



Risk Management

Fraud Reduction Protects Brand Value For Network And Issuers

With trillions of dollars of purchases racing through networks at a rate of several thousand transactions a second, criminal organizations with sophisticated technology have been able to build lucrative enterprises through the practice of card fraud. According to a study by the Aite Group, one in four cardholders worldwide has been the victim of fraud. In the United States and Mexico, more than 40 percent of cardholders were impacted by fraud. The Nilson Report estimated the cost of fraud globally to be in excess of \$7.6 billion in 2010 increasing 10 percent over 2009.

Within this type of environment, leading payment providers are investing heavily to protect stakeholders and consumers. When the world's largest payment network decided to deploy a risk management solution, their requirements were complex. They needed to manage risk proactively within a real-time transaction-processing environment and provide risk analytics to various members of their network.

The system requirement included the need for multiple modules which dynamically respond to fraud. Using a real-time decision engine, the system had to be able to decline or forward transactions based on an issuer's pre-defined rules while keeping false positives to a minimum. In addition, the system had to offer the ability to configure or revise rules within this decision engine as needed and provide an alerting function to notify an issuer about compromised cardholder accounts.

RS Software has worked for more than a decade in the area of risk and fraud management. The focus and expertise of the company in this area was a critical component in the decision by the payment network to select RS Software as their partner of choice for this project. The proprietary methodologies and processes offered by RS Software proved to be vital in decreasing the time to market for the new risk management system.

RS Software delivered a solution that accommodated multiple technology environments and applications as well as various interfaces to the transaction processing system. The company also succeeded in developing a rules-based risk engine with predictive modeling, data warehousing and data service applications. These capabilities gave the payment network the ability to offer risk analytics services to other organizations. The solution contributed to a decrease in fraud for issuers as well as reinforcing RS Software's status as a premium services provider.

RS Software has focused on the payments industry since its inception in 1991. Today, the company serves a client list that includes some of the industry's leading brands. Its global delivery model and knowledge transfer disciplines ensure that RS Software's cross-culture experience enables maximum value to the customer from start to finish. For more information, please visit www.rsoftware.com.