API-driven Silent Authentication: Can telcos risk being too slow?

STL Partners webinar in collaboration with LotusFlare

June 2026

In partnership with:



LOTUSFLARE

STL PARTNERS

Agenda

1. Introduction and housekeeping
2. STL presentation: The risk of moving too slow
3. LotusFlare presentation: API-driven Silent Authentication
4. Panel discussion and Q&A
5. Wrap up

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3	LotusFlare presentation: API-driven Silent Authentication
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5	Wrap up

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Our speakers



Darius Lloyd

Consulting Director, Enterprise Platforms Lead

STL Partners



Miriam Sabapathy

Senior Consultant, NaaS & API Lead

STL Partners



Terry Guo

Co-founder & Chief Product Officer

LotusFlare



Michael Gracias

Senior Product Manager, API monetisation platform

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Nathan Rader

VP Service and Capability Exposure

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What is API-driven Silent Authentication?



API-driven Silent Authentication is an identity use case that uses the relationship between a phone number, a device, and the telecoms network to provide seamless and secure user authentication

Where and how is it used?

Customer lifecycle

- **Onboarding**
- **Log in / account recovery**
- **Ongoing authentication**
- **Transaction verification**

Verticals

- **Banking / Fintech**
- **eCommerce**
- **Gaming / media**
- **Online platforms / Gig**

What are the API building blocks?

Number Verification: confirms whether the phone number matches the SIM/device currently being used.

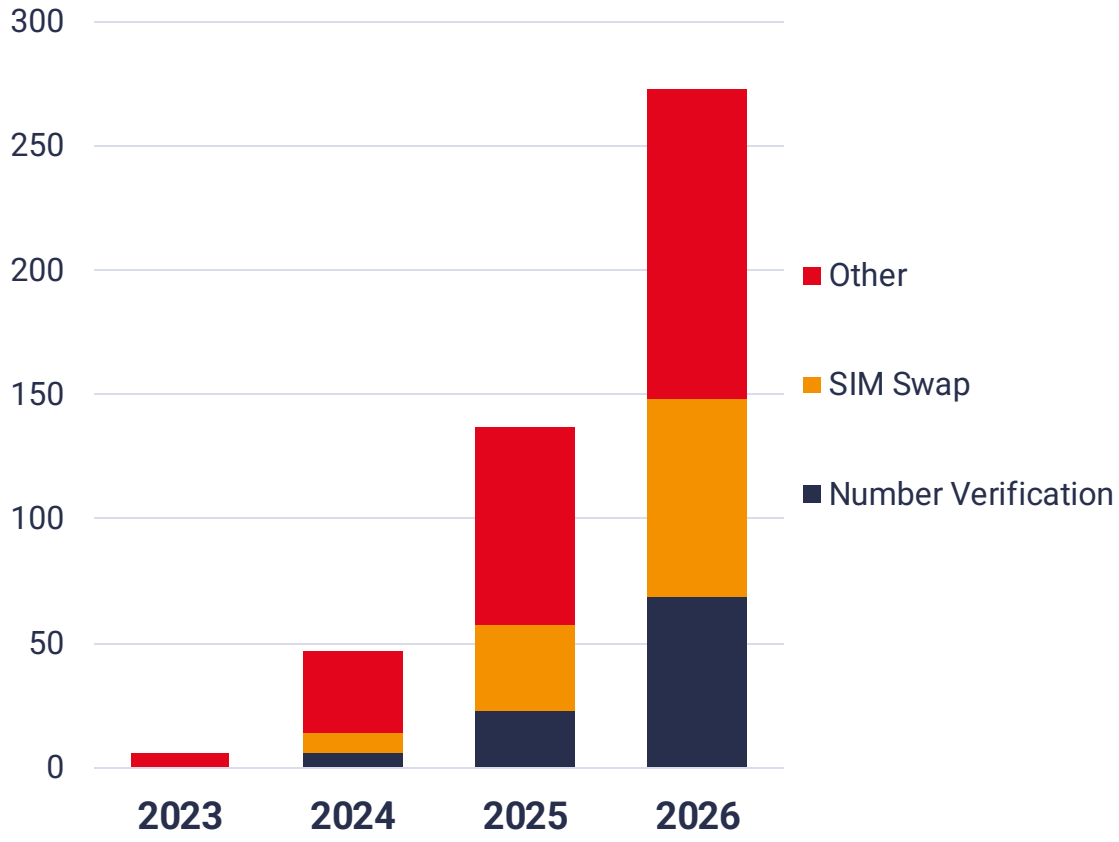
+ augmented by adjacent APIs to enhance anti-fraud

