

ACT Helps Tier 1 Bank Reduce Fraud Risk with Debit Transaction, ATM Transactions, Zelle and P2P



Industry

Banking and Financial Services

Business

Consumer Banking

Objective

Fraud Detection and Prevention

Challenges

- Check Fraud
- Debit Card Fraud
- ATM Fraud
- P2P Lending Fraud
- Zelle Transfer Fraud

About The Client

International investment bank and financial services holding company, ranking among the largest banks in the world.

Client's Challenges

Needed a partner to implement the client's evolving fraud prevention strategy. Focus on continually enhancing fraud mitigation strategies to reduce response times, increase overall effectiveness, and safeguard both the client's operations and customer trust.

Client Overview

The client (partner) is one of the world's largest international investment banks and financial services holding companies with a substantial credit card business. For over 20 years, the partner has maintained a continuous partnership with ACT. During that time, our relationship with the partner has adapted to the increasing complexity of fraud threats and their evolving business needs, growing to include multiple projects and departments, and increasingly complex programs. This case study reflects the current scope of our long-standing relationship.

Introduction

Fraud poses significant challenges and costs to all financial institutions. Detecting and preventing organized fraud schemes requires sophisticated data analysis, streamlined processes, and continual defense hardening. Incidents of fraud are on the rise related to checks, debit cards, ATM transactions, Zelle transfers, and P2P lending. In fact, checking fraud is on the rise with the number of reported issues doubling over the past two years. The FBI reports that 70% of organizations report fraud, resulting in more than \$18 billion in losses. Debit card skimming grew nearly 5x in 2022 alone. To combat these evolving threats, financial institutions increasingly rely on expert partners to provide comprehensive fraud detection and prevention solutions tailored to their specific vulnerabilities:



Check Fraud Forgery, counterfeit checks, check kiting, account takeovers, and identity theft pose substantial risks to the bank's financial integrity and customer trust.



Debit Card Fraud The proliferation of card skimming devices, lost or stolen cards, account takeovers, phishing attacks, and social engineering schemes threaten customers' financial security and the bank's reputation.



ATM Fraud Skimming devices, card trapping, PIN theft, and transaction reversal fraud are among the many tactics employed by fraudsters to compromise ATM transactions, leading to financial losses and customer dissatisfaction.



P2P Lending Fraud Identity theft, loan stacking, payment fraud, and regulatory compliance issues present complex challenges for P2P lending platforms, necessitating robust fraud detection and prevention measures to protect lenders and borrowers alike.



Zelle Transfer Fraud Phishing scams, account takeovers, and payment reversal fraud undermine the integrity of digital payment methods like Zelle, posing risks to customers' financial assets and the bank's reputation for secure transactions.



ACT's Solution

The foundation of all ACT solutions is found in our core differentiators: First, as a 100% employee-owned company, our Employee Owners have a personal stake in delivering value to our partners.

Secondly, our delayed organizational structure ensures program nimbleness by senior management being directly engaged in your programs. This drives better outcomes and cohesiveness.

Third, our data-rich foundation offers real-time data that provides a deeper understanding of potential fraud threats, complementing and enhancing the insights our partners already possess. This facilitates more swift, intelligent, and effective responses to evolving threats.

Fourth, the Total Experience Formula delivers a unified and transformative end-to-end experience to all stakeholders – for customers, employees and users across all digital channels and platforms. It collates every touchpoint, technology, and employee policy related to the customer experience, including the way channels integrate, cross-silo visibility of data, the uniformity of channel experiences, and the seamlessness of experiences for customers as they bounce between channels.

ACT plays a critical role in implementing the partner's evolving fraud prevention strategy. Our expertise lies in mitigating fraud through effective operational execution, leveraging our data-driven processes, and delivering exceptional partner care. Below is a sample of the functions that ACT performs for the partner:

1. **Managed High-Risk Verification Program** ACT monitors unusual account activities, verifies flagged transactions, and identifies potential fraud indicators, ensuring proactive detection and prevention of fraudulent activities. When necessary, this also included terminating client relationships.
2. **Fraud Response and Resolution** Leveraging a team of seasoned fraud specialists equipped with state-of-the-art fraud detection tools, ACT ensured swift response and resolution to fraudulent incidents, safeguarding the bank's operations and customer assets.
3. **Efficient Handling of Inquiries** ACT manages over 70,000 monthly inquiries and phone calls related to potential fraud with a focus on operational excellence and customer satisfaction. Our 31% improvement in employee retention ensures continuity and expertise, while our ongoing refinement of processes and procedures drives greater efficiency in addressing customer concerns. By continually enhancing fraud mitigation strategies, ACT reduces response times and increases overall effectiveness, safeguarding both the client's operations and customer trust.
4. **Strategic Deployment of SWAT Teams** By leveraging data analytics to isolate organized cyber-attack patterns, ACT deploys dedicated SWAT teams to actively counter threats and fortify the bank's defenses, mitigating risks and minimizing the impact of fraudulent activities on operations.

Solution Highlights

- Total Experience Formula™
- Lower Total Cost of Ownership
- Ease of Doing Business
- Removing Friction
- Proactive Management Approach



Outcomes



Maintained Green Scorecard Performance

Despite the challenges of terminating fraudulent accounts and navigating the logistical challenges of multiple bank mergers, ACT consistently maintained green scorecard performance, demonstrating operational excellence and reliability in fraud detection and prevention.



Mitigated Fraud Incidents

Through diligent monitoring and swift response to fraudulent incidents, ACT achieved significant mitigation of credit card fraud, reducing the impact of fraudulent activities on the bank's operations and customer trust.



Established Trusted Partnership

For more than 20 years, the client has worked in close partnership with ACT. Over that time, our collaboration has evolved alongside the growing complexity of fraud threats and the client's changing business requirements, expanding to encompass numerous projects, departments, and increasingly sophisticated programs.



Conclusion

ACT's collaborative efforts in combating fraud within the banking sector have consistently exceeded expectations, resulting in tangible benefits for the client and reinforcing the value of our partnership. By leveraging advanced technologies, proactive strategies, and a dedicated team of fraud specialists, ACT continues to drive innovation and excellence in fraud prevention, safeguarding the bank's operations and customer assets against evolving threats in the financial landscape.

About ACT

Seven of top 22 banks in the U.S. trust ACT with their outsourcing needs. ACT was founded 27 years ago on a winning formula – that the best solutions integrate Employee Experience (EX) + Customer Experience (CX) + User Experience (UX) + Digital Experience (DX) + Multi-experience (MX) for an outstanding Total Experience (TX) overall. We call it the Total Experience Formula™. Today, many of the world's leading brands and Fortune 50 trust ACT to be an extension of their business to unlock their ability to respond quickly to rapidly changing competitive, business and compliance environments, to anticipate and scale for future needs, to outmaneuver their competition, to lower operating costs, to improve efficiencies, to drive revenue and increase customer engagement.

As a 100% employee-owned company, we have placed Employee Experience at the center of our business strategy because we know that engaged employees ensure the best customer outcomes. As shareholders in the business, our Employee Owners have a personal interest in delivering value to our partners, and their motivations are uniquely aligned to our partners' success. When partners first come to us, we consistently find it to be an opportunity to transform their CX design and outcomes with a Total Experience approach, starting at the Employee Experience level.

ACT offers the operational expertise, technologies and best practices that you expect from a world-class BPO, combined with the innovative solutions, flexibility and individual attention that you can only get from a 100% employee-owned company.

Learn more at our website www.acttoday.com.