Building Trust in Second Hand Devices

How Panacea and **GSMA Device Check** are helping Mexico's pawnshops increase profits

Protecting retailers and their customers

As the retail price of high-end handsets rises above US$1,000, there is strong and growing demand for second hand smartphones across the world. Specialist retailers and pawnbrokers are expanding to meet this demand, but the vibrancy of the market depends on buyers being able to trust the origin of the devices they are buying; they don't want to handle stolen goods or purchase cloned or counterfeit handsets.

In Mexico, business consultancy and software developer Panacea Consulting Group is using GSMA Device Check to help build trust in the second hand device market. Panacea is offering a service that enables pawnshops to quickly check the status of any cell phone proffered by people visiting their shops. The service uses GSMA Device Check to see whether the handset has been blacklisted (as a result of being reported lost or stolen) and that its make and model is consistent with the registered International Mobile Equipment Identity (IMEI) number, indicating it isn't a clone. Mobile operators across the world upload handset data directly to the GSMA IMEI Blacklist,

Pawnshop worker uses the GSMA Device Check API to verify the status of a device

making it the definitive trusted source of blacklisted IMEI data globally.

There is strong demand for second hand phones in low and middle-income countries, such as Mexico. "Most people have a very low salary of maybe US$500 per month," notes Laura Beltrán, Sales Manager at Panacea. "Salaries are not increasing as fast as the technology is improving. The second hand market is very useful, as it provides a cheap way to access beautiful tech. People in the lower middle class want a big TV and the best cell phones, but they can't always afford them, so they have two options – credit or pawn shops."

> **"**
> GSMA Device Check is allowing us to reduce the risks of losing money on stolen devices. We can check immediately whether a phone being offered to the pawnshop is on a blacklist. About 2%-3% of queries result in a stolen device report.
>
> **Laura Beltrán,** Sales Manager at Panacea.

Systematically checking devices

Whereas some of Mexico's pawnshops just check suspicious devices, others systematically use GSMA Device Check to verify the status of every device they see. "Our best client is using the service for 10,000 queries a month across 120 branches," says Luis Lozada, Panacea's IT Consultant. "They are using it both when they receive a device and when they sell it. They do it for every phone they see. In December 2018, one of Panacea's clients made 2,380 queries using GSMA Device Check, which protected them against 180,000 pesos (US$9,000) of losses. "It is the ultimate assurance for pawnshops," notes Luis Lozada.

The growing use of GSMA Device Check by Mexico's pawnbrokers is bolstering the reputation of the industry with both local authorities and consumers, helping shops to be accepted as legitimate businesses and ultimately sell more handsets. "Around the world, retailers of second-hand devices are increasingly turning to GSMA Device Check to engender trust in their businesses and the products they sell," adds the GSMA's Jason Smith, Senior Director Device Check and Blacklisting.

Although Panacea is currently focused on serving the pawnshop sector, it may also expand its product and service offering to other businesses handling used cell phones. It is also looking to expand internationally, working with a client to integrate its software platform and GSMA Device Check into an enterprise resource planning (ERP) system aimed at pawnbrokers across Latin America.

HANDSET THEFT TAKES PLACE

OWNER REPORTS THEFT TO OPERATOR

OPERATOR UPLOADS BLACKLISTED IMEI TO GSMA DATABASE

OTHER CONTRIBUTING OPERATORS DOWNLOAD THE FLAGGED STOLEN IMEIs

GSMA DEVICE CHECK IS THE WORLD'S MOST ACCURATE REGISTRY OF DEVICE STATUS

Get in touch with a member of our team below to discuss your specific requirements.
Alternatively learn more at **gsma.com/devicecheck**

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