



Debit Card Fraud Management

The message is clear—fraud poses a significant threat to your organization. As more fraudulent transactions occur, you incur more expense. Transaction write-offs, additional customer service staff and higher deposit insurance premiums and deductibles start adding up quickly. Furthermore, debit card fraud may wipe out access to your depositors' funds, causing customer service issues. And, for many smaller institutions, a single large fraud occurrence can threaten their viability. However, in-house follow-up on fraud alerts can be training intensive, time-consuming and expensive.

How do you best combat fraud without negatively impacting your bottom line? You need a flexible, outsourced solution that responds to changing fraud patterns faster, while protecting your customer relationships to ensure continued growth and profitability. Effective detection and prevention of debit fraud should provide:

- Simultaneous handling of signature debit and PIN-based debit transactions
- High detection and low false positive rates
- Minimal impact on customer satisfaction
- Real-time detection to minimize losses

Stop Debit Card Fraud in Real Time at the Point of Authorization

EFD recognizes the delicate balance between exceptional service and effective risk management, which is why we offer Fair Isaac's Falcon™ Fraud Manager 5.1 as a core part of our debit card fraud management services.

Our comprehensive fraud management solution gives you highly effective fraud detection technology that analyzes your debit card transactions for complex, hidden and emerging fraud schemes. It is designed to promote cost savings, while allowing you to maintain focus on growth and customer service improvement.



Falcon Fraud Manager is the leading payment card fraud detection system, monitoring more than 450 million active cards and used by 20 of the top 25 financial institutions worldwide. It leverages a combination of sophisticated neural network models, patented account profiling technologies, flexible, user-definable intelligent rules and case management to analyze payment card transactions for the subtlest signs of fraud.

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Reduce Debit Card Fraud Losses

	Advanced neural network modeling	Patented account profiling	Rules-based strategy management	Comprehensive case management
Features	<ul style="list-style-type: none"> > Debit-specific models > Real-time scoring 	<ul style="list-style-type: none"> > Individual cardholder profiles > Compare historical recent transactional patterns 	<ul style="list-style-type: none"> > Create real-time through user-friendly interface > Change case creation or authorization response strategies 	<ul style="list-style-type: none"> > Review, action and document cases > User-friendly > Customizable > Detailed Reporting
Benefits	<ul style="list-style-type: none"> > Precise fraud detection at the highest rates > Greater pattern detection 	<ul style="list-style-type: none"> > Lower false positive rates > Minimize impact on good customers 	<ul style="list-style-type: none"> > Combat 'flash fraud' > Customize fraud management 	<ul style="list-style-type: none"> > Improved operational efficiency > Maximum savings

Detect More Fraud Types with Greater Accuracy

With Falcon as part of our debit card fraud arsenal, EFD helps stop debit card fraud as it is taking place – in near real time as part of the transaction authorization process. It offers the highest fraud detection at the lowest false positive rates for both signature and PINbased debit transactions with the utmost reliability and minimal impact to your customers.

The result is the ability to detect various types of fraud, including lost, stolen, counterfeit and new account fraud—before you and your customers are financially impacted.

As a critical component of EFD's EFT risk management suite of products for card issuers, debit card fraud detection provides a powerful complement to other EFD's services, including:

- Card activation
- Address verification (AVS)
- Authorization blocking
- Multi-level velocity controls
- Card verification
- Expiration date matching
- Verified by Visa®
- MasterCard Secure Code™
- Visa's Advanced Authorization
- MasterCard's RiskFinder

EFD's Solution:

- Reduces fraud losses
- Detects more fraud with lower false positives
- Delivers earliest possible warning of fraud activity
- Improves effectiveness of fraud operations
- Reduces internal staffing expense
- Requires minimal training
- Increases customer service by protecting cardholders' deposit assets
- Reduces deposit insurance expense

How Falcon Works with EFD EFT Processing Services

Using information about your cardholder's spending patterns, Falcon analyzes each transaction, scores it for the likelihood of fraud and recommends next steps. Once Falcon detects a suspicious transaction, EFD's fraud analysts handle the entire case, from contacting the cardholder through blocking the account and notifying the financial institution. Our trained analysts are available 24 hours a day, 7 days a week to react to alerts and take appropriate action, eliminating the need for additional training and staffing expense. For even greater flexibility, issuers can also choose to create their own fraud rules or handle fraud cases directly.

Industry Leading Fraud Management

EFD's solution provides state-of-the-art technology and capabilities that include industry leading modeling and analytics, sophisticated neural network models, patented account profiling technologies, flexible and user definable intelligent rules, expert case management and detailed reporting to simplify analysis.

Modeling and Analytics

Predictive models are continuously upgraded based on new intelligence about cardholder experience, providing reliable, enhanced protection—both for you and your customers. EFD's debit card fraud management modeling and analytics feature:

- Real-time scoring of the transaction as it occurs, resulting in maximum detection rates

- Debit-specific consortium models to provide optimum performance—you benefit from shared knowledge of fraud patterns across multiple issuers
- Highest detection and lowest false positive rates
- Patented cardholder profiling technology that minimizes false positives by comparing historical behavior with recent transaction patterns
- Periodic training of models ensures optimum performance

Neural Networks

Effective fraud management is all about knowing your customers in a way that's impossible without neural networks (highly complex mathematical models) and scientifically based predictive software techniques. Neural networks provide advantages through:

- Adaptive learning (learning from experience)—no programming required
- Discovering non-linear relationships in data
- Performing well with "noisy" and uncertain data
- Proven mathematical understanding—reasons for outcome can be determined
- The power to compare historical behavior with recent transaction patterns

Profiles

One of the keys to EFD's fraud management services is profiling technology that analyzes customer payment data from a wide variety of issuers and processors, along with billions of payment card transactions—all in a fraction of a second. Profiles compare key transaction behaviors and spending patterns including: speed of spending, favorite shopping hours and days, and travel and purchase types.

Rules Management

EFD's Rules Editor offers industry leading rules management capabilities. It eliminates limits on the number and length of rules. Rules can be easily created, tracked and modified to quickly react to changing market conditions and respond to new fraud trends.

- Offers more powerful rules through elimination of rule and character limits
- Enables 'flash fraud' prevention
- Implements in real-time without programming changes
- Provides a test facility to determine impact of the rule before implementing
- Allows version control of rules

Case Management

Effective case management streamlines case handling and decisioning to process more cases per hour. Features include:

- Workflow hints provide guidance to analysts for improved training and consistency in case disposition
- Automatic return of callbacks saves time and ensures case completion
- Ability to identify and tag fraud cases at the transaction level
- Data export utility allowing user-defined database extractions for more flexible, comprehensive reporting and analysis
- Security policy administration provides greater control
- Integrated queue editor for easier writing and management

Reporting

Comprehensive reporting technology provides quick and easy data analysis and productivity monitoring through daily reports and monthly recaps. The reports are fully localized, not only to multiple languages, but also time zones. Furthermore, the time difference between client workstation and server is automatically factored in, which is important when running time based reports from a different zone than the database.



For more information about EFD Solutions, please call 1 888 933 8637 or visit our website at www.fidelityinfoservices.com.

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