



Digital Identity Solutions: The Tech Engine Driving Financial Crime and Compliance (FCC)

March 2025: Complimentary Abstract / Table of Contents

Market Report
Financial Crime and Compliance



Our research offerings

This report is included in the following research program(s):

Financial Crime and Compliance, Cybersecurity

- ▶ Advanced SciTech
- ▶ Amazon Web Services (AWS)
- ▶ Application Services
- ▶ Artificial Intelligence (AI)
- ▶ Asset and Wealth Management
- ▶ Banking and Financial Services Business Process
- ▶ Banking and Financial Services Information Technology
- ▶ Catalyst™
- ▶ Clinical Development Technology
- ▶ Cloud and Infrastructure
- ▶ Contingent Staffing
- ▶ Contingent Workforce Management
- ▶ Contract Research Organization Services
- ▶ CX Excellence
- ▶ CXM Technology
- ▶ Cybersecurity
- ▶ Cyber Threat Detection and Response
- ▶ Data and Analytics
- ▶ Digital Adoption Platforms
- ▶ Digital Services
- ▶ Digital Workplace
- ▶ Employee Experience Management (EXM) Platforms
- ▶ Employer of Record (EOR)
- ▶ Engineering Research and Development
- ▶ Enterprise Platform Services
- ▶ Exponential Technologies
- ▶ Finance and Accounting
- ▶ Financial Crime and Compliance
- ▶ Financial Services Technology (FinTech)
- ▶ Forces & Foresight
- ▶ GBS and Shared Services
- ▶ Google Cloud
- ▶ HealthTech
- ▶ Human Resources
- ▶ Insurance Business Process
- ▶ Insurance Information Technology
- ▶ Insurance Technology (InsurTech)
- ▶ Insurance Third-Party Administration (TPA) Services
- ▶ Intelligent Document Processing
- ▶ IT Services Excellence
- ▶ IT Talent Excellence
- ▶ Lending and Mortgages
- ▶ Life Sciences Business Process
- ▶ Life Sciences Commercial Technologies
- ▶ Life Sciences Information Technology
- ▶ Locations Insider™
- ▶ Market Vista™
- ▶ Marketing and Interactive Experience
- ▶ Microsoft Azure
- ▶ Microsoft Business Application Services
- ▶ Modern Application Development (MAD)
- ▶ Multi-country Payroll
- ▶ Network Services and 5G
- ▶ Oracle Services
- ▶ Outsourcing Excellence
- ▶ Payer and Provider Business Process
- ▶ Payer and Provider Information Technology
- ▶ Payment Integrity Solutions
- ▶ Price Genius – AMS Solution and Pricing Tool
- ▶ Pricing Analytics as a Service
- ▶ Process Intelligence
- ▶ Process Orchestration
- ▶ Procurement and Supply Chain
- ▶ ProcureTech
- ▶ Recruitment
- ▶ Retail and CPG
- ▶ Retirement Technologies
- ▶ Revenue Cycle Management
- ▶ Rewards and Recognition
- ▶ SAP Services
- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
- ▶ Supply Chain Management (SCM) Services
- ▶ Sustainability Technology and Services
- ▶ Talent Genius™
- ▶ Technology Skills and Talent
- ▶ Trust and Safety
- ▶ Value and Quality Assurance (VQA)

If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com

Learn more about
our custom research capabilities

Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: providers, locations, risk,
technologies

Locations: costs, skills, sustainability,
portfolios

Contents

4	Introduction and overview	19	Evolving market landscape
5	Research methodology	20	Market view by geography
6	Introduction	21	Focus provider profiles
7	Market trends	22	Encompass Corporation
8	The evolution of digital identity: shifting consumer demands and technology drivers	23	Fenergo
9	Global digital identity solutions market: growth trends and opportunities	24	IDEMIA
10	Digital identity: a cornerstone for transformation in BFSI	25	LexisNexis Risk Solutions
11	Market landscape by offerings: key solutions and provider landscape	26	Lucinity
12	The eras of digital identity: from foundational systems to AI-driven personalization	27	Mitek Systems
13	Future of digital identity	28	NICE Actimize
14	Enhancing Financial Crime and Compliance with digital identity solutions	29	Onfido
15	Navigating the regulatory landscape of digital identity	30	Plaid
16	AI and gen AI: transforming digital identity solutions	31	Signzy
17	How BFSI enterprises are adapting to the digital identity trends	32	Socure
18	Opportunities for service providers and technology providers in the future of digital identity	33	Trulioo
		34	Appendix
		35	Glossary
		36	Research calendar

