identity complements its "Know Your Customer" procedures by providing a bank account holder's information matched against the customer's details in real time. Identity also helps Placid Express determine when secondary security features like text message verification should be triggered. Additionally, Placid Express uses Balance to reduce non-sufficient funds fees by getting real-time balance checks on users' accounts before sending payment.

80%

Approval rates for
ACH-funded transfers after
integrating with Plaid.

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AHSAN CHOUDHRY,
CTO, Placid Express

Speed without surcharges

Since integrating with Plaid, Placid Express has increased its instant approval rates for ACH-funded transfers by more than 80 percent. For many customers, that means faster money transfers with much lower fees than previously offered. For Placid Express, it results in a more satisfying user experience and almost zero percent ACH chargeback rate among customers whose information was validated using Plaid Identity.

Placid Express's implementation of Identity has also engendered a 50 percent reduction in customer service queries related to micro-deposit verification and a 60 percent drop in requests from customers to fast-track transfers because it now can proactively speed up remittances that have a Plaid-linked bank account. As a result, Placid Express saves on support resources, and customers are happier. In fact, Placid Express users who opt for the instant verification service have a higher return rate than those who do not (95 percent versus 70 percent). With these new capabilities, Placid Express will continue to expand its online transfer business and innovate service without compromising security or customer experience.

To top it off, Placid Express has been thrilled with Plaid's usability. Choudhury appreciates how easy it was to integrate Plaid technology and the high caliber of Plaid's ongoing support.

“We love Plaid's superb customer service and amazing level of communication,” Choudhury says. “To this day, I receive immediate and detailed responses to any questions I have. The folks at Plaid really seem to love what they do. This level of excitement and passion for the products aligns very well with our own culture and ideas.”

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Plaid is a technology platform and data network that enables applications to connect with users' financial accounts. We focus on lowering the barriers to entry in financial services by making it easier and safer to use financial data. Today, we support developers across North America and Europe.