Case study

How Payments Company Adyen Leverages Owlin for Merchant Risk Management

"Owlin gives me more peace at night. I know that things don't go by without being noticed."
Barry Landegent, Head of Merchant Potential Liability Risk @ Adyen

Owlin's contribution in a nutshell:

- Automates the merchant monitoring process, making sure no potential threats go unnoticed;
- Digests millions of articles daily in various foreign languages to ensure global coverage;
- Generates early-warning signals and actionable insights to help mitigate insolvency, non-compliance, and chargeback risks on a merchant-specific level.

About Adyen

Adyen was founded in 2006 with the goal to replace the existing legacy payment technology platforms and simplify and accelerate global payment processing services. Its modern and highly-functional infrastructure quickly earned the market's trust and paved the way for international growth.

- € 303.6 billion volume processed in 202
- 1700+ employees
- 24+ offices around the world

Today, Adyen works with globally-recognized clients like Uber, Spotify, eBay, Etsy, TransferWise, and more.

The Pre-Owlin Era

Every day, Adyen's extensive network of vendors engages in millions of transactions worth billions of euro. Adyen is responsible for processing the transactions and also ensuring efficient risk monitoring on a merchant's level.

Due to the massive scale of its operations, Adyen faces one recurring critical task - on a daily basis, it has to be aware of the levels of risk it is exposed to to identify the appropriate reserves it needs to maintain. To quantify the risk, Adyen has to ensure the continuous monitoring of its thousands of merchants and be aware of everything that happens at any point.

Before partnering with Owlin, Adyen handled this process manually. A dedicated member of its team had to search on Google whether something important was happening with a particular vendor. Multiply this by the thousands of merchants Adyen's network involves, and the task becomes extremely labor-consuming, exhausting, and error-prone.

Besides, due to the company's global exposure, many of the breaking news about particular vendors from foreign markets are covered in local news, presenting a language barrier. This informational asymmetry makes Adyen's team's task to identify and accurately interpret relevant data much more challenging.

The Owlin Difference

The partnership with Owlin allows Adyen to automate the merchants' risk monitoring process and cover all corners of the market. The platform digests over 3m news sources in 12 languages on a daily basis to sort out the key insights and present them in an easy-to-interpret way. Moreover, it filters out the noise and extracts the critical essence of unstructured data to generate actionable insights.

The hawk-eye technology equips the client with a real-time newsfeed and allows them to enhance their control mechanism and understand what each merchant is up to at any time.

A merchant in China isn't viable; the bankruptcy risk of an Eastern-European retailer is increasing; a vendor's stores in Russia aren't performing - if it is in the news, Owlin has it covered.

Without Owlin the timely identification of such niche-specific news stories is often impossible due to the noise, unstructured data, language barrier, and more. The platform's powerful algorithms slice and dice the news into trend lines, early-warning signals, and everything Adyen needs to know to be on top of its portfolio of merchants.

The Results

Barry Landegent, the Head of Merchant Potential Liability Risk at Adyen, shares that, thanks to Owlin, at the end of 2019, the company managed to avoid the consequences of an impending bankruptcy of a foreign travel merchant, part of its network.

"*About a year ago we had a risk exposure on a merchant. Due to Owlin we found out that there were a lot of customer complaints ongoing and that they were not returning funds to shoppers and they were not delivering their service anymore* "

-Barry Landegent

Owlin's early-warning system signaled the looming insolvency risk and allowed Adyen to take immediate action and ensure it recovered the funds it would have otherwise lost.

To date, Owlin continues to streamline Adyen's merchant risk monitoring processes. Every day, Adyen's risk team can zoom-in on what's happening with its vendors all across the world through their personalized Owlin lens. The platform's timely alerting features allow for proactive risk mitigation.

Want to find out more about our partnership with Adyen?

Click here for the video