For more information on this and other research published by Everest Group, please contact us:

Ronak Doshi, Partner

Suman Upadrasta, Vice President

Srawesh Subba, Practice Director

Neha Sharma, Manager

Ritwik Rudra, Senior Analyst

Priyanshi Gupta, Senior Research Associate

Shashwat Vatsa, Senior Research Associate

Copyright © 2025 Everest Global, Inc.

We encourage you to share these materials internally in accordance with your license. Sharing these materials outside your organization in any form – electronic, written, or verbal – is prohibited unless you obtain the express, prior, and written consent of Everest Global, Inc. It is your organization's responsibility to maintain the confidentiality of these materials in accordance with your license of them.

Introduction

This research focuses exclusively on digital identity tools and technology solutions within the Banking, Financial Services and Insurance (BFSI) market for Financial Crime and Compliance (FCC)

As the BFSI industry undergoes rapid digital transformation, the need for secure, seamless, and compliant digital identity solutions has never been greater. BFSI enterprises must navigate an evolving regulatory landscape, counter sophisticated fraud tactics, and enhance customer trust – making digital identity a critical enabler of FCC.

This research provides a detailed market assessment of digital identity solutions within the BFSI industry, focusing on:

- The evolving role of digital identity in fraud prevention, Know Your Customer (KYC), Anti-money Laundering (AML), and compliance operations
- Key technological innovations shaping the digital identity landscape, including AI-driven authentication, biometrics, and blockchain
- Market trends and provider landscape, examining the competitive dynamics of digital identity solutions in Banking and Financial Services (BFS)

Scope of this report

Geography: global

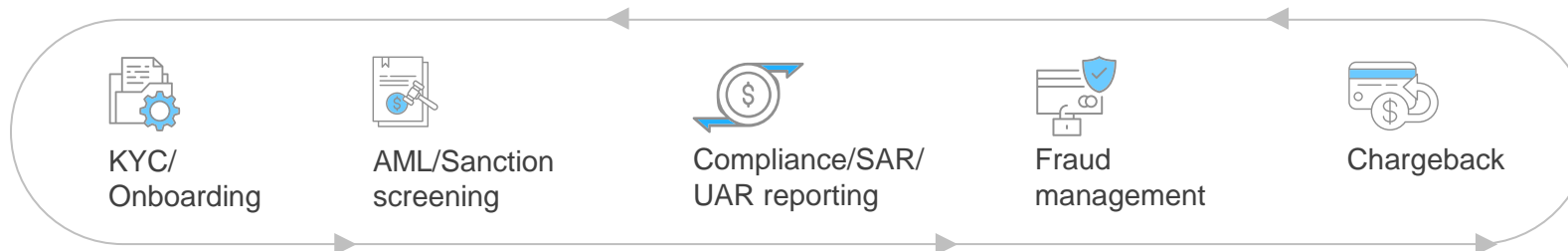
Industry: Banking and Financial Services (BFS), with a specific emphasis on FCC

Services: digital identity services

Use cases and provider details: only publicly available information has been used for the entire analysis in this report

Digital identity

Synergies across FCC processes

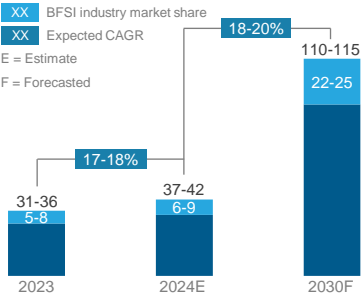


This study offers 3 distinct chapters providing a deep dive into key aspects of digital identity solutions market; below are four charts to illustrate the depth of the report

