

Customer Risk Manager

Take a Holistic, Customer-Centric Approach to Preventing Account Takeovers and Improve the Efficiency and Accuracy of Other Fraud Detection Solutions



Account takeover fraud remains a significant fraud threat for financial institutions and their customers. Not only does it cost U.S. financial institutions more than \$800 million annually, it victimizes valuable customers and undermines their confidence in their financial institutions.

Preventing account takeover fraud requires a customer-centric perspective and holistic approach. Typical schemes involve multiple channels and points of contact, including online account access via malware and non-financial events such as contact information changes, unusual browsing or ordering new checks. Institutions typically address each of these risks individually—an approach that does not take customer relationships into account. In addition, each point solution operates in a silo, often resulting in high false positives that cause analysts to spend precious time investigating the wrong leads.

Customer Risk Manager from Fiserv provides customer-level risk scores and profiles that can be used alone, to identify account takeover fraud, or in combination with other fraud solutions to reduce false positives and improve efficiency. The solution builds customer risk profiles that can be used to enhance any fraud mitigation

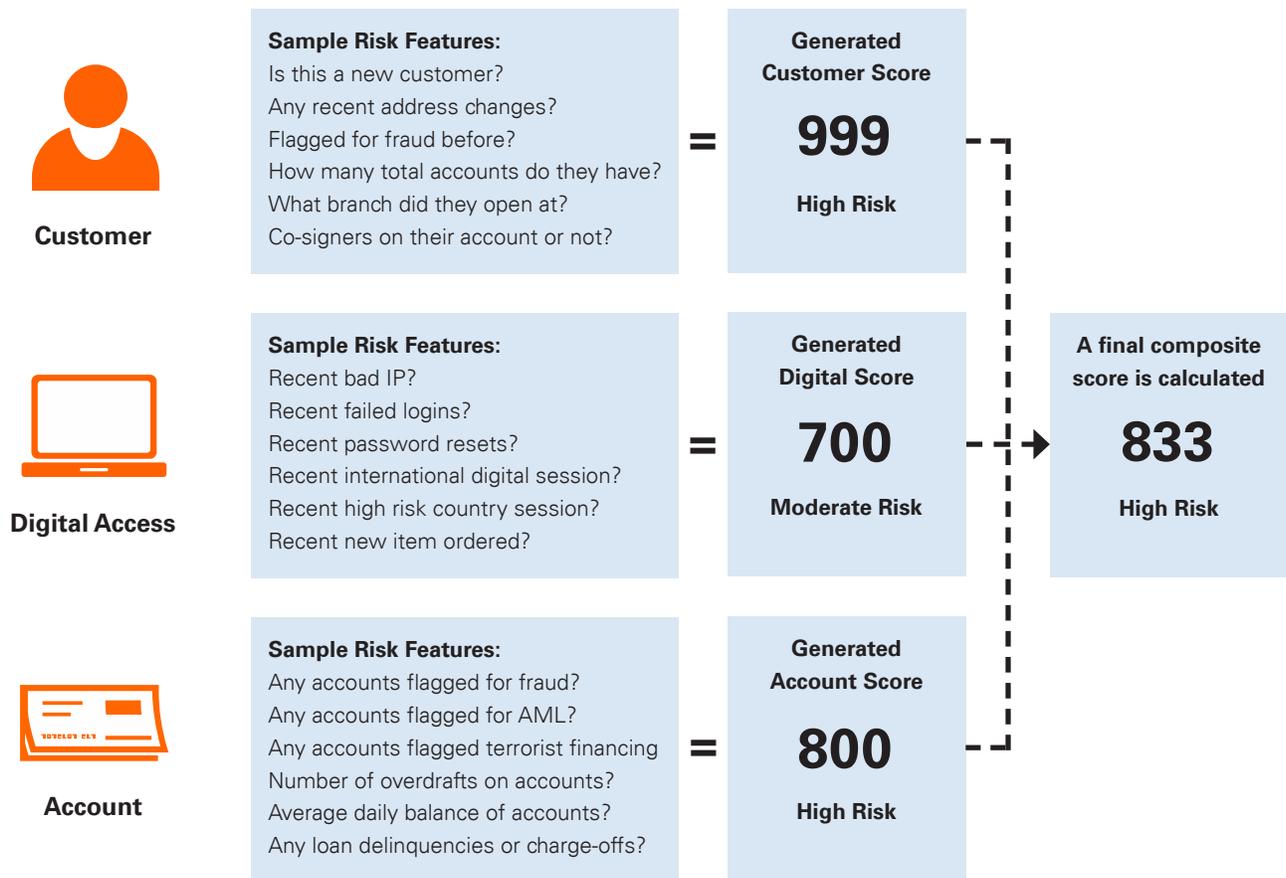
process including electronic payment fraud, check fraud or any other fraud prevention process. Customer profiles are compiled from static data such as demographics and dynamic data such as account balances, deposits, tenure at the institution, behavior scores, prior frauds and suspicious activity, online banking behaviors, and mobile banking data.

Customer Risk Manager layers analytics with these profiles to target fraud in a comprehensive and efficient manner. It leverages alerts from other fraud solutions to optimize each fraud review process and provides a common case management platform that enables the customer history to be reviewed during each investigation through a dynamic workflow.

