

Manage payment fraud risk without impacting the customer experience



“SAS helped us reduce case alert volume by 40%, improve our fraud detection rate by 35% and reduce false positives by 18%. With fewer false positives and the predictive scoring models of SAS, we can provide a better customer experience while detecting more fraud.”

Pramote Lalitkitti

Senior Vice President of Fraud Management at Krungsri Consumer

The Issue

Rapid, global growth of digital payments and driven customer demands for speed and convenience have redefined the payment landscape. Financial organizations have embraced these new payment technologies, but increased mobile and online transactions have introduced new risks for banks and created new requirements for fraud mitigation.

Managing fraud is serious business, as perpetrators are continuously finding creative ways to uncover points of exposure and escape detection of illicit funds (for example, by using mule accounts). Banks must adopt more effective fraud detection and prevention strategies - and fast - because digital payments are rapidly becoming the preferred choice for consumers. Already, payment fraud accounts for large risks, both monetary and reputational.

The challenge for payment providers is tuning their fraud detection systems to stem losses from false negatives without annoying customers by declining valid transactions due to false positives. With the sophistication and velocity of attacks, this will require a solution that can correlate events and quickly apply machine learning to identify the greatest threats in real time. Based on these insights, you can decide which alerts warrant action.

The Challenge

- **Insufficient fraud detection systems.** Rules-based systems use static logic and flag too many legitimate customers - and fraudsters find ways to test and circumvent them. The SAS® payments fraud solutions increase detection accuracy to reduce false positive numbers across all channels.
- **Lack of predictive abilities.** Rules are often designed reactively to reflect knowledge from past known fraud approaches. They can't spot emerging patterns of future fraud. SAS can detect emerging patterns and proactively identify new types of fraud.
- **High business costs.** Excessive false positives cause customer friction and reputational damage. Inefficient investigative processes drive up costs and investigators' workloads. The SAS solution helps organizations detect more fraud and service customers better while improving operational efficiency and reducing costs.
- **Organizational complexity.** With the expansion of digital banking, multiple portfolios and related business lines across channels, banks have a more complex matrix of offerings to protect. SAS payment fraud solutions incorporate analytics and machine learning based on multiple data sources with a variety of detection requirements, providing a real-time enterprise-wide fraud detection system for organizations.

Our Approach

Banks need to balance their need to mitigate fraud and minimize friction for customers. We approach the problem by providing software and services to help you:

- **Strengthen data integration and handle higher data volumes.** Connect separate data sources, regardless of format or source. Deliver faster results from growing data volumes using in-memory processing.
- **Improve the customer experience.** Reduce false positives by profiling behaviors and using data across each transaction for greater accuracy at the account, customer and product levels.
- **Monitor, score and render decisions in real time.** Integrate with payment systems to score transactions in real time. Monitor new relationships using advanced analytics to detect subtle patterns of behavior, prioritize suspicious cases and prepare to predict future risks.
- **Empower the system with AI.** Improve fraud detection by confirming the most effective machine learning algorithms using champion-challenger evaluations, simulations and benefit estimations.
- **Prove and improve operational efficiency.** Interactively query data and generate networks with web-based data visualizations. Measure program performance by monitoring custom KPIs in dashboards.

The SAS® Difference

SAS provides the highest level of fraud protection with:

- **Custom data integration** – enabling you to define your own path for how each incoming transaction is transformed, enriched and validated before being sent to the fraud management system.
- **A central decision hub** – to assess activity at multiple levels, combine multiple analytical approaches and provide a unified view of an account/entity across the entire relationship.
- **Analysis of nonmonetary customer events** – using SAS “signatures” that understand users’ regular device and navigation patterns and evaluate this behavior when transactions are scored.
- **Hybrid, multilayered analytics** – that more accurately detect fraud.
- **Machine learning** – that adapts to changing population behaviors via automated model building so that algorithms get smarter and deliver more accurate results.
- **Alert management** – that intelligently triages events. Investigators can quickly see potential areas of interest and where to focus first.
- **Integrated case management** – that supports collaboration and intelligence sharing, as well as end-to-end case tracking and auditing. Spend less time dealing with data and more time taking action.

SAS FACTS



SAS customers make up **96%** of banks in the Fortune Global 500®.



More than **90%** of the top 100 global banks use SAS.



More than **3,100** financial institutions worldwide are SAS customers.



SAS has more than **40** years of experience working with financial institutions worldwide.

For more information, please visit [SAS® for fraud, anti-money laundering & security intelligence](#).