Digital identity: a cornerstone for transformation in BFSI

BFSI industry market share in global digital identity solutions

US\$ billion; 2023-30F



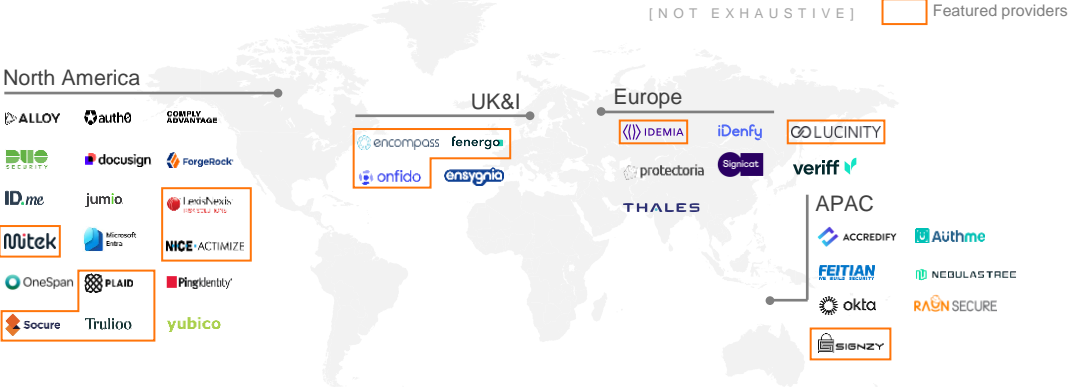
Why is digital identity crucial for BFSI, and why now?

- Increasing financial fraud and cyber threats**
Rise in sophisticated fraud (phishing, account takeovers, and synthetic identities).
- Complex regulatory environment**
Tightening rules such as AML, PSD2, eIDAS, and GDPR demand enhanced identity verification.
- Fragmented customer experience**
Lengthy onboarding and siloed authentication processes frustrate customers, resulting in a high churn rate.
- Open banking and Decentralized Finance (DeFi) disruptions**
Emerging industry ecosystems require secure, global, and scalable identity frameworks.

How do digital identity solutions solve these?

- Behavioral biometrics and connected identity
- Multi-channel data sharing and authentication
- Mobile first, password-less verification
- Blockchain-enabled decentralized IDs

Market view by geography



Opportunities for service providers and technology providers in the future of digital identity

Digital identity market offerings	Future-oriented high-impact use cases	Potential for AI / gen AI adoption
Identity verification services	SSI using AI: AI is being tested to enable decentralized identity models where users control their credentials, thereby reducing fraud and improving privacy. Multi-modal biometrics fusion: experimentation is ongoing to combine facial, voice, behavioral, and iris recognition into a single AI-powered verification model to enhance accuracy and reduce false positives.	● ● ● ● ○
Authentication and access solutions	Neural network-powered continuous authentication: AI is being trained to provide seamless authentication by constantly monitoring user interactions (typing speed, device handling, gait, etc.), reducing reliance on one-time passwords and MFA challenges. Gen AI-powered adversarial testing: AI is being used to generate adversarial login attempts to train authentication systems against evolving attack vectors such as deepfake-based biometric spoofing.	● ● ● ● ○
Regulatory and compliance solutions	Gen AI for automated compliance auditing: AI is being tested to analyze and interpret regulatory texts dynamically, creating real-time compliance frameworks that adapt to changing rules without human intervention. Explainable AI (XAI) for compliance risk: financial regulators and institutions are experimenting with AI models that provide human-readable explanations for risk decisions, improving auditability and trust.	● ● ● ● ○

