



## Case Study



**100%**

PSD2 Strong Customer Authentication (SCA)  
Compliance with **FlexID**



**40% Reduction**

Reduction in 3-year TCO for its new IAM  
modernization program



**4 months To deploy**

To deploy instead of 18+ with its new  
incumbent vendor

**Flex [ID]**

*FlexID was the only solution that could deliver PSD2 compliance in time, while significantly reducing an IAM modernization program timeline from **18 months down to just four months.***

## About Metro Bank

Founded in 2010, Metro Bank set out to challenge the status quo in the UK banking sector. It was the first new high street bank in over 150 years and quickly grew to more than 2 million retail and commercial accounts by the end of 2020. With a laser focus on customers, Metro Bank's success is driven by reinventing the rules to make banking easier and more convenient.

Metro Bank has been recognized as "Bank of the Year" at the 2020 MoneyAge Awards and was the highest rated high street bank for overall service quality and in store service for both personal and business customers in the Competition and Market Authority's Service Quality Survey in February 2021. With nearly 80 retail stores that are open 7 days a week, UK-based call centers that never close, and instant access with online web and mobile banking applications, its customers have unprecedented choice and access.



### Industry

Financial Services



### Challenge

Deploy multi-factor authentication (MFA) integrated with legacy systems to meet a regulatory deadline



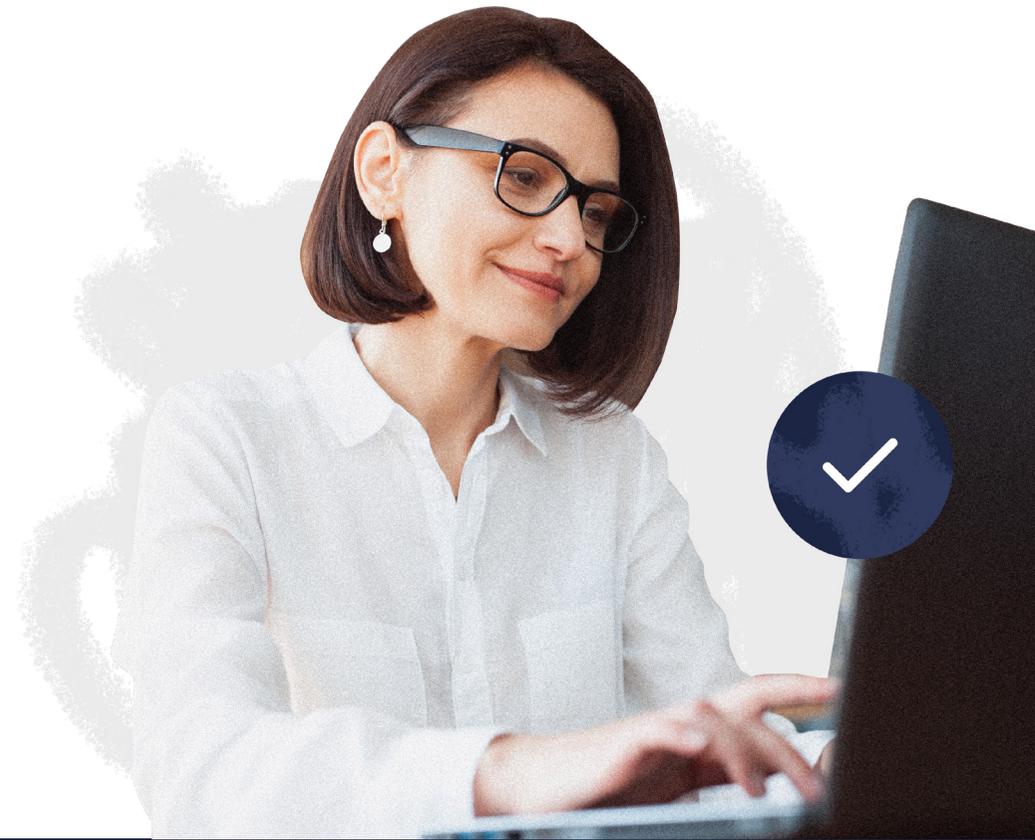
### Solution

FlexID Identity Orchestration Platform with biometrics, authentication, omni-channel, device trust, and user self-service modules

## Growth Drives Need to Modernize Identity and Authentication

In 2018 Metro Bank set out to overhaul its customer identity, authentication and risk management infrastructure. The Bank's homegrown systems couldn't keep pace with its growth projections nor were they flexible enough to respond to the rapidly changing needs of its omni-channel environment.

