



# PAYMENTS

## RiskShield THE NEXT GENERATION OF FRAUD PREVENTION

Banks around the world are reporting a huge rise in fraud involving cashless payments, above all when using debit and credit cards. Usual fraud prevention systems are often unable to react quickly to the new fraud pattern. Furthermore, it is not transparent why a system classifies a transaction as too risky and rejects it.

RiskShield is the software solution for finance. Currently it protects more than 145 million cards against fraud in payments. RiskShield detects and prevents fraud with credit cards and debit cards at ATMs, merchants and in Internet shops. RiskShield also prevents merchant fraud. RiskShield works similar to a human expert: The fraud risk is classified on the basis of the long-standing experience of human fraud experts, whereby both fraud as well as non-fraud indicators are taken into account.

Banks, payment and processing service providers who have replaced existing fraud prevention systems with RiskShield report a 30% reduction in fraud damage and thus annual savings that run into millions. Our customers are top of the rankings when it comes to efficiency in fighting fraud.

RiskShield is also applicable to fraud prevention in Internet Banking.

## ADVANTAGES OF RiskShield

Based on Fuzzy Logic
Evaluates historical data such as typical user and merchant behaviour
Maximum real-time performance
High transparency for decisions
Short reaction times to new fraud patterns
Reduces losses through fraud that run into millions
Pays off within a few months



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### REFERENCES (EXTRACT)

HBOS

MasterCard France

First Data International

National Bank of Greece

Bank of Cyprus

#### Fuzzy Logic represents expert knowledge

As the world's first fraud prevention system, RiskShield uses Fuzzy Logic – accepted as the best mathematical theory to represent (fuzzy) human expert knowledge. RiskShield thus offers your experts the possibility to feed the system with fraud-prevention rules in everyday language and with the aid of graphic editors. Fraud-prevention rules can thus be defined very easily, for example: „In the case of a relatively high amount of a transaction with a card from a problem region with a merchant who has already carried out more than two transactions on the same day with cards from the same problem region, reject the transaction and inform the merchant.“

#### Evaluation of historical data

RiskShield saves the typical transaction behaviour of card holders, merchants and possibly further historical profiles, and allows you to use these histories in fraud-prevention rules.

#### Extremely high real-time performance

The online authorisation system of a payment service provider receives the transaction inquiry and forwards this to the RiskShield server for a risk assessment. RiskShield responds to these inquiries in a matter of milliseconds. Our customers report of throughputs of 2,200 transaction evaluations per second in peak times. RiskShield is thus one of the world's most efficient fraud prevention systems for cashless payments.

#### High transparency

Unlike most of the other fraud-prevention systems, RiskShield can also provide a reason for the risk assessment on request. Transactions rated as suspect or risky can be tracked separately by your staff using RiskShield Investigator. Extensive reporting functions are available to prepare statistics.

#### Short reaction times to new fraud patterns

Your fraud experts use the RiskShield client to evaluate new rules against new fraud patterns. The effects of new rules can initially be tested on the basis of older transaction data before they are set into production with only one click – with no downtime of the RiskShield decision server.

#### A wide variety of uses

RiskShield can also be used for fraud prevention and risk assessment in other fields, e.g. Internet banking, credit applications and to prevent internal fraud.

INFORM develops and markets software systems to optimise business processes on the basis of operations research and fuzzy logic. INFORM software takes its own intelligent decisions in real-time in the fields of fraud prevention for the credit, telecommunication and insurance business as well as in transport and intra-logistics, in airport resource management, in production planning, sales planning and material management. INFORM employs over 350 staff from more than 30 countries at its sites in Aachen, Frankfurt and Chicago, USA.

### FURTHER INFORMATION

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