

Fraud Management Framework for Digital Payments



Banks and financial institutions are going through a phase of “digital consolidation” which has been additionally driven by the current situation of social distancing, new normal of business conduct and reduced operational cost. While, the global technology giants are entering the payments space, banks and financial institutions are taking this opportunity to partner with them to develop and disrupt the entire ecosystem of digital payments. This makes it imperative that they become aggressive to promote their payment facilities and platform.

Spurt in digital payments, open banking and unified digital channels have also open up lot of challenges from fraud management perspective. Fraud & its side effects (regulator penalties) have significantly impacted the bottom line of banks and payment participants.

Growth in digital payments and opening up of banking solutions comes with its own nuisances and challenges from enterprise fraud prevention perspective -

- Identity and payment information stolen through data breaches
- 48% of all phishing attacks target mobile users, and 4,000 new mobile phishing sites are created each day
- Mass adoption of web-connected wearables and other devices resulting in more mobile attacks
- Self-learning “imposter bots” hijack the AI revolution Cyberattacks on payments
- Cross-border payments: the growth of online merchant activity and risk from stolen identities and payment credentials, cross-border payments are up to 69% more likely to be rejected as fraudulent than domestic transactions.
- Social Engineering: fraudsters dupe to disclosing confidential information and making payments
- Synthetic Identities: Customers becoming fraudsters
- Mobile Apps: Cybercriminals scrape official mobile app stores, taking application files and metadata from app stores to host their own versions of mobile app sites

Banks and payment participants use traditional rule base engine which does not cater to the advancement in fraud techniques. There are AI/ ML platforms which works along with the fraud engines to drastically reduce the fraud cases including the false positive scenarios reducing friction in the customer payment experience.

These solutions brings with powerful data models which uses multiple techniques (transaction analytics, customer behavior, location intelligence etc.) that bring in significant value over the traditional fraud prevention solutions.

How do we address this?

Tech Mahindra has extensive experience in the cards, payments and risk management space. We have built competency on the AI/ ML based platforms & financial risk management framework that could bring in significant value benefits to the banks and the payment participants in the fraud prevention space.

We have experience working with top fraud solution fintech companies and have also built in Financial Risk management framework providing comprehensive new age fraud prevention offering for the payment participants. To ensure that bank adopts next gen AI based solution for Payment fraud management, we will enable the banks and financial institution by -

- Building an AI based self-learning platform that learns and adapts continuously from past data and predicts the future and find patterns that signal potential fraud
- Machine learning eliminates the use of preprogrammed rule sets - no matter how complex
- Easy to add new data elements, dimensions to the model and recalibrate
- Frictionless, Real Time fraud detection with fewer false positive

Why should you engage with us?

Our Services

We have been engaged with large banks globally with consulting and implementation services for

- Customer Onboarding (KYC/ Account Opening)
- Real Time Transaction Authorization
- Fraud detection on settlement transactions
- Merchant Underwriting
- Predictive Analytics on the transaction exceptions (for early dispute/ charge detection & resolution)
- Anti Money Laundering Solutions

We propose to bring forth tangible benefits in the nature of -

- AI and ML based solutions to detect +65 % more fraud (as compared to traditional solution) enabling saving of +70 % of fraud money.
- 40 % of the funds allocated for fraud prevention goes into manual reviews and false positive analysis. This could be saved with strong AI/ ML based solution (source- Nelson Reports/ AFP Payments Fraud & Control Survey)

How we stand out?

Key Differentiators

- A market leader solution well appreciated by analysts in fighting financial crime using AI/ ML
- Comprehensive solution to manage risk across the enterprise using AI/ ML platform- one risk platform that supports multiple risk use cases
- A financial crime management framework that covers all the areas AML, transactional fraud, account opening/ monitoring
- An integrated modelling and run-time environment that helps banks and payment participants to adapt to emerging fraud patterns quickly
- Global live implementations brings value benefits to banks and payment participants

Case Studies

- Built 'Incontrol' solution for **a global payment scheme** that enables consumers to configure parameters (when, where & how) their cards can be used
- Introduce fraud prevention control capabilities for **a global payment scheme** for all payment types and across various merchants & Re-engineered Fraud Gateway for online and offline transaction processing
- Build a credit check platform for 10 leading banks in India which helps in negative file screening before onboarding customer for credit products. The platform collects blacklisted/ default individual data from partner banks
- Built a frictionless fraud prevention solution for **a leading digital acquirer in India** for digital prepaid issuance and acquiring which supports all channels, payment types and merchants

About Tech Mahindra

Tech Mahindra represents the connected world, offering innovative and customer-centric information technology experiences, enabling Enterprises, Associates and the Society to Rise™. We are a USD 4.2 billion company with 117,000+ professionals across 90 countries, helping over 837 global customers including Fortune 500 companies. Our convergent, digital, design experiences, innovation platforms and reusable assets connect across a number of technologies to deliver tangible business value and experiences to our stakeholders. Tech Mahindra is amongst the Fab 50 companies in Asia. (Forbes 2016 list).

We are part of the USD 17.8 billion Mahindra Group that employs more than 200,000 people in over 100 countries. The Group operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, after-market, information technology and vacation ownership.

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