

FRACTALS

Digital banking fraud detection



Fractals for Digital Banking helps you tackle online and mobile banking fraud in real-time, providing the highest possible levels of fraud detection while keeping your customer's experience frictionless.

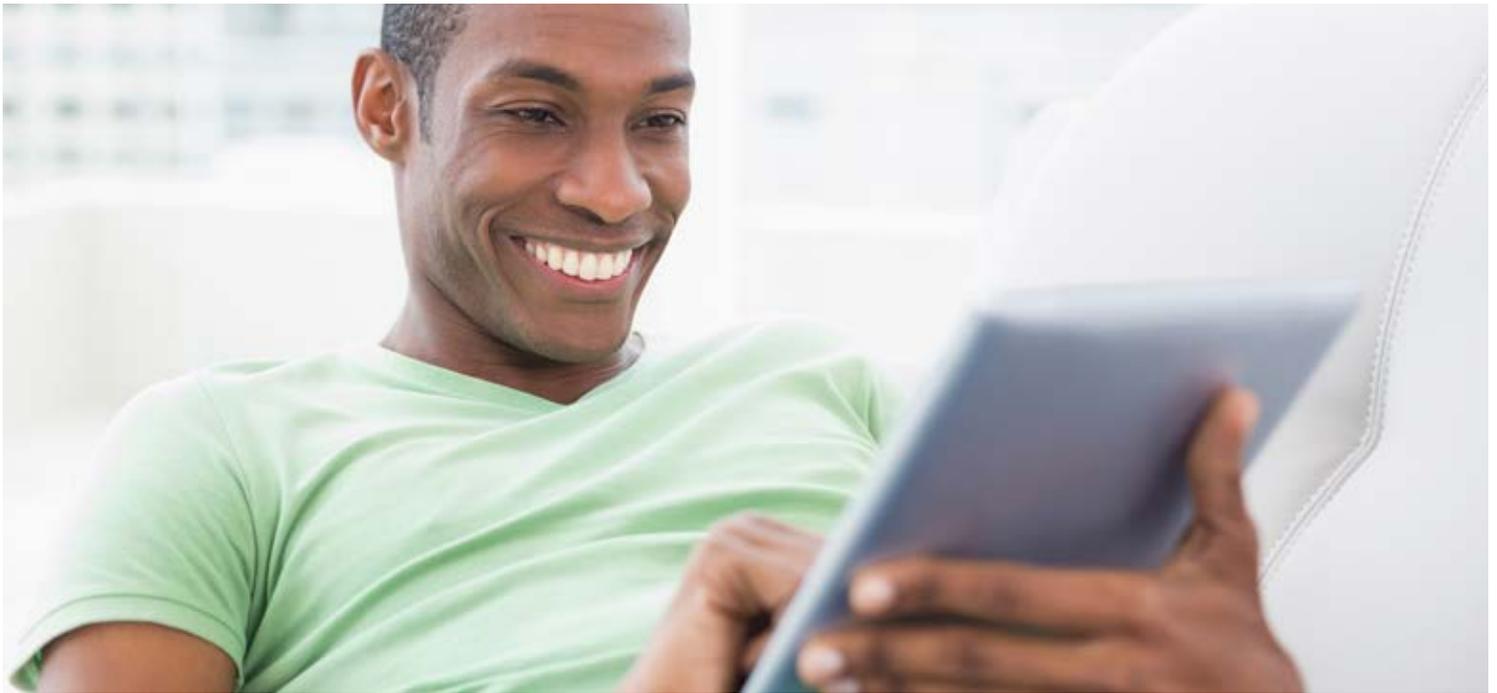
Digital banking (internet and mobile) is an essential channel for banks around the world. More and more functions are available online and through mobile devices as banks expand beyond traditional branches to providing the services that consumers need, when they need it.

Alongside the move to digital banking, another change in the last decade has been the move to real-time settlement payments systems, as more and more countries offer their consumers the ability to make credit transfers in minutes or hours, rather than days.

Consumers expect to be able to interact with digital banking channels 24x7, and they expect those interactions to be processed immediately and with less friction than ever before, therefore the challenges for your fraud teams are becoming more and more complex.

For more information, visit us at ncr.com.





Around the world, financial institutions rely on Fractals for fraud detection and prevention. Its distinctive combination of complete user control over fraud rules and profiles and the ability of the Fraud Integration Hub to enrich your digital banking events with specialist intelligence in real time, provides exceptionally high levels of fraud detection as well as low rates of false positives.

Every day, businesses of all sizes protect their customers, their reputation and their bottom line from fraud using Fractals from NCR.

Fractals Rules Engine

Fractals for Digital Banking is based on the Fractals Rules Engine, to keep you in control of your fraud management strategy. You choose the tactics and the rules you wish to use, and adjust them according to the digital fraud types that your customers face every day.