Opportunities for service providers	Opportunities for technology providers
Increasing financial fraud and cyber threats <ul style="list-style-type: none">Develop and integrate AI-driven fraud detection solutions for BFSI firms, ensuring real-time risk analysis and anomaly detectionProvide continuous risk monitoring and fraud life cycle management solutions, enabling BFSI firms to shift from reactive to predictive fraud prevention	<ul style="list-style-type: none">Develop fraud detection and risk scoring engines that combine behavioral analytics, transaction profiling, and real-time anomaly detection to strengthen security without adding frictionIntroduce multi-modal biometric authentication layers, integrating voice, facial recognition, and behavioral signals for fraud-resistant digital transactions
Complex regulatory environment <ul style="list-style-type: none">Offer compliance orchestration as a service, helping BFSI firms navigate PSD2, GDPR, eIDAS, and emerging regulatory mandates in a structured and scalable mannerProvide compliance advisory support, helping financial institutions redesign identity governance models and align with emerging mandates	<ul style="list-style-type: none">Develop plug-and-play compliance-ready digital identity platforms that meet evolving regulatory requirements globallyOffer privacy-first and consent-driven identity management APIs, ensuring secure data handling and user control
Fragmented customer experience <ul style="list-style-type: none">Build and integrate enterprise-wide identity orchestration platforms for seamless omnichannel authentication across digital touchpointsEnable BFSI firms to streamline identity workflows by replacing outdated, siloed authentication systems with real-time, contextual identity decisioning frameworks	<ul style="list-style-type: none">Establish hybrid, decentralized identity networks, allowing customers to maintain a portable and interoperable digital identityLaunch specialized embedded digital identity APIs, tailored for payments, FinTechs, and e-commerce, ensuring real-time transaction authentication, chargeback reduction, and fraud mitigation

Research calendar

Financial Crime and Compliance Operations

	Published	Current release	Planned
Report title	Release date		
Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2022			July 2022
Financial Crime and Compliance (FCC) Operations – Service Provider Compendium 2023			October 2022
Navigating the Regulatory Tightrope via End-to-End Solutions – Financial Crime and Compliance (FCC) State of the Market 2022			January 2023
Safeguarding Assets: Building Trust and Combating Fraud			July 2023
Financial Crime and Compliance (FCC) Operations Services PEAK Matrix® Assessment 2024			February 2024
Inside the Regulator’s Mindset: Reshaping Compliance in Banking Operations			March 2024
Financial Crime and Compliance (FCC) Operations Services – Provider Compendium 2024			April 2024
Financial Crime and Compliance (FCC) State of the Market 2024			June 2024
Future-ready Payments: Enterprise Priorities in a Disruptive Landscape			June 2024
Future-Ready Payments: The Payment Sourcing Handbook			December 2024
Digital Identity Solutions: The Tech Engine Driving Financial Crime and Compliance (FCC)			March 2025
Innovation Watch: Generative AI Applications in Financial Crime and Compliance			Q2 2025
Leading 50 Financial Crime and Compliance Technology Providers			Q2 2025
Technology-Led Co-Innovation in BFS: Navigating Opportunities and Risks in the Era of Evolving Threats			Q2 2025
Payment Operations – Services PEAK Matrix® Assessment 2025			Q3 2025

Note: [Click](#) to see a list of all of our published Financial Crime and Compliance Operations reports

Research calendar

Cybersecurity

	Published	Current release	Planned
Report title	Release date		
Cloud Security Services – Provider Compendium 2024			January 2024
Empowering Defenders with Gen AI and Large Language Models (LLMs)			May 2024
Security – Review of Google Next '24 Product Launch			May 2024
Operational Technology (OT) Security Products – Provider Compendium 2024			July 2024
Microsoft Security – Review of Microsoft Security's Product Launch at RSAC '24			July 2024
Cisco – Review of Cisco Security's Product Launch at RSAC '24 and Cisco Live 2024			August 2024
Cybersecurity Services PEAK Matrix® Assessment 2024 – North America			September 2024
Cybersecurity Services Specialists PEAK Matrix® Assessment 2024			October 2024
Cybersecurity Services PEAK Matrix® Assessment 2024 – Europe			October 2024
Cybersecurity Services Specialists – Provider Compendium 2024			November 2024
Cybersecurity Services Provider Compendium 2024 – North America			November 2024
Cybersecurity Services Provider Compendium 2024 – Europe			December 2024
Managed Detection and Response (MDR) Services PEAK Matrix® Assessment 2024			February 2025
Identity and Access Management (IAM) Services State of the Market 2025 – Exploring the Evolution of Converged IAM			March 2025
Digital Identity Solutions: The Tech Engine Driving Financial Crime and Compliance (FCC)			March 2025
State of the Market – Identity and Access Management (IAM)			Q1 2025
Managed Detection and Response (MDR) Services Specialists PEAK Matrix® Assessment 2025			Q2 2025