SIM Swap: flags whether the SIM linked to the number has recently changed, adding a fraud-risk signal.

- Number recycling
- Location Verification
- Device Swap
- KYC Tenure

Silent Authentication is seen as the natural starting point for operators kicking off their API monetisation journey

Number verification and SIM Swap account for >50% of OG API deployments[1]



Why are they low-hanging fruit?

- Less complex to develop and monetise
- Take share from existing market
- Benefit from standardisation and aggregation
- Fit well with the existing telco proposition of trusted and reliable

There are an increasing number of proof points in the market[2]

VONAGE
75% ↓
Time to authentication

Honey Badger
30% ↑
Customer onboarding

mBank
97.6%
Successful conversion rate

[1]Source: GSMA Open Gateway launch tracker + STL Partners analysis

[2] Source: Vonage, Honey Badger and mBank presentations at Aduna Summit 2026

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API-driven Silent Authentication has a clear proposition for customers in improving trust and user experience

When building the business case to adopt, customers look across four key factors…



Trust | **User experience** | **New revenues** | **Cost**

Comparing Number Verification vs OTP-based authentication:

But many still remain hesitant, often due to the challenge of OTP cannibalisation – they need to reframe their thinking

Operators must decide whether to protect their share of a shrinking pie or pivot and capture share of a growing pie



