



Addressing Payments Fraud with Oracle Financial Services Fraud



Combat payments fraud with a sophisticated, best-of-breed Fraud platform that has the ability to leverage historical investigations and data while allowing for future modeling and planning, all in real-time.

Combat Fraudulent Schemes in Real-Time

Payments related fraud – checks, wire, ACH and card fraud – is a significant concern for financial institutions and is getting worse before it gets better. With sophisticated criminal activities changing every day, it is a challenge to stay abreast of the regulatory and technology requirements while ensuring customers’ interactions with an organization are not disrupted. Leveraging the Oracle Financial Services Analytical Applications enterprise-wide investigative platform allows financial institutions to combat this in real-time, ensuring nothing slips through the cracks. Some of the fraudulent schemes prevalent today are:

ORACLE FINANCIAL SERVICES ENTERPRISE FRAUD MANAGEMENT

Proven detection platform that can capture complex behaviors, perform sequencing and network analysis.

- High performance, real-time engine that can scale to thousands of transactions per second with sub-second latency
- R-based modeling and statistics that execute within the database and integrate with the real-time engine
- Proven and flexible case management that can support all fraud investigations

Identity Theft and Online Account Takeover	An online account takeover occurs when someone other than the authorized account holder gains access to an existing account by identity theft or stealing other information such as usernames and passwords. The target of an account takeover is a customer holding an account at the financial institution, and the ultimate goal of a takeover is to remove, steal, procure, or otherwise affect funds of the targeted customer.
Employee or Insider Fraud	Financial institutions must provide many of their employees with direct access to financial resources and customer data, from bank tellers to relationship managers to system administrators, resulting in opportunities for employees or firm insiders to perpetrate fraud.
Web Related Fraud	Web related fraud attempts, such as phishing, pharming, spoofing and session hijacking, are of increasing concern. These attempts target vulnerable systems, users, and employees of financial institutions. If successful, they lead to the compromise of sensitive information, which then subsequently results in identity theft and account takeover.

Strategies to Detect and Prevent Payments Fraud

Detecting and preventing payments fraud is a rigorous process that requires a sound strategy in place to combat it. Oracle Financial Services Fraud enables financial institutions to stay on top of constantly evolving fraud schemes. The key pieces that make up the solution are shown in figure 1.



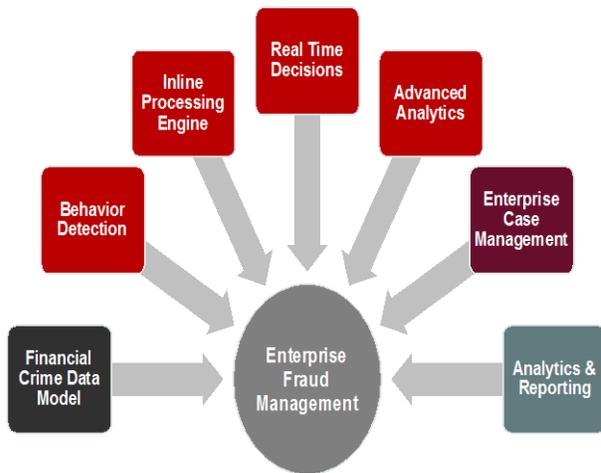


Figure 1. Key Features of Oracle Financial Services Fraud

RELATED PRODUCTS

- Oracle Financial Services Inline Processing Engine
- Oracle Financial Services Enterprise Modeling
- Oracle Financial Services Enterprise Case Management
- Oracle Financial Services Anti Money Laundering and Fraud Analytics
- Oracle Financial Services Anti Money Laundering
- Oracle Financial Services Regulatory Reporting
- Oracle Financial Services Analytical Applications Infrastructure
- Oracle Real Time Decisions

Financial Crime Data Model

A standard data model across all customers comes with pre-packaged routines to load and pre-process data from source systems. Data model stores customer, account, and transaction data as well as intellectual property in terms of rich sets of behavioral data that have been identified as key indicators of fraudulent patterns.