The decision was made to have an IT consulting firm assist with vendor selection and coordinate the overall deployment. Although Transmit Security's FlexID was a natural choice for this effort, the consultants weren't aware that it could offer exactly what was needed. The Transmit Security sales team had heard about the project and was able to convince the consultants to include it in the process, however they limited it to biometric portions of the RFP. At the end of an accelerated selection process, a well-known traditional IAM solution vendor was chosen to replace the Bank's current systems over a period of 18 months.



## The Sudden Race for PSD2 SCA Compliance

Metro Bank was given a deadline of March 14, 2020 to be fully compliant with the EU Revised Payment Services Directive (PSD2). This required the Bank to quickly deploy end-to-end multi-factor authentication across all its web and mobile banking applications to meet Strong Customer Authentication (SCA) provisions required by PSD2.

Although the Metro Bank team knew one day they would need to be compliant with the regulations that their larger counterparts had to meet, the Bank's rapid growth had pushed them into the attention of the banking regulators sooner than expected.

## What is PSD2?

The Revised Payment Services Directive known commonly as PSD2 is a European regulation for electronic payment services that supplements the original directive that was passed in 2007. Both the original and revised directives were created to promote the development of a single payment market in the European Union to foster innovation, competition, and efficiency. The 2013 revisions were made to enhance payment security and help banking services adapt quickly to new technologies. There are many elements in PSD2 that affect banks, payment services providers, and account information services with how they register users, authorize transactions, and are supervised by regulatory authorities.

A major provision of PSD2 was the introduction of Strong Customer Authentication (SCA). This requires the use of two acceptable authentication factors for most banking-related activities including payments and access to online and mobile apps.

The Bank's new IAM solution vendor was behind schedule and the new compressed timeframe for PSD2 compliance was simply not possible. After quickly exhausting all internal options Metro Bank issued an RFP in December 2019 for solutions to address the urgent need for PSD2 SCA compliance by March 2020.

A few vendors came back but the leading choice was a multi-million pound solution proposed by the Bank's current IT consulting firm. They offered a disposable set of workarounds that would eventually be replaced once their new IAM systems were fully deployed.

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**As young banks such as Metro Bank get the attention of regulators, it's important to focus on getting to compliance quickly and as simply as possible. Transmit Security was the only vendor that was willing to promise a solution, then delivered it with the predictability, speed and dependability we needed.**

**– Faisal Hussain, Chief Technology Officer  
of Metro Bank**

## Promise, Demonstrate and Deliver

Transmit Security's sales team was able to secure a meeting with Metro Bank's new CTO, Faisal Hussain to discuss the PSD2 SCA program. The Transmit Security team promised that they could provide 100% compliance with PSD2 SCA and stood behind that with a proposed proof of concept (POC) of the FlexID orchestration platform.

Within two weeks, the proposed Transmit Security POC would demonstrate end-to-end multi-factor authentication integrated into Metro Bank's existing homegrown systems and support the hard tokens used by its commercial banking customers. Optimistic, but skeptical after their meetings with other vendors, Faisal along with Metro Bank's IT delivery leader, James Shaw and the product owner, Raj Hundal, all agreed to proceed with the POC.

Once Metro Bank was ready to start, the FlexID POC took only 36 hours start-to-finish. This included the implementation of the SDKs into the Bank's web and mobile apps, fully operational multi-factor push notifications for all its current channels, and seamless integration with the existing hard token solution.

After a frustrating process with other vendor alternatives, the decision was made to go with Transmit Security's FlexID for the PSD2 SCA compliance project and deployment quickly got underway. As promised, Transmit Security not only delivered a solution that satisfied the regulators, it did it in a timeframe that allowed Metro Bank to meet its deadline.



### FlexID Deployment Tip:

**It's important to get your internal subject matter experts trained as quickly as you can to help facilitate a smooth rollout of FlexID.**

– James Shaw, IT Director,  
Metro Bank

## Revisiting the Entire IAM Modernization Program

With the PSD2 project in the rearview mirror, Metro Bank saw what the Transmit Security FlexID platform could do and began an effort to relook at the IAM overhaul project that had begun in 2018. That was still in the process of being deployed and still nowhere near completion.

Transmit Security demonstrated that Metro Bank could achieve its original IAM systems overhaul goals, whilst getting it done quickly and more reliably with FlexID. Based on Faisal's and the team's recent experiences, the decision was made quickly to extend the relationship with Transmit Security and limit the previously selected IAM solution vendor to just the authentication databases.

