Modern banking channels allow for the convenient use of banking services to increase user satisfaction while driving faster and more cost-effective growth for banks. As in the exchange of any type of sensitive information, the controlled transfer of information is necessary to ensure its security, but is simply not enough. Hackers are increasingly sophisticated and are constantly changing attack techniques. Their main focus is increasingly shifting towards individual users. To combat this, it is necessary to use systems for detecting and preventing abuse and frauds (Fraud Detection System - FDS) in all environments that require a higher level of IT security and where the abuse of trusted information and information components can result in significant financial loss. The Comtrade Fraud Detection Solution complies with ECB recommendations for the security of online payments.

Why Fraud Detection System (FDS)?

- Due to the increasing volume of transactions it is more difficult to identify fraud by conventional methods and approaches of data analysis.
- A FDS offers continuous self-learning of the system, which enables continuous improvement of fraud detection.
- A proper FDS ensures automatic data gathering and analysis.
- It is no longer possible to expect that end-users will be able to defend themselves against more and more sophisticated types of fraud attempts.
- In most cases, providers of financial services are legally responsible for costs of frauds, which increases the cost of doing business.
- The infrastructure can be protected on the lowest level of the system.
- A FDS offers an additional, non-interfering level of protection for end users.
Establishment Comtrade Fraud Detection Solutions

The main objectives of the Comtrade Fraud detection solution are:

→ Preventive action and control of all electronic banking channels
→ Continuous security enhancement through dynamic configuration of the parameters, checking and adding new rules and controls
→ Increased customer trust
→ Transparency and an audit trail of all processes and procedures in the analysis of suspicious transactions
→ Lowering cost of operations for banks via better fraud detection
→ Construction of a knowledge base/competence center in the field of identifying suspicious transactions

The Comtrade Fraud Detection Solution includes controls for online and mobile banking in the areas of:

→ Login (error log, an unusual time and date of activity, geo-location checking, IP address changes detection between sessions, identification of requests that come from countries with a high risk, first user registration in the system, point of risk, which requires a higher level of identification, and authentication, etc.)
→ Activities in the system (settings change, e.g. contact information, increasing number of transactions/activities to and from user account, special/unusual application errors, specific system errors, etc.)
→ Transactions (detecting deviation from previous behaviour payment amount, new accounts, unusual or high risk receiver countries, etc.)

Data entry ➔ Data validation ➔ Payment processed

Data entry ➔ Data validation ➔ Delay ➔ Payment delayed for a period

Data entry ➔ Data validation ➔ Delay ➔ BackOffice notification about delayed payment ➔ Payment denied

No/ Low risk

Payment processed

Additional payment stage ➔ Payment denied

Challenge / response

Four payment stages exist

Payment processed

Payment denied

Delay

Deny

Legally not allowed in Slovenia. It may not be automated.

Picture 1: Business rules
Establishing policies

A FDS includes a pre-prepared set of criteria that can be used by customers to build their own process-specific business rules in order to successfully detect and fight fraud. The criteria were prepared based on analysis of most common fraud scenarios by our security experts.

Existing rules can be modified and new rules added at any time by customers.

System use

→ Online banking (retail/corporate persons)
→ Mobile banking
→ Bank counters and ATMs
→ Card transactions

Advantages of Comtrade Fraud Detection Solutions:

→ In line with recommendations of the European Central Bank (ECB)
→ Enables proactive approach to fraud prevention
→ Single solution across all market channels
→ Business rules are flexible and can be complemented and added by the customer

→ The FDS has integrated advanced self-learning
→ The FDS is deployed internally, so data is not shared with a third-party
→ The solution is developed according to high security standards
→ Price-competitive

Key features

→ Multi-channel support
→ Self-learning based on user activity
→ Notification support
→ Fast detection of suspicious and fraudulent transactions
→ Simple rule management
→ Support for on-line time and off-line transaction evaluation
→ Possible integration with systems under supervision for advanced security features (i.e. additional transaction verification based on anomaly detection)
Creating value through partnership

Comtrade is a leading IT organization in South East Europe specializing in the fields of IT solutions, system integration and hardware distribution. With more than 900 satisfied customers and offices across Europe and the USA, Comtrade has become a recognized name on the global stage. Founded in 1990, Comtrade now employs over 1,500 business and IT experts, including 1,000+ software engineers. With a proven track record of delivering IT solutions and services that help reduce business complexities and costs, we are a trusted technology partner to medium and enterprise businesses.

1500+ Total employees
30 Strategic partnerships
1000+ Software engineers
10 Development campuses
900+ Loyal customers
03 Technology centers

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