SMS OTP is declining



Customers actively seek alternatives



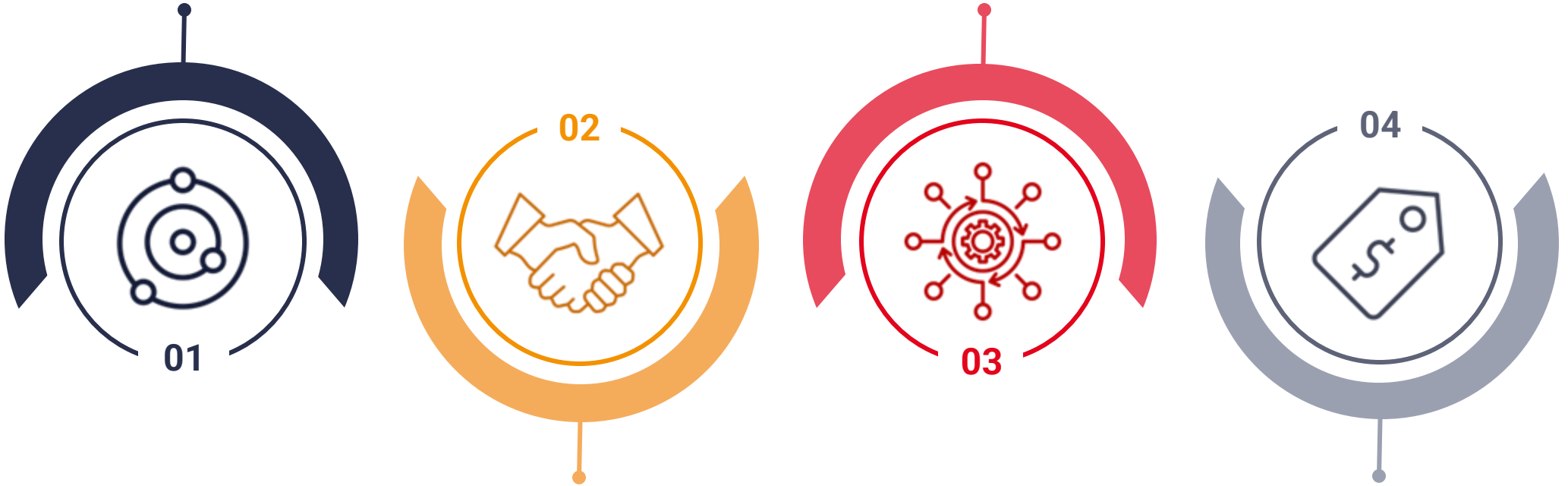
Capture share beyond SMS



Expand with anti-fraud capabilities

What should operators do to get started?

Leverage the ecosystem
Learn and benefit from those who've already made a move



Build channels into IDV specialists
Prioritise partners that have reach into the specialist identity players, who can drive scale across workflows

Derisk with partners
If you're struggling to build a business case to build out, look at partner driven rev-share models

Don't default to cost+ pricing
Operators should avoid pricing themselves out of the game by focussing on margin – focus on volumes

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LOTUSFLARE

Simplify Technology ▪ Simplify Experience®

API-Driven Silent Authentication

High-Value Telco Trust Signals (Number Verification v2.1)

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The Multi-Million Dollar Problem