Instead of a quoted 12 to 18 month timeline that was fraught with delays, Transmit Security was able to fully deploy a new IAM orchestration platform with FlexID in just under 4 months.

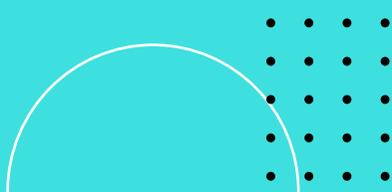
Fast forward to the end of 2020 where FlexID orchestrates all identity journeys within Metro Bank across all channels and applications. Transmit Security is a trusted identity partner that lets Metro Bank keep up with its rapidly growing customer base. Metro Bank is also looking to further its relationship with Transmit Security into future risk orchestration and API use cases as it continues to modernize its entire IAM and risk stacks.



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**It does exactly what it says on the tin.  
Transmit Security delivered everything  
they said they could.**

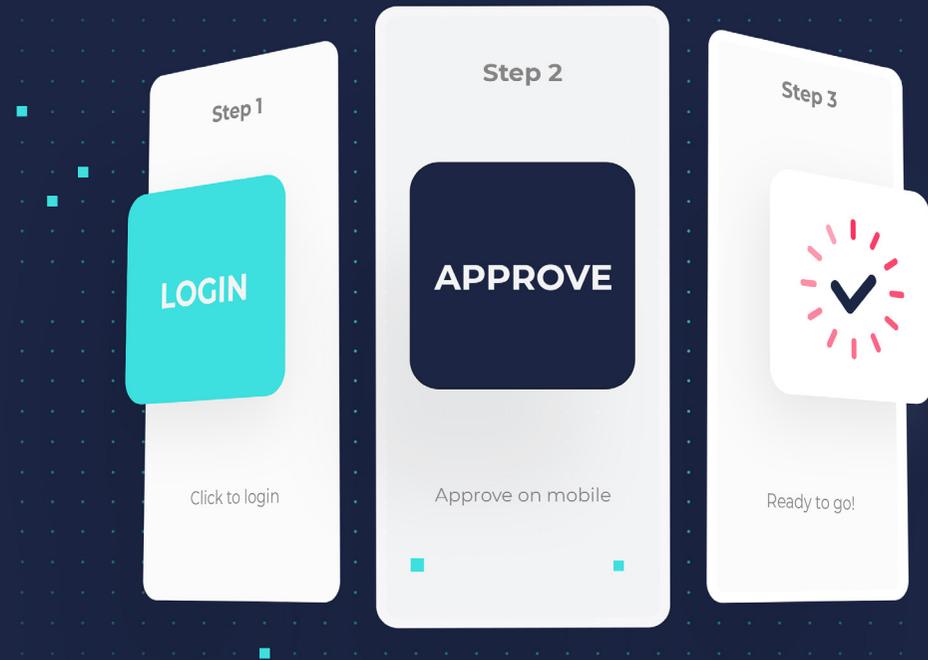
– Raj Hundal, Director of Digital, Metro Bank



## Compliance Then Cost Savings

In addition to Metro Bank meeting its compliance requirements, the adoption of FlexID delivered substantial cost savings. If the bank stayed the course and accepted the interim solution offered by its IT consultants, it would have incurred millions of pounds of additional costs only to have to write them off when the full IAM solution was in place. The Metro Bank team discovered that was just the tip of the iceberg.

With the subsequent expansion of FlexID to take over a majority of the IAM overhaul program, Metro Bank was able to shave nearly 40% of the overall 3-year TCO of the project. This was accomplished through a reduction in deployment time, license renewal fees, and maintenance costs the Bank would have incurred if it had stayed with the complete solution offered by the previous IAM vendor.



## Summing it Up

Transmit Security's FlexID is the key IAM platform that underpins all of Metro Bank's new identity and authorization services. Transmit Security not only promised, it delivered solutions just as advertised that solved the urgent need to meet a compliance deadline, then reigned in an identity overhaul program that was running in the red in terms of timelines and cost overruns.

For organizations with clear and defined customer IAM use cases, Transmit Security is the best bet for speedy, reliable, and predictable delivery. Instead of accepting project timelines measured in years and missed deadlines that drive additional costs, Transmit Security reduces overall project risk and ensures mission-critical customer identity programs are delivered on time and on budget.