

FRAUD REPORTING TO ARCOT

Provide Arcot with the Ground Truth.

Fraud reporting is critical to getting the most out of the Arcot system, both in terms of the quality of future models as well as consulting and reporting by Arcot so that client rules can be optimized. Both fraud loss information and stopped-fraud information help us to properly train models and to provide reports that show the benefits of the system as well as areas ripe for improvement.

THE CHALLENGE

Accurate supervised models depend upon accurate “truth” data (also called the “ground truth” data). Similarly, creating good rules depends upon knowing their impact based on truth data. For fraud models, the truth data is derived from fraud reporting and marking.

THE SOLUTION

The solution is ongoing customer reporting of fraudulent authentication attempts that fail, fraudulent authorization attempts that are not approved, and fraudulent transactions that result in losses (such as, settlements). This is the closest to the truth that we can get.

WHY FRAUD DATA?

Without truth data, it is not possible to evaluate a model, train models, provide rule guidance, or improve our system. As purchase patterns and fraud patterns drift over time, it is critical to see this truth data. We need your truth data to strengthen the overall protection against fraud amongst all our clients; working together to make fraud less viable for criminals.

KEY BENEFITS

Fraud-Detection Models - Only portfolios with accurate fraud marking can be used in model building. By providing this accurate data, your transactions may be used to help the model learn to distinguish fraud from non-fraud during model training, and for monitoring performance in production.

Risk Analytics Reports - On a regular basis (approximately twice a week) the fraud tags in Risk Analytics are updated from the fraud reporting information based upon the Arcot fraud matching and heuristics. This allows issuers to see the results of this in Risk Analytics reports as well as download them from the Analyze Transactions report in Risk Analytics.

Quarterly Reports - To get an accurate performance report, we cannot gauge only transactions that the model and rules allowed or stopped, but we must also look at the real fraud that hit your platform and incorporate that into our analysis.

Arcot Fraud Matching and Heuristics - Arcot has developed tools to match fraud reporting from authorizations and postings to authentication requests. Additionally, Arcot has developed heuristics that enable the identification of fraud attempts on the same card or device as reported fraud, identifying fraud on unlabeled transactions. These heuristics help the fraud reporting get even closer to the truth. This is then input to Risk Analytics for the client to see and use.

Strategy Optimization -By providing the fraud data, our Customer Success Managers are better able to advise on how to tune the Risk Analytics rulesets to meet your fraud strategy goals.

New Models - Monitoring existing models and training new models is critical to ensuring the best fraud protection for issuers.

How to Provide Fraud Data?

GOOD: Provide minimal information about frauds that are stopped in the Arcot system or that become frauds. This will miss those caught in the authorization process and those with zero amounts.

- Mark fraudulent transactions in the Risk Analytics Case Management system for transactions that were stopped in authentication, and Share existing TC40 / SAFe files via SFTP.

BETTER: Provide complete information, but still subject CSR to switching programs.

- Mark fraudulent transactions in the Risk Analytics Case Management system for transactions that were stopped in authentication, and Provide an extract of 3DS and non-3DS eCommerce frauds either stopped in authentication or resulting in a fraud loss (settlement).

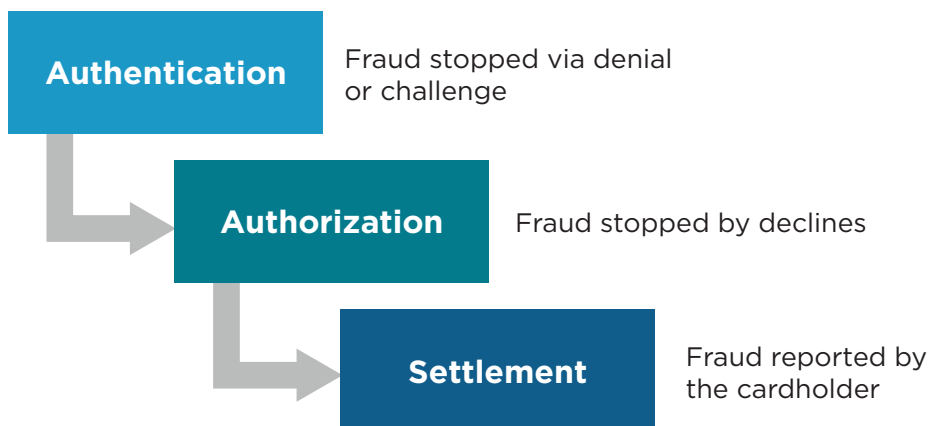
BEST: Provide the best fraud marking possible with minimal manual intervention.

- Receive in near-real-time the data feed for transactions stopped in authentication and incorporate it into your fraud management system (preserving the Arcot transaction ID).

Start Helping us Stop Fraud more Effectively

- **Talk to your CSM** today about receiving near-real-time transactions from authentication, especially those stopped in the authentication.
- **Talk to your fraud analysts** to find out where they get their fraud data (truth data).
- **Work with your CSM and Arcot Data Science** to provide fraud reporting information to make models better and to make information for your rules builders more accurate.

Sources of Fraud Reporting



LEARN MORE

Contact your Customer Success Manager to learn more about Fraud Reporting to Arcot.



Contact us today at
sales.arcot@broadcom.com

About Broadcom® Software

Broadcom Software is a world leader in business critical software that modernizes, optimizes, and protects the world's most complex hybrid environments. With its engineering-centered culture, Broadcom Software has an extensive portfolio of industry-leading infrastructure and security software, including AIOps, Cybersecurity, Value Stream Management, DevOps, Mainframe, and Payment Security. Our software portfolio enables scalability, agility, and security for the largest global companies in the world.

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