Why legacy SMS One-Time Passwords (OTP) are failing your network and your subscribers:

- **Regulatory Phase-out:** Regulators in EU, UAE, India, and Malaysia are mandating a move away from SMS OTP.
- **Security Vulnerabilities**: SMS is increasingly susceptible to SIM-swapping, SS7 exploits, and phishing.
- **Cost Center vs Revenue:** CSPs bear the operational cost of SMS delivery while hyperscalers capture the security value.



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High-Value Telco Trust Signal

Silent Network Authentication

Authentication **friction** is the primary **cause of user drop-off** in digital onboarding. Silent Network Authentication verifies users invisibly in milliseconds.

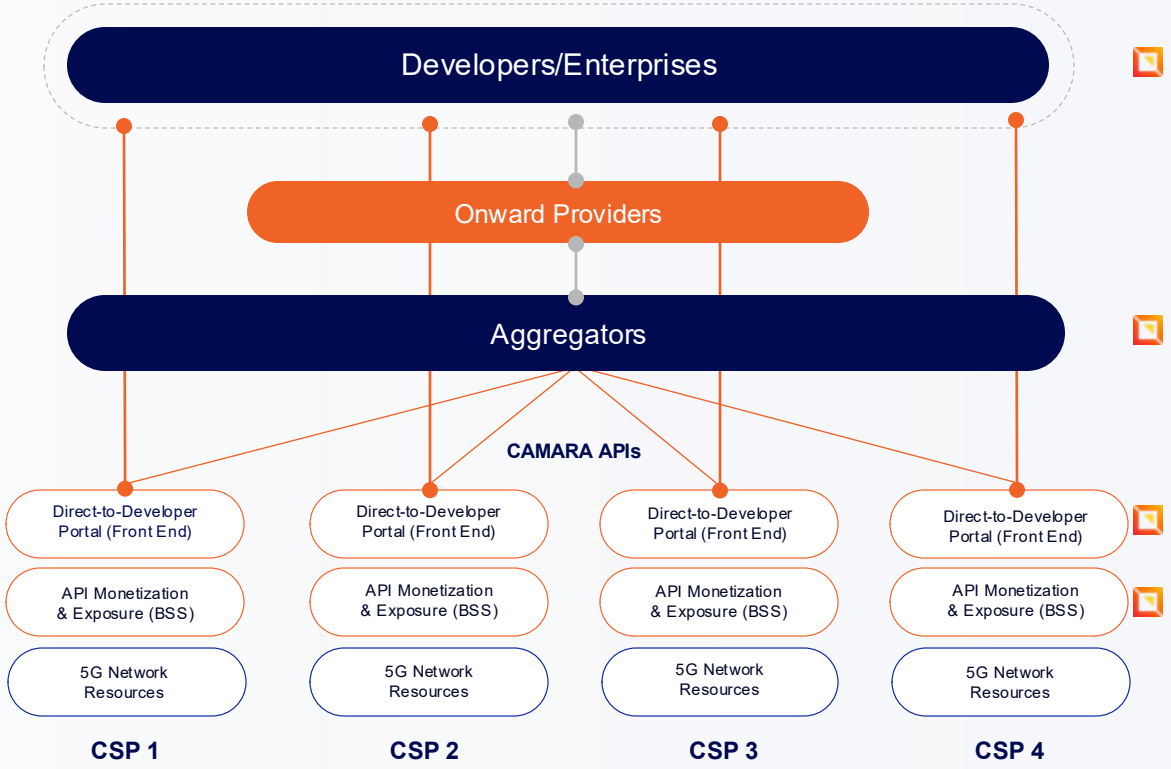
By replacing manual codes with cryptographically bound network signals, CSPs **transition from Notification Pipes to Identity Providers.**



