International Bank Cashes in on Fraud Investigation with Intelligent Machine Learning

BANKING ON FRAUD

The statistics around bank fraud are simply staggering. According to the 2018 Report to the Nations by the Association of Certified Fraud Examiners, fraud cases cost organizations over $7 billion globally in 2017. It's no wonder that banks are turning to the latest technology solutions to combat fraud, protect revenue and maintain consumer confidence.

For example, a well-established international bank turned to Bottomline Technologies for help in mitigating its exposure to fraud. In 2010 the bank implemented Bottomline's Cyber Fraud and Risk Management (CFRM) platform to quickly detect and prevent payment fraud. The solution provides a continuous risk assessment across channels and payment types. When anomalies are detected, alerts are generated and routed to the bank's investigation team. The alerts provide the bank with rich visualization and detailed forensic information about the flagged transaction through a user-friendly dashboard, allowing investigators to intervene and stop fraud before it occurs.

"74% of financial professionals reported that their companies experienced payments fraud last year."

– 2017 AFP Payments Fraud and Control Survey

ESCALATING ATTACKS

In 2016 the bank's investigators noticed that the number of alerts had been increasing year after year. The bank handles 250,000 transactions daily and alerts had risen to an average of 1.5% – adding up to 3750 alerts per day. Of those, only 8% were found to be true fraud attempts. The investigative team was faced with the challenge of monitoring each alert and deciding on a course of action to avoid interrupting business operations. This put a strain on resources and increased the risk of errors. It was a time-consuming process which took an average of 20 minutes per investigator per alert.

The bank needed to find a solution that had the capability to handle the growing number of transactions and reduce the false positives without adding headcount to its investigative team. To accomplish this, the solution would have to provide fewer false positives and decrease the investigative time. Once again, the bank turned to Bottomline.

KEY OBJECTIVES

🔍 Better visibility and control

⏱ Reduced investigation time

⚡ Faster decision making

"Banks are constantly monitoring for patterns and trends and quickly evolving their techniques to stay a step ahead of fraudsters."

-James Chessen, EVP, ABA's Center for Payments and Cybersecurity

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Bottomline Technologies recommended that the bank upgrade to the latest version of the CFRM platform in order to leverage the latest advances of its analytical engine capabilities.The CFRM analytics engine combines intelligent machine learning, rules-based detection, and behavior profiling for deep layered security that reduces fraud risk and decreases false positives. It captures user behavior in real time and provides protection from external threats where user credentials have been compromised and internal threats from authorized users.

With Bottomline, the bank is now able to identify deviant behavior and through supervised machine learning, reduce false positives and prioritize true positives by grouping them into the following categories:

- **Stop Transaction** – which immediately shuts down the payment transaction

- **Call Customer** – which generates a ranked list of customers to contact before taking action

- **Unsuccessful Call** – which generates a ranked list of customers to be called again

The Call Customer list prioritizes the alerts by generating a "Fraud Likelihood" score for each transaction. This ranking enables the bank's investigative team to determine who to call first. This benefits the bank in several ways. By calling the customers with the highest probability of fraud first the bank stops more fraud from happening and reduces the customer annoyance that can occur when the alert is a false positive. Additionally, knowing which alerts can be de-prioritized saves at least 10 minutes per call, significantly increasing the team's efficiency.

"Nearly two-thirds of companies that experienced attempted or actual payments fraud in 2016 did so as a result of actions by an outside individual."

– 2017 AFP Payments Fraud and Control Survey

EFFICIENCY GAINS

With the fraudulent threat landscape constantly evolving, it's imperative that organizations protect themselves by adopting the latest solutions that focus on true user behavior and adapt accordingly to respond quickly and accurately. Bottomline's Cyber Fraud and Risk Management platform enables the bank to reduce risk, prevent fraud and meet regulatory compliance requirements with a flexible platform that delivers unparalleled fraud protection. Bottomline's team of Data Scientists continually tests, modifies and improves the platform to ensure customers have best-in-class security to defend against fraudulent attacks.

By upgrading to the latest CFRM platform, the bank is now able to quickly identify and stop suspicious user behavior through intelligent machine learning, rules-based detection and case management capabilities. The bank is now experiencing these benefits first-hand and is able to process a growing number of alerts with the same team of investigators and with more speed and accuracy.

In fact, with Bottomline's CFRM platform, the bank is seeing a 15x improvement in reducing false positives. Plus, as its customer base expands and transactions continue to grow, the platform allows the investigative team to resolve an increased number of alerts – without adding headcount – due to the predictive scoring and understandable reasoning capabilities of the platform.

To learn more about the fraud risks facing organizations today*, contact us today.*

CONTACT US

ABOUT BOTTOMLINE TECHNOLOGIES

Bottomline Technologies (NASDAQ: EPAY) makes complex business payments simple, smart and secure. Corporations and banks rely on Bottomline for domestic and international payments, efficient cash management, automated workflows for payment processing and bill review, and state of the art fraud detection, behavioral analytics and regulatory compliance solutions. Thousands of corporations around the world benefit from Bottomline solutions. Headquartered in Portsmouth, NH, Bottomline delights customers through offices across the U.S., Europe, and Asia-Pacific.

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