Behavior Detection

Detects complex behaviors and patterns that evolve over time and are indicative of more sophisticated, complex fraud activity using advanced algorithms, such as sequence matching and network analysis. Network or Link Analysis Detection identifies relationships between entities that are complex and less obvious or intentionally hidden. Sequence Detection identifies behaviors of interest where a series of events (or non-events) with associated ordering constraints.

Inline Processing Engine

The Inline Processing Engine supports the ability to rapidly provide knowledge of related suspicious behavior back to individual business units, and even alert customers about any unpredicted activity. It evaluates and assesses scores on incoming data in real-time, near real-time or batch to make quick decisions and to hold or release transactions. This capability helps to identify events earlier, avert more losses, and minimize customer service and retention issues. This combination of real-time detection and interdiction, real-time alert correlation, and sophisticated behavior detection provided by the application, provides robust fraud prevention capability.

Real-Time Decisions

Real-Time Decision's (RTD) self-learning predictive analytics can be fully automated, requiring no manual effort for building and maintaining predictive models for modeling fraudulent or suspicious customer behavior. In contrast to traditional data mining solutions, Oracle RTD automatically learns from each customer interaction by autonomously updating its predictive models in real time. Not only does this reduce administration overhead, but it





also eliminates the lag time between availability of new data, model tuning, and deployment. Real-time learning becomes immediately available for the next prediction to drive adaptive, high-value interactions. And because customer behavior changes over time, predictive models used for detecting fraudulent behavior are typically recycled over time to properly account for recent and past customer and interaction data. Oracle RTD's self-learning models are time-aware by nature and automatically maintain sliding time windows to account for those changes in customer behavior.

Advanced Analytics

Advanced Analytics gives the ability to generate rules from historical fraud incidents and gain the insight that is required to continuously adapt with the changing nature of transactions. Oracle Financial Services Fraud leverages R-based modeling and statistics that executes within the database and integrates with the real-time engine ensuring best-of-breed fraud management execution.

Enterprise Case Management

Enterprise Case Management is a proven platform utilizing configurable frameworks for data integration, screen and workflows, integration of third party systems, financials and loss capture. Utilizing an Enterprise Case Management system gives the ability to leverage previous investigative information to track losses, recoveries, and settlements throughout the entire fraud lifecycle. Oracle Financial Services Enterprise Case Management provides one version of the "truth" to business users throughout the entire enterprise.

Analytics and Reporting

Oracle Financial Services Anti Money Laundering and Fraud Analytics combines packaged analytics with OBI's sophisticated ad hoc analytical tools and Oracle Financial Services' industry proven Financial Services Data Model to meet these demands. Some of the key capabilities are:

- » Interactive dashboards with drill down functions to analyze the data behind the rolled up metrics.
- » Allows investigators to run ad-hoc searches across business information.
- » Communicate business information by exporting information to other widely used productivity tool formats like MS Excel, PDF, etc.
- » Collaborate by sharing custom reports with other team members.
- » Secured access to information without compromising data access to policies and guidelines.



About Oracle Financial Services Analytical Applications

Oracle Financial Services Analytical Applications bring financial institutions best-of-breed capabilities to proactively manage Financial Crime, Compliance, Risk, Treasury, Finance and the Front Office. The applications are built upon a commonly available analytical infrastructure consisting of a unified financial services data foundation, analytical computations, and the industry-leading Oracle Business Intelligence platform.

A single, unified data model and integrated metadata framework provides one version of the analytical "truth" to business users throughout the entire enterprise. This enables financial services institutions to confidently manage performance, governance, risk and compliance. Shared data, metadata, computations and business rules enable institutions to meet emerging business and regulatory requirements with reduced expenses and the unified platform helps financial institutions to leverage existing investments.



CONTACT US

For more information about Oracle Financial Services Fraud, visit oracle.com or call +1.800.ORACLE1 to speak to an Oracle representative.

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