The Fractals Rules Engine enables you to define the rules which are used to score each event, in real time, and to determine whether it should be allowed, declined or re-authenticated with the customer before it is accepted. The Fractals Rules Engine has been designed to make it easy to define, create, test and deploy rules so there is no need for coding skills and no need to reprogram the core solution. A rule can be setup, tested and live within minutes allowing you to immediately respond.

The sort of rules that your fraud team might apply when reviewing online banking events could be looking for new or suspicious IP addresses or devices for a customer; transfers to a new recipient; recent updates to personal information followed by suspicious or large transfers; large transfers out

of the account where this is uncharacteristic (using historical profiles); or new users of online banking who are suddenly very active.

The Fraud Integration Hub component enables you to enrich your fraud screening capabilities by incorporating data from the widest possible range of sources. In addition to the usual event information, you can include data from other internal systems, as well as information provided by specialist third parties, so you can, for example, validate the device, IP address and geo-location of the payment source.

If an event generates an alert, Fractals for Digital Banking will give your fraud analysts full details of which rules have been triggered and why. That way they can continuously improve their understanding of fraud patterns, and develop more effective counter-measures. Fractals' detailed, granular and targeted rules also give your analysts the freedom to work more effectively and more intuitively. No longer constrained by technology, they can deploy their hard-won expertise as they see fit.

Fractals gives you a secure, functionally-rich fraud detection framework. With Fractals for Digital Banking in place, you can apply your own specialised fraud countermeasures from day one, without the challenge of learning to code a new system. Fractals can be populated with a full set of rules in the time it takes most other system's users to type and code a few rules, enabling you to spend more time analysing fraud and speaking to customers.



Comprehensive, configurable, user-friendly

With its browser-based user interface and “point-and-click” functionality, Fractals for Digital Banking enables you to implement simple and complex rules quickly and easily without coding or programming. Business users can copy or edit existing rules for fast and easy updates. Users also have full control over parameter lists which control who is allowed to transact with your organisation and how.

You can deploy new or updated rules with immediate effect or schedule them to be activated at a set time. Once you have created a rule in Fractals, it is stored in a library where it can be easily activated, deactivated and scheduled. Fractals automatically checks for similarities between your new and existing rules to avoid duplication, and allows you to test new rules against recent historical data so you can see the likely impact on the system—allowing you to avoid an unexpected flood of alerted or declined events.

The Fractals Rules Engine includes the following types of rules:

- **Express Rules:**
Fractals’ Express Rules instantly counter specific and rapidly evolving fraud threats. Simple rules that can be deployed in seconds, we have designed them for use in emergencies such as applying an immediate and short-term block on events from a particular IP address or to a specific recipient.
- **Advanced User Rules:**
Advanced User rules enable all of the functionality of the rules engine to be used in creating scenarios to detect risk. You can write rules to look at sequences of events such as a new payee setup, quickly followed by a large

payment to the payee; or profile functions, which are computed values calculated on the history of an entity in the system; and make use of other functions and data within the system to understand the normal behaviour for a customer compared to what you are seeing at present. Fractals enables you to build your own profile functions, such as averages, counts, or sum for example, on any subset of data in the system—giving almost limitless options for building intelligence about your customers. Every time an event is processed, Fractals automatically updates the profiles for each card or account.

In addition, the Fractals Rules Engine provides a number of advanced tools that enable you to express complex scenarios in a compact and easily understood form. They significantly reduce the number of rules that are typically required and make it easy and efficient to create and maintain rules. This includes tools that reduce rule duplication by taking into account variations in spending patterns across specific groups of accounts or customers and allowing you to set varying trigger thresholds accordingly.

Why NCR?

NCR Corporation (NYSE: NCR) is the global leader in consumer transaction technologies, turning everyday interactions with businesses into exceptional experiences. With its software, hardware, and portfolio of services, NCR enables more than 550 million transactions daily across retail, financial, travel, hospitality, telecom and technology, and small business. NCR solutions run the everyday transactions that make your life easier.

NCR is headquartered in Duluth, Georgia with over 30,000 employees and does business in 180 countries. NCR is a trademark of NCR Corporation in the United States and other countries. The company encourages investors to visit its web site which is updated regularly with financial and other important information about NCR.

Key features

- Monitors all events on an account.
- Allows rule creation and configuration without specialist coding or programming skills.
- Enables a rapid response to fast-changing fraud patterns.
- Supports targeted risk management strategies for specific countries, accounts or payment types.
- Allows complex and varied rules with a compact, easily understood form.
- Improves customer experience with granular real-time event monitoring and in-flight fraud blocking.
- Enables behavioural analytics without developing models.
- Performs long-term profiling by monitoring account activity at event and aggregate level.
- Enhances decision-making with external data such as IP intelligence, mobile geo-location and device reputation.
- Realises fraud savings quickly thanks to easy installation and integration with internal and external systems.

NCR continually improves products as new technologies and components become available. NCR, therefore, reserves the right to change specifications without prior notice.

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