Models Create Valuable Risk Scores

Using data and historical fraud pattern analysis, Customer Risk Manager includes four scorecard models that create a customer risk score, a digital score, an account score and a composite score for each customer. These models are used with other advanced inference techniques to assess the risk of each customer relationship. Scores are displayed in rank order (from 1 for lowest risk to 999 for highest risk) along with primary reason codes for high scores. These models help organizations focus their resources on the 2 percent of customers that can cause nearly 100 percent of a financial institution's fraud risk.

Customer Risk Manager Scores Work Together for a Holistic View of Fraud Risk

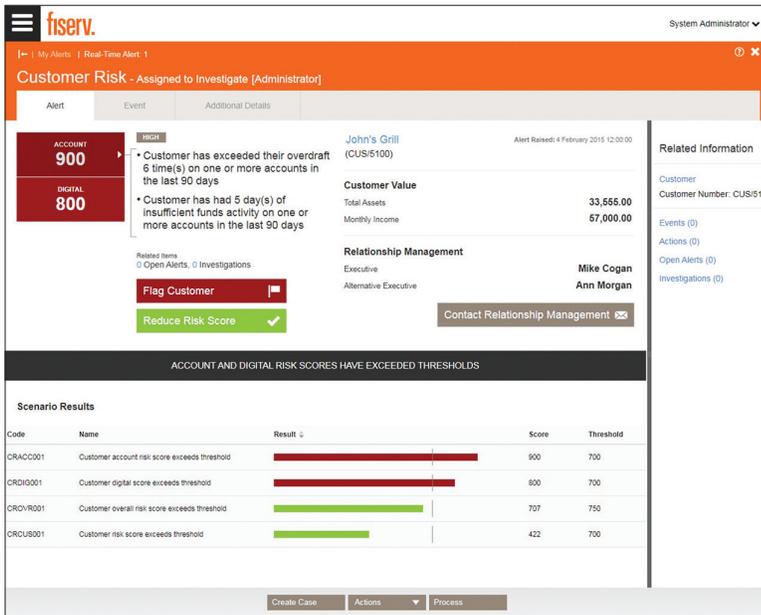


The customer score is based on customer attributes such as tenure at the bank, number of accounts, prior risk events and address changes. The digital score looks at online and mobile banking behaviors and attributes such as IP address, bad list matching and foreign IP address sessions. The account score considers account risk attributes such as balances, number of overdrafts and returns, and items previously flagged for fraud. The composite score aggregates these individual dimensions into a single score to aid holistic decision-making.

When used in conjunction with other fraud solutions, Customer Risk Manager improves operational efficiency by layering in the

customer view. For example, an organization might have a rule that requires a review on all checks or payments over a certain amount. Customer Risk Manager enables the fine-tuning of that strategy to focus more precisely on only those customers with a risky combination of attributes, so analysts waste less time reviewing lower risk transactions and customers get access to their funds more promptly.

The models also help organizations confidently apply less restrictive fraud controls for high-value customers to improve the customer experience. For example, a financial institution can eliminate placing holds on remote deposit capture (RDC) items for selected customers.



Alert screens provide a comprehensive view of the risk indicators.

Scorecards and Scenarios Enable Optimum Control

Customer Risk Manager enables financial institutions to define customer scorecards and scenarios, manage score thresholds and use the four scores based on their risk tolerance. Scenarios and scorecards provide optimum control by enabling fraud managers to target specific products, channels or customer risk attributes for aggressive fraud tactics while ensuring that customer service takes precedence for selected groups and high-value customers.

The fraud department can easily create its own fraud scorecard by creating risk scenarios, assigning weights to each scenario and then activating the scorecard. Scorecards are more powerful than rules because each scenario is given a different level of importance from a risk perspective. This enables the organization to reduce false positives, target fraud schemes more effectively and apply quantitative logic to a decline, hold or approve strategy.

Alert and Case Management Enable Customized Workflow

Once scenarios are defined, scores over a pre-defined threshold generate alerts which can be researched and decided on by an analyst. If an analyst determines there is a fraud, the transaction is routed to a case manager for further investigation and reporting. All suspected frauds are investigated through a configurable and repeatable workflow. A fraud manager or administrator designs queues that can be accessed and worked by groups of analysts.

The alert screens provide a comprehensive view of the risk indicators. Scores and reason codes indicate risk levels and provide areas where review is recommended. Hyperlinks make it easy to find related information and drill further into the risk.

The case management system includes the following comprehensive features:

- Automated data population and investigation workflow
- Transaction, account, customer, channel search and filtering
- Link analysis and graphical network discovery
- Detailed financial data tracking and reporting (risk exposure, preventions and recoveries)
- Digital file cabinet for case records and attachments
- Complete audit trail

Reporting and Dashboards Deliver Risk Insights

Customer Risk Manager delivers standard dashboard reports that identify high risk customers and alerts related to new high



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risk customers. Configurable management reports are also included to help managers achieve a deeper understanding the business and its various fraud risks.

Customer Risk Manager is an integrated solution that enables organizations to capture a truly customer-centric view of fraud risk. Customer data from the solution can be used to enhance the results of your existing fraud detection solutions, including Check Fraud Manager, Payment Fraud Manager and AML Risk Manager from Fiserv. The combination of customer-level and transaction-specific monitoring enables the most advanced approach to fraud prevention available.

Key Benefits

- Identifies customers at risk for account takeover
- Improves results of other fraud solutions with a customer-centric view that reduces false positives and improves efficiency
- Includes specific risk models for customer attributes, account attributes and digital activity
- Optimizes a financial institution's control through user-defined scenarios and scorecards
- Simplifies workflow using a comprehensive alert and case management system
- Easily integrates management and regulatory reporting

Connect With Us

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