

Factsheet – Fusion Global PAYplus

Payment Fraud Prevention for Fusion Global PAYplus

Effective solution using AI to detect and prevent fraud in real-time



The fraud problem

Fraud has become an ever-increasing menace to banks and their customers, costing billions of dollars each year. Instead of high-tech hacking, Fraudsters now use social engineering to perform Scams such as Fake invoice, CEO fraud and Business Email Compromise (BEC), among others.

Whilst some Banks take a position to refund their customers, others do not, citing the customers liability for initiating the transaction. Either way, Banks are losing profits or customer trust.

Challenges with existing fraud prevention technology

Banks using rule-based fraud systems to fight fraud experience the following challenges:

- Rules only detect the fraud scenarios that have occurred in the past, leaving the bank unprotected against new scenarios
- Due to the high number of false positives generated by rules, more staff are required to perform investigations
- There is a high human cost to continuously update and configure rules

- Customer complaints resulting from their fraudulent transactions not being detected and blocked, or due to their legitimate transactions being blocked too frequently

Breaking the rules with AI

Artificial Intelligence has enabled banks to more accurately detect fraud while minimizing false positives. NetGuardians is a Swiss fintech specialized in Banking Fraud prevention. Its proven AI-powered fraud solution works by understanding the normal payment behavior of each customer and uses behavioral risk models to detect fraudulent transactions that are outside the norm.

For instance, Scams are detected on customer accounts due to a combination of unusual factors such as unusual amount, new beneficiary, new receiver bank country, new currency, new operation type etc.

The reasons behind blocked payments are explained in one user-friendly dashboard. NetGuardians' innovative approach enables banks to not only prevent payment fraud in real time, but also detect emerging payment fraud schemes accurately and efficiently.

Compared with a rules-based controlled environment, banks subscribing to NetGuardians can expect to experience on average:

- A reduction in false alerts of 83%
- 18% increase in fraud detection
- Spend 93% less time investigating alerts
- Even greater accuracy of fraud scoring by sharing payment data with NetGuardians' Collective AI database

Acquiring and implementing innovative AI solutions used to require a project with many resources being consumed and taking over a year to go-live, however through the advent of Fusion Fabric.Cloud, your bank can be live in as little as 1 week.

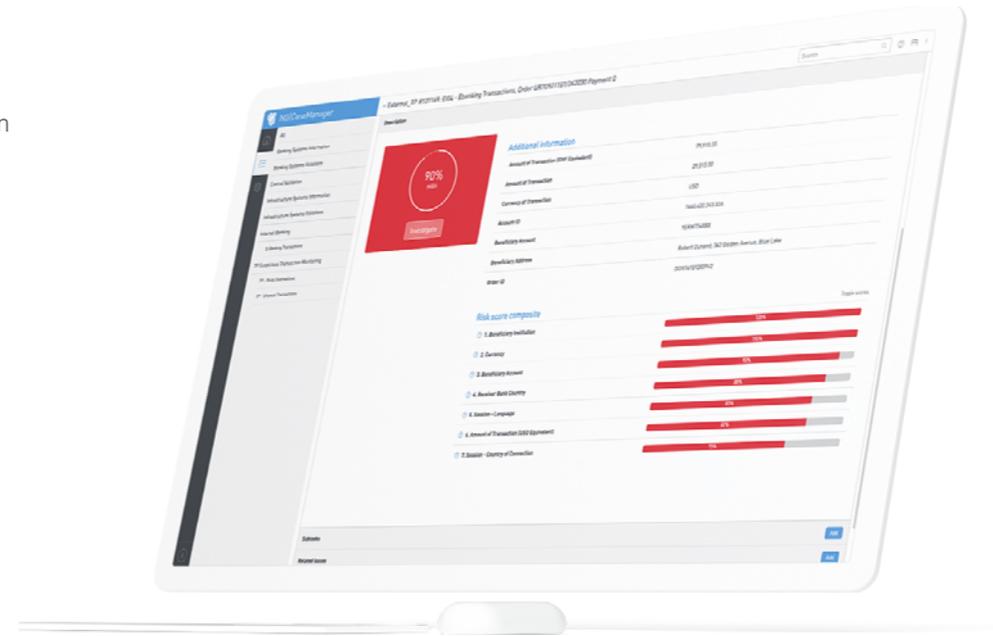
Benefits of activating NetGuardians solution through Fusion Fabric.Cloud:

- The application is hosted and managed by Finastra freeing up your IT staff for value creation related to your business
- Due diligence completed by Finastra & 3rd party security assessors
- Support is provided by the same Fusion GPP support desk, making it easier for your team and more effective for trouble shooting due to the holistic view across the end-to-end transaction lifecycle
- Banks can leverage on Collective AI and further enhance scoring accuracy reduce false positives.
- Transaction latency is sub-second due to the fraud check being done in the same hosted environment as GPP
- NetGuardians solution will work seamlessly with all future upgrades of GPP, avoiding any disruption to your business

- Solution can be live in 1 week to quickly reduce your banks fraud management costs and increase customer satisfaction

Steps to activation:

- Approve the costs (one-time setup fee and a monthly fee based on annual transaction volume)
- Sign subscription agreement with Finastra.
- Authorize sharing payment data among the Fusion Community for fraud prevention and detection purposes. (Optional)
- Configuration of the solution, including tuning of the AI models based on historical payment data
- Activation & go-live



About Finastra

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top100 banks. Our open architecture approach brings together a number of partners and innovators. Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at finastra.com

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