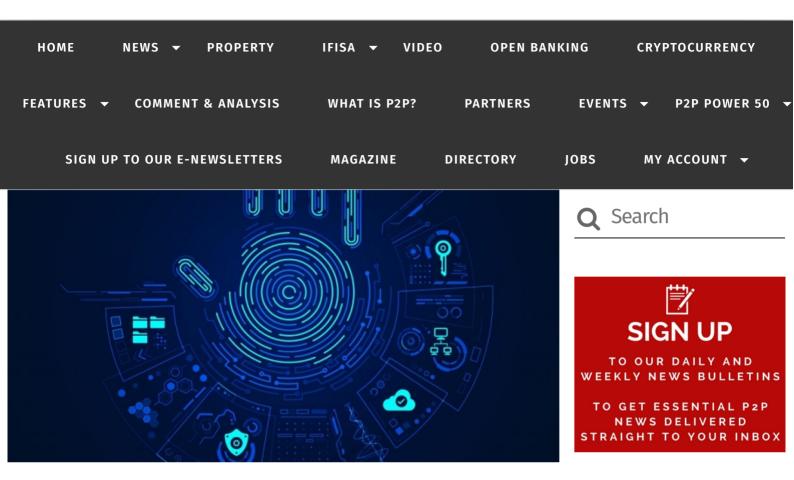
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P2P lenders increase security measures to protect investors

JOHN FITZSIMONS | IFISA, JOINT VENTURES AND PROMOTED CONTENT, NEWS | KUFLINK, NARINDER

KHATTOARE

Narinder Khattoare, chief executive of peer-to-peer property lender Kuflink, explains how platforms can boost their security measures to protect their customers

PEER-TO-PEER investors are understandably more concerned about security than ever. Much of the spotlight has focused on how loans are underwritten and ensuring that opportunities are transparent but, behind the scenes, platform security is a much broader topic that must be constantly evolving to reflect the industry as it develops. POPULAR POSTS:

FCA temporarily lifts ban on crypto trading How P2P lending administrations are progressing Sunak set to extend loan schemes until end of March Shawbrook buys RateSetter's property portfolio and team LendingClub "cautiously optimistic" for 2021 LandlordInvest partners with bank for first time to... As a **peer-to-peer lender**, security remains at the forefront of everything we do, and we continue to step up our due diligence processes in order to safeguard investors.

Financial Conduct Authority-regulated firms are required to verify customers' identities, to help fight financial crime and make it easier to identify where funds are coming from. This also helps to protect investors as, in a worst-case scenario, firms that are found not to have taken adequate steps to prevent money laundering can be subject to heavy fines and sanctions; the largest to date was in 2017, when one bank was fined £163m for an 'inadequate anti-money laundering control framework' which failed to accurately track where funds originated.

We've recently partnered with Onfido to provide a state-of-the-art onboarding process, joining tech giants such as Google, Uber and Revolut. We now use facial recognition to verify that the ID provided (such as a driving license or passport) is genuine and belongs to the person using it. Data shows that approximately 85 per cent of UK citizens now use a smartphone, so this digital onboarding process is not only more secure but also more convenient for most investors.

Facial, fingerprint and retina recognition software are now widely available and even some high street banks are using them, yet P2P has been relatively slow to reflect these developments in their onboarding processes. Facial recognition may seem a bit 'high tech' when compared with the former process of providing a paper statement but it's an effective, frictionless way of managing risk from the outset.

Security standards across the industry are variable and many fail to acknowledge that due diligence has to encompass both the borrowing and lending sides of the business to be truly effective. This can make it hard for investors to evaluate platforms, which is where the importance of the onboarding process comes in –are you satisfied that you wouldn't have been able to sign up under false details? Remember to consider every part of the investing journey when doing your own due diligence, and always consider the risks and rewards on offer before pledging your hard-earned money. *Kuflink* is an award-winning investment platform where every opportunity is secured against UK property and, to date, no investor has ever lost a penny. You can earn up to 7.2 per cent interest per annum in just a few clicks but please remember your capital is at risk.

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