Note: [Click](#) to see a list of all of our published Cybersecurity reports

Stay connected

Dallas (Headquarters)

info@everestgrp.com

+1-214-451-3000

Bangalore

india@everestgrp.com

+91-80-61463500

Delhi

india@everestgrp.com

+91-124-496-1000

London

unitedkingdom@everestgrp.com

+44-207-129-1318

Toronto

canada@everestgrp.com

+1-214-451-3000

Website

everestgrp.com

Blog

everestgrp.com/blog

Follow us on



Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at www.everestgrp.com.

Notice and disclaimers

Important information. Please read this notice carefully and in its entirety. By accessing Everest Group materials, products or services, you agree to Everest Group's Terms of Use.

Everest Group's Terms of Use, available at www.everestgrp.com/terms-of-use, is hereby incorporated by reference as if fully reproduced herein. Parts of the Terms of Use are shown below for convenience only. Please refer to the link above for the full and official version of the Terms of Use.

Everest Group is not registered as an investment adviser or research analyst with the U.S. Securities and Exchange Commission, the Financial Industry Regulation Authority (FINRA), or any state or foreign (non-U.S.) securities regulatory authority. For the avoidance of doubt, Everest Group is not providing any advice concerning securities as defined by the law or any regulatory entity or an analysis of equity securities as defined by the law or any regulatory entity. All properties, assets, materials, products and/or services (including in relation to gen AI) of Everest Group are provided or made available for access on the basis such is for informational purposes only and provided "AS IS" without any warranty of any kind, whether express, implied, or otherwise, including warranties of completeness, accuracy, reliability, noninfringement, adequacy, merchantability or fitness for a particular purpose. All implied warranties are disclaimed to the extent permitted by law. You understand and expressly agree that you assume the entire risk as to your use and any reliance upon such.

Everest Group is not a legal, tax, financial, or investment adviser, and nothing provided by Everest Group is legal, tax, financial, or investment advice. Nothing Everest Group provides is an offer to sell or a solicitation of an offer to purchase any securities or instruments from any entity. Nothing from Everest Group may be used or relied upon in evaluating the merits of any investment. Do not base any investment decisions, in whole or part, on anything provided by Everest Group.

Everest Group materials, products and/or services represent research opinions or viewpoints, not representations or statements of fact. Accessing, using, or receiving a grant of access to Everest Group materials, products and/or services does not constitute any recommendation by Everest Group to (1) take any action or refrain from taking any action or (2) enter into a particular transaction. Nothing from Everest Group will be relied upon or interpreted as a promise or representation as to past, present, or future performance of a business or a market. The information contained in any Everest Group material, product and/or service is as of the date prepared and Everest Group has no duty or obligation to update or revise the information or documentation.

Everest Group collects data and information from sources it, in its sole discretion, considers reliable. Everest Group may have obtained data or information that appears in its materials, products and/or services from the parties mentioned therein, public sources, or third-party sources, including data and information related to financials, estimates, and/or forecasts. Everest Group is not a certified public accounting firm or an accredited auditor and has not audited financials. Everest Group assumes no responsibility for independently verifying such information.

Companies mentioned in Everest Group materials, products and/or services may be customers of Everest Group or have interacted with Everest Group in some other way, including, without limitation, participating in Everest Group research activities.

