Onfido Works To Solve The Personal Identity Security Problem

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Leadership Strategy
I write about consumer behavior and business transformation.

Husayn Kassai, Co-Founder and CEO, Onfido   ONFIDO

A series of interviews with innovators operating at the intersection of consumer behavior and business transformation: Husayn Kassai, co-founder and CEO, Onfido.

Bruce Rogers: Tell us about Onfido and how it came about.

Husayn Kassai: Fido is Latin for trust, so we're about trust and confidence and that's where the name comes from. We started seven years ago, myself and two co-founders, Eamon Jubbawy and Ruhul Amin. We were friends at university. We had different reasons for starting the company. For me personally, it was about recognizing how broken the identification process was from quite an early age. My parents moved from Iran to the UK when I turned ten. I remember it took them a few months to be able to open a bank account and rent in their own name, all because they weren't registered on a credit bureau. Growing up, I realized that the whole credit bureau value proposition wasn't strong and, in fact, was quite disappointing. Ultimately, it's a log of everyone's date of birth, name, and address that is gathered at the point of you opening a bank account face-to-face, for instance, the first time with paper-based documents. It excludes half of the world's adult population without a banking relationship, people who are not on a credit bureau, and, therefore, excluded from financial services. Those who are actually on a credit bureau don't have the security, given that they have been compromised, and yet you're excluding so many people, so it just seemed not really fit for purpose.

Our technical co-founder's university thesis at Oxford was using computer vision—a specialized form of machine learning—to spot wildlife in a series of 25,000 photos of the jungle. We see that what happens, fundamentally, is when you go into a bank, a human sees your ID and ascertains as to whether it's genuine and the photo on the ID, whether that matches your face. We could see that machine learning could do that much better than a human can and, therefore, not only is it more convenient, because you can sign up from the comfort of your own home, but it's also a lot more secure. That's where we could see that a) the credit bureau identity model was no longer fit for purpose and b) that machine learning can now offer a much better solution so that people can be verified remotely. That, in many ways, is the essence of how we started and why.

Rogers: I just published an interview with Brian Cassin, the CEO of Experian. Maybe he has someone to look out for in the future.

Kassai: Potentially, yeah, and I've also met with Experian's chairman and the credit bureau model fulfills a very important role. About 160 or so years ago, two brothers in New York started it, so you would go from one grocery store to the next and, at times, you would have a book of credit with them so you could open a tab and pay later: that was the first credit bureau. They fulfilled a very important role, it's just because of technology, it seems, in our view, that there are now much better ways to solve the online identity problem.

Rogers: How is the business scaling, and what can you tell me where you are today, and whatever metrics for success that you can share?

Kassai: When we started, it was the early stages of trust marketplaces, so home sharing, car sharing, and similar companies. We started with those clients to begin with, and then we later grew it to financial services, especially fintech. Three quarters of the client base are now financially regulated organizations, all the way from mainstream banks to fintechs, and globally spread, as well. The biggest market in terms of the highest number of customers and the fastest growing is very much the US, where I'm based out of our San Francisco office, but we are global in that we have not just the US, but the UK, and France and Germany, in particular, and to some degree Eastern Europe. The UK is where our headquarters is in terms of engineering, along with an engineering team in Portugal. We have a team in India, and also now one in Singapore, as well, for Southeast Asia. With regard to the team, we're just over 220 people, with 40 of us out here in the States, the bulk being in London and then others spread around places like Paris, Delhi, and Singapore.

Rogers: Interesting that your engineering center is in the UK?

Kassai: Correct. Well, part of it is we came out of Oxford to begin with and then we moved to London. Machine learning talent, in particular, in London, given the different universities and the talent pool, just turned into our base naturally, and then we grew a global team from that. A lot of our senior executives are actually from the US. Our CPO is based in the Bay Area. Our VP of Sales, our VP of Marketing, our Chief Revenue Officer is based out of New York, and our VP of research, Mohan, he was the Head of Machine Learning for the robotics division of Amazon, is from the Bay Area but he has now moved to London to be close to the research team there.

Rogers: Most of the tech founding CEOs I talk to, it's the reverse. Engineering is in Silicon Valley and the business headquarters in London. I guess machine learning and AI is an increasingly distributed skill, or you need to be close to great universities with deep knowledge around this?

Kassai: You do. In some ways, it depends if the application is new or not, because there are different layers of it. In our use case, as you're signing up to, say, Remitly, you download the Remitly app, and, as part of the registration process, you take a photo of your, say, driver's license, and a recording of your face, and our machine learning models behind the scenes are determining whether that ID seems genuine or not. By the tens of millions of checks that we've done, we know what patterns to expect and what the norm looks like. The machine learning component has a few layers. One is the character extraction, there is a lot of technology around that, as well, and there is the facial matching, which is also our own, but specifically it is our fraud-detection techniques, which are more cutting-edge. With regard to these new cutting-edge tools, you need those at the forefront of the theory who have a rich academic experience, not necessarily just practitioners. There is a balance to be had. When we look to hire, it's very much an international team, but, being based in London helps us. We have a few relationships with the universities and a few advisors through our professors. That has helped.

Rogers: Anything you can talk about in terms of revenue growth?

