Top LATAM Bank Drastically Increases Fraud Prevention & Reduces False Positives by 66% with Behavioral Biometrics

Taking the Path from Fraud Detection to Automated Prevention with BioCatch

Problem

A large bank in Latin America was facing significant fraud losses from account takeover attacks. While the bank had implemented a transaction monitoring solution and fraud controls to minimize risk, the system was only preventing less than half of their fraud. Even worse, the system was generating an unmanageable number of alerts and high false positives. The bank required a solution that could close the gaps in their existing transaction monitoring system to increase fraud prevention and drastically reduce alerts and false positives.

Solution

The bank deployed BioCatch as an additional layer to their fraud prevention stack to enhance fraud detection rates. BioCatch instantly helped elevate their fraud detection rates to over 90% and cut false positives by two-thirds. Through innovative collaboration, the BioCatch team worked with the bank to create a custom solution that would also stop fraud in real-time.

Results

90%
Boosted fraud detection rates to over 90% from less than 50% with transaction monitoring only

70%
Decrease in the number of fraud alerts requiring investigation

66%
Reduction in false positives after implementation

Pandemic Proves Fraud Detections is Not Enough

A top LATAM bank was experiencing a surge in fraud as a result of account takeover attacks and had implemented a transaction monitoring system to prevent unauthorized transactions. The solution they had selected was only preventing about half of fraudulent transactions, and it came at a heavy cost of high false positives and an unmanageable workload of alerts to investigate.

They made the decision to add behavioral biometrics to their fraud controls in the hopes of boosting detection rates, but more importantly, lower the number of fraud alerts requiring investigation.

Following the initial deployment, BioCatch immediately boosted fraud detection rates through reports and email alerts. A layered approach using behavioral biometrics on top of their existing fraud controls helped the bank achieve fraud detection rates over 90%. This was a vast improvement from less than 50% detection they were getting with transaction monitoring alone.

Soon, the global COVID-19 pandemic hit and resources had to be diverted to other critical projects. This would limit the amount of time available to investigate alerts, and with a surge in fraud attacks expected, the bank needed a way to prevent fraud in real-time. They had delayed an important part of the BioCatch implementation that would have allowed them to automate fraud prevention, but there was no time to do the integration. The bank approached BioCatch with an urgent request to help stop high-risk transactions without the standard implementation. In a very short time, the BioCatch solutions team was able to think "outside the box" and implement an interim custom solution. Any transaction with a score of 1,000, as assessed by the BioCatch risk engine, would automatically log the user out of the session. After some fine tuning of logout alerts, BioCatch was stopping more than twice as much fraud as their existing transactional controls, **preventing 70% of their total fraud with less than one-third the alerts.**

Getting False Positives Under Control

Prior to BioCatch, the bank was using a transaction monitoring solution that was generating high false positives which was creating a poor digital experience for customers. In addition, fraud analysts were being overwhelmed with alerts. Despite this, the solution was not even achieving a 50% fraud detection rate. The addition of behavioral biometrics instantly helped the bank reduce false positives and decrease the number of alerts generated. To compare, in one scenario, the transaction monitoring solution had generated over 2,300 alerts and prevented only 31% of fraud. BioCatch generated only 700 alerts and prevented 70% of fraud. Overall, by implementing BioCatch, the bank was able to reduce fraud alert volume significantly and decrease false positives by 66%. BioCatch brought much needed protection to fill the gaps that existed in the bank's fraud controls at a critical time, allowing fraud and security teams to focus on other pressing projects while keeping the bank's assets and customers safe from cybercrime.

BioCatch

www.biocatch.com

E: info@biocatch.com

@biocatch

in /company/biocatch

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