Recorded Future® Empowers Financial Services Company to Actively Combat Fraud and Dramatically Reduce Investigation Time

Actionable insights serve as an early warning for fraudulent transactions

Use Case:

Stolen card identification and monitoring

Challenge:

Fraud prevention tools stop fraud only after an initial transaction and generate false positives

Solution:

The Recorded Future Intelligence Platform including:

Recorded Future's Payment Fraud Intelligence

Outcomes:

- Saves 7.5 hours per week based on the dispute process per card if it was compromised
- Optimizes the output of the existing fraud prevention system

Consumers are increasingly taking advantage of the flexibility of debit, prepaid, and credit cards to make purchases. Unfortunately, as card spending goes up, card fraud does, too. Nilson Report estimates that by 2031 fraud losses will total $47.22 billion on a total card volume of $73.86 trillion. For fintech companies like a leading payments provider, stopping fraud before it impacts the bottom line — and their customers — is business critical.

Traditional fraud tools and systems detect fraudulent card activity after a charge has taken place. While this reactive approach may prevent further fraudulent purchases on a specific card, the card-issuing company has already incurred a loss — and it's just the beginning. Additional costs quickly add up as the dispute process gets underway. But these costs can be significantly reduced when companies become proactive in the fight against fraud. That's why one financial services company turned to Recorded Future for proactive and automated insights into stolen payment cards.

Prior to Recorded Future, the financial services company relied solely on its fraud prevention platform to detect and stop fraudulent activity. However, the platform was missing fraudulent transactions and even worse was generating false positives, both of which caused a drain on the organization's fraud team and cardholders.

> **The comprehensive set of data provided by Recorded Future helps us proactively lockdown compromised cards to protect our cardholders from losing any funds."**

That changed when the organization incorporated Recorded Future Payment Fraud Intelligence into its fraud prevention strategy. Leveraging data collected from a broad range of sources, Payment Fraud Intelligence provides insight into the compromised card lifecycle. This includes, for example, the real-time identification of live e-skimmer infections of e-commerce merchants, stolen card data offered on the dark web, and the identification of active tester merchants.

From Reactive to Proactive

The automated insights from Payment Fraud Intelligence serves as an early warning of fraudulent activity. The accuracy of the data gives the company's analysts the confidence to proactively address fraud — adding compromised cards to heightened fraud-detection groups, locking accounts, or creating rules to block fraudulent transactions. The data is also used to enrich the organization's internal fraud tools and systems to reduce the need for investigations and prevent false positives from occurring.

Based on card information that contains certain data elements, the organization has seen a 70% match rate between compromised card data identified by Recorded Future and with the internal record of company-issued cards, helping them ensure a large majority of their compromised cards can be locked down before fraud takes place.

"The comprehensive set of data provided by Recorded Future helps us proactively lockdown compromised cards to protect our cardholders from losing any funds," says a fraud analyst at the organization.

Saving Time and Money

Proactively stopping fraud with Payment Fraud Intelligence has reaped additional benefits for the financial services organization as well. Recorded Future saves the organization 7.5 hours per week based on the dispute process per card if it was compromised.

"The Recorded Future data saves us a lot of time just by being able to get ahead of the curve with these fraudulent actors by locking down these cards prior to fraudulent spend occurring. Thanks to Recorded Future, now we have the bandwidth to develop other types of fraud monitoring and reporting to further protect our customers," said the fraud analyst.