

Online Bank Achieves ROI in First Thirty Days with 41st Parameter's FraudNet for Account Takeover

BUSINESS IMPACT SUMMARY

Looking for a Timely Solution

With non-automated, slow systems for combating fraud, this major online bank was falling victim to increasing fraud and struggling to keep up. Fraud Losses were mounting and it was clear their existing processes had to change, quickly.

Business

As an internet bank, this 41st Parameter customer offers some of the highest yields paid on deposits in the nation. They tout their online banking experience as the service and stability of a traditional bank with the speed and convenience of the Internet.

Challenge

This bank's fraud issues ran the gamut from false account opening to unauthorized ACH fund transfers to ring attempts to Phish account information; all with varying degrees of sophistication.

Solution

They implemented FraudNet for Account Takeover, the most comprehensive covert fraud solution for financial institutions. FraudNet for Account Takeover provides increased detection accuracy, a single point investigation tool and one-click link analysis for efficient identification and containment of suspicious logins.

Result

A substantial reduction in fraud losses was immediate. They quickly identified two pending ACH transfers in excess of \$100,000 which would have gone undetected with their conventional methods. Recoveries of this size and greater continued in the following weeks.

Learn more about how 41st Parameter can help you protect your business and your customers at www.the41st.com



Customer Profile

COMPANY:
Leading Online Bank

HEADQUARTERS:
United States

FOUNDED:
2001 (Online)

PRODUCT USED:
FraudNet for Account Takeover
(formerly known as PhishingNet)

INITIAL ROI:
Prevented over \$100,000 in
fraudulent ACH transfers on first
day

BUSINESS

Specializing in very high dollar Money Market Accounts and Certificates of Deposit

This 41st Customer is an internet-based bank. As such, they maintain a lower cost structure than traditional banks, positioning them to specialize in very high dollar Money Market Accounts and Certificates of Deposit by offering some of the highest yields paid on deposits.

In addition, their website allows for the application and funding of new accounts online. Once an account is opened, it provides the opportunity to transfer funds to other financial institutions.

They tout their online banking experience as the service and stability of a traditional bank with the speed and convenience of the Internet.

CHALLENGE

Find a Faster, More Accurate System for Catching Fraud

This bank's fraud issues ran the gamut from false account opening to unauthorized ACH fund transfers and ring attempts to Phish account information; all with varying degrees of sophistication.

Once a potentially fraudulent transaction was identified or they were alerted by a customer to an account breach, the case was transferred to their security group for further investigation. Their security group was using Lexis Nexis and other techniques to manually investigate each claim; taking days to ultimately decide if the suspect activity was actually fraudulent.

Absent were automated systems and an ability to distinguish an existing customer or, more importantly, a fraudster. Their antiquated system for fighting fraud severely impeded investigations, costing them valuable time and inhibiting the recoverability of funds.

SOLUTION

Implement FraudNet for Account Takeover

After meeting with 41st Parameter they implemented FraudNet for Account Takeover. FraudNet