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The API Monetization Ecosystem

Shift to high-value trust signals



	SMS Notifications	Number Verification v2.1
L3	Overpays for SMS notifications Carries liability from fraud incidents Poor UX + SMS deliverability risk	Cheaper than SMS notifications Fraud-resistant Great UX
L2		
L1	Packages identity as platform value Resells a commodity Variable termination fees (costs)	Bundled into the identity platform Predictable costs
L0	Commoditized notifications	Differentiated on-network trust signal

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Number Verification v2.1





Solving the Wi-Fi Gap

1. Legacy v1 solutions fail on Wi-Fi due to IP-matching limitations.
2. Number Verification v2 uses SIM-bound TS.43 tokens that work seamlessly across Wi-Fi, Cellular, and Roaming.

CAMARA Standardized

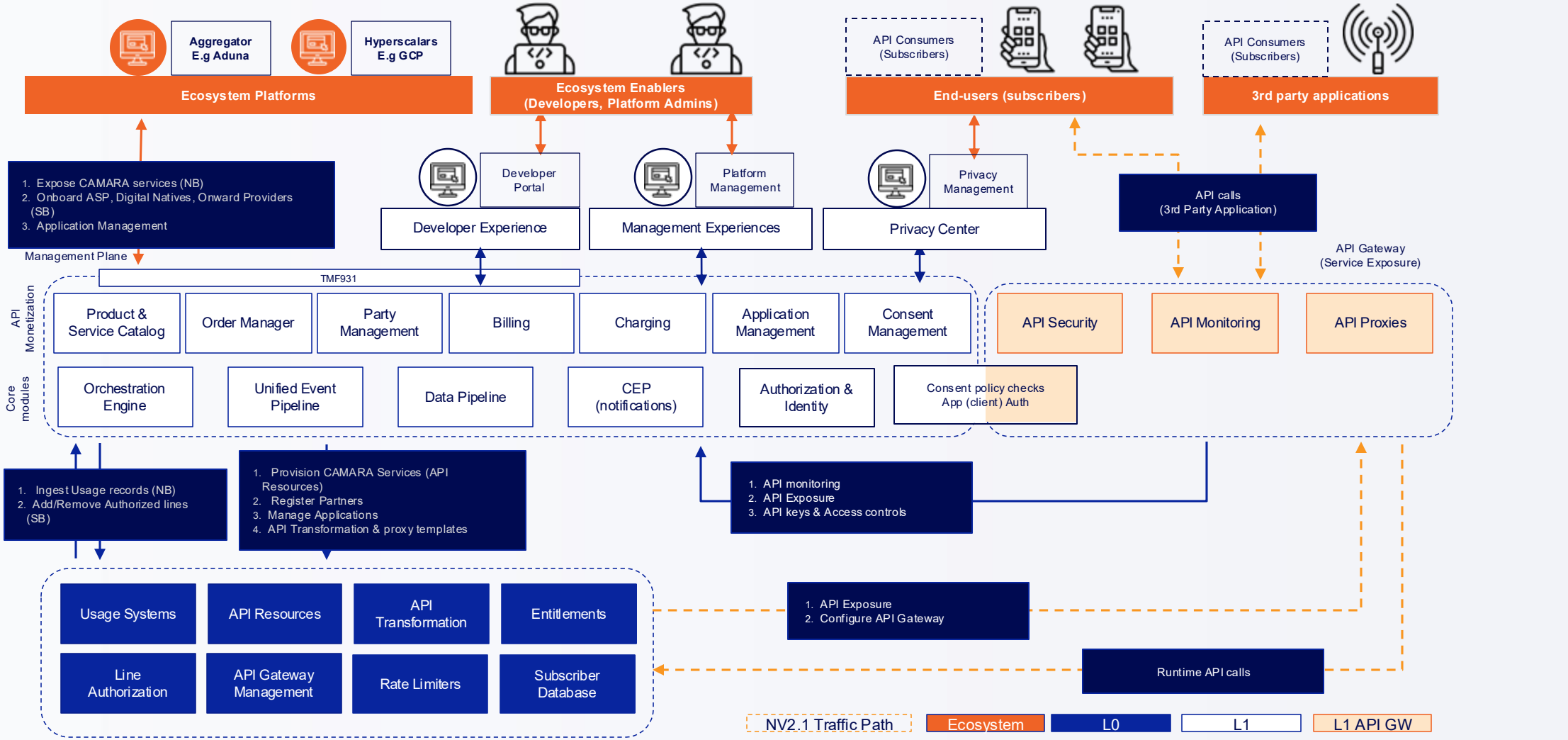
1. Built on the GSMA Open Gateway / CAMARA standards for global interoperability.
2. Allows instant adoption by Banks, Fintechs, and Hyperscalers through a unified interface.

Operators transition to becoming an *ecosystem trust signal*.

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L1 CSP Deployment

Focus on Number Verification v2.1



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Identity Platform Pricing

Hyperscalar pricing (Google)

Country	Phone Number Verification (NV2.1)	Phone Number Authentication (SMS OTPs)	Verification vs Authentication
Spain (ES)	$0.03	$0.04	−22%
France (FR)	$0.05	$0.07	−24%
Malaysia (MY)	$0.08	$0.24	−66%
Finland (FI)	$0.08	$0.09	−6%
Germany (DE)	$0.09	$0.10	−13%
Pakistan (PK)	$0.11	$0.24	−55%
Indonesia (ID)	$0.14	$0.35	−61%



Source - Google
Phone Number Verification
Identity Platform

Variability in SMS termination fees reflected in identity platform pricing.

Network verification consistently cheaper across

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3-Week Deployment Blueprint

1. **Week 1** - Architecture Analysis & Onboarding
2. **Week 2** - Network Integration & Entitlements
3. **Week 3** - Certification & Live Production Launch

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Proven at Scale With Deutsche Telekom

Active Deployment of Number Verification

- **61 million users:** Live, active subscribers currently served on a single deployment.
- **Hyperscaler certified:** Independently validated and certified by a major global developer platform for high-stakes European rollouts.
- **Resilient by design:** Built to handle the authentication load of entire nations without a second of latency.



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Thank you. Let's talk.



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Panel and Q&A



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Thank you!

Get in touch:

- Miriam Sabapathy: miriam.sabapathy@stlpartners.com
- Darius Lloyd: Darius.singh@stlpartners.com