Kassai: Year-on-year, our revenue growth is now over 3X. As with most industries when it's new, and identity verification is new, a lot of companies talk about machine learning because they really have to. But, there comes a point in which the level of maturity and know-how, in effect, is changing from clients being really what you would call not just careful but they're running pilots and ascertaining as to whether a solution is using real machine learning or not. That has been pretty good to see, because we've done relatively little regarding marketing, as such. Its client referrals. We're what you would call a product-led company, or have been so far.

Rogers: What are your hopes for what Onfido can become?

Kassai: Our company mission is to create an open world where identity is the key to access. What I mean by that is that we're in a state where, in our view, over the coming years, everything that you access will be based on you being able to easily prove your legal identity; we're standardizing the industry. We look at the way that Facebook has standardized the way you share your social identity and LinkedIn has standardized the way you signal your professional identity. Our purpose is to help everyone be able to easily prove their legal identity. That means, obviously, your date of birth, name, address and so on, so that you're compliant, if you're accessing a financial service, and, equally, if there is a breach, then law enforcement will be able to catch the bad actors. You can imagine right now, the use cases are trust marketplaces and the fintechs and banks, and so on, but pretty soon it will be self-checking into a hotel.

It will be ordering prescription drugs to come to your home, for instance and, one day, even voting. In our view, it's going to be voting from the comfort of your own home but in a very secure way, thanks to the power of machine learning. There are a ton of stories around surrounding issues. There is the Marriott breach and all these other things, and they're just going to continue, because the way that the current verification process is carrying out is broken. It's either you doing it face-to-face and, say, a hotel receptionist has to take a physical copy and put it in a cabinet, for instance, or it's done using a credit bureau, where the data is breached.

Ultimately, we have four building blocks, which is maximizing the number of users that are able to gain access and, second, becoming very effective at catching the bad actors. Third is to uphold privacy and fourth is around humanizing the process and creating a really good customer experience.

Rogers: Do you see yourself becoming a consumer-facing business?

Kassai: We've been thinking about it over the last three years. First of all, in our view, we think that the next big company is going to be an identity company. If we had all the resources and we wanted to build for what the future will look like, in all likelihood it has to end up at a point where the consumer has a lot more control. Right now, the consumer has relatively little control. It's centralized, credit bureau-based that has leaks or these compromised issues. If you look at the other end of the spectrum, it would be a fully decentralized identity where the consumer is empowered to control their legal identity, and the consumer chooses which businesses they want to give access to it.

We are embedded with a growing number of partners that are looking to facilitate that, and we are heavily involved in that, but there is no live product out there today for consumers to work with, but there will be at least two before the end of the year. It's still in an exploratory stage.

Rogers: Tell us about your personal journey?

Kassai: There are a few different aspects to it. Part of it is that myself and my co-founders, we have two goals. One is to focus on helping a billion people get verified by 2025, and essentially making identity access much easier. But, the second, internal one is that we want everyone to look forward to coming to work. I know it sounds simple, but it takes a lot of work to get there. We come from the City. I did an internship with a bank, and my two co-founders did the same, and as valuable and interesting as that was, we wanted to ensure that we're not just three co-founders and everyone else is tasked with doing things. We want to see ourselves as a company of co-founders in many ways, so that's the culture we want to project, in large part because of our personal journeys, too.

Rogers: Where did you grew up?

Kassai: My father is Iranian and my mother is English. I actually grew up in Iran until I was about ten, and then we moved to the UK. I stayed in the UK and then went to university and then moved out here a couple years ago, with the growth of the San Francisco office, in particular. I have a history of living in different countries, from university stage onward. I studied Economics and Management, too, as did Eamon, one of my co-founders, and we read a lot about culture in terms of companies and what makes a successful company.

In many ways, it's helped us hire people, the best talent from across the world, because individuals are joining from PayPal, Cisco, Google, Amazon, and other amazing companies. They can go into any company in the world that they want to. But, where we've been successful is in persuading them that this is a global problem that hasn't yet been solved. We believe we have the approach to solve it but we really need their help to get there and, second, that when they join the team, they will be a very material contributing factor to us getting there. Because we are young founders, we are going to be increasingly dependent on them and their view on how a team should be structured and how effective we can be at achieving our goals.

Rogers: I don't usually think of Oxford as a hotbed for entrepreneurialism. Where does that come from?

Kassai: I knew that I would want to try and learn more about entrepreneurship. I became the president of the Entrepreneurship Society at Oxford and Eamon, one of my co-founders, became the vice president. Over the course of the year, we had many programs where we saw very few, if next to none, start-ups coming out of it. By the end of it, we had learned so much that we wanted to do it ourselves, but we discovered that the university process teaches you in

many ways not to take risks. You have to be a non-conformer to begin with to be an entrepreneur.

We are heavily engaged with the university and other universities, to help them foster their entrepreneurship programs, so Oxford is now a lot more entrepreneurial definitely than it was when we were there seven years ago.

Rogers: What kind of funding have you taken to date?

Kassai: We have been fortunate. It was very slow to begin with. The first year, we essentially had about $20,000 between the three of us, so that took a lot of skill and expertise and basically being lean. We had to learn the hard way and the real way. That has helped us do a lot more with less, so to speak, which is the essence of being lean and having a start-up. As for your question on funding, we started very slow, but we worked hard in setting targets and working to either achieve or beat them, and we've been fortunate enough to be able to do that. In total, we've raised just over about $60 million to date from Microsoft's Venture Fund, M12; Idinvest Partners; Salesforce; Crane Venture Partners; Talis Capital and the University of Oxford.

Rogers: Thank you.

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