INCOGNIA™

Friction and Fraud Facts
Cryptocurrency Mobile Apps

Incognia reviewed the identity verification and authentication methods used in onboarding new customers on nineteen leading cryptocurrency mobile apps

Wallet

Blockchain.com · coinbase · crypto.com · ENJIN · Trust Wallet

Exchange

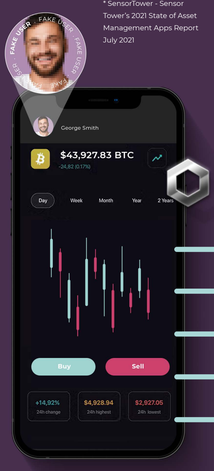
BitMart · BINANCE · Cash App · coinbase · crypto.com · FTX · kraken · KUCOIN · PayPal · robinhood · SoFi · venmo · VOYAGER · Webull

Crytocurrency popularity is rising with investors and fraudsters

Cryptocurrency apps accounted for the majority of asset management app downloads in the US in H1 2021*

* SensorTower - Sensor Tower's 2021 State of Asset Management Apps Report July 2021

	Crypto apps	Others (Stock trading, Advisory, Forex)
2021 H1	51% → 2.68X	49%
2020	19%	81%
2019	19%	81%
2018	20%	80%



Fraudsters follow the money.
Cryptocurrency-based crime grew 79% in 2021, reaching $14 billion

Total cryptocurrency value ($ Billions) received by illicit addresses, 2017 - 2021

* Illicit addresses: Wallets tied to criminal activities

2021	14.08
2020	7.88
2019	11.78
2018	4.48
2017	4.6

Know Your Customer and Your Fraudster

Crypto Exchanges must comply with Know Your Customer (KYC) and Anti-Money Laundering (AML) Regulations

Identity Verification to the rescue

Most popular identity verification methods used during new account creation in crypto exchanges

Note: Crypto wallets are non-custodial and are not required to put users through identity verification for KYC

- **10 of 14** SSN / Legal Name
- **08 of 14** Government ID
- **06 of 14** Face Recognition

Address validation - a missed opportunity for fraud detection

Crypto Exchanges require user address info for KYC, but are not leveraging it for fraud detection or prevention

- **10 of 14** Require address info
- **04 of 14** Require country of residence or ZIP Code
- **Zero of 14** Require Location Permissions

Friction During Onboarding

Average time to create a new account on a crypto mobile app
1 minute
53 seconds

Average number of screens for user to view
11

Average number of fields for user to complete
07

The Winners?

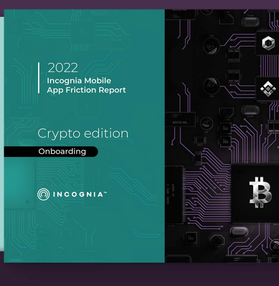
To review the complete rankings and study results please download the

Incognia Mobile App Friction Report
Crypto Edition

Download now →

2021 CRYPTO FRICTION INDEX (INCOGNIA™)
Category Winner
WALLET
Coinbase
Lowest Onboarding Friction Index

2022 CRYPTO FRICTION INDEX (INCOGNIA™)
Category Winner
EXCHANGE
Webull
Lowest Onboarding Friction Index



About Incognia

Incognia is a privacy-first location identity company that provides frictionless mobile authentication to banks, fintech, and mCommerce companies, for increased mobile revenue and lower fraud losses. Incognia's award-winning technology uses location signals and motion sensors to silently recognize trusted users based on their unique behavior patterns and is a key enabler for Zero-Factor Authentication. Deployed in more than 150 million devices, Incognia delivers a highly precise risk signal with extremely low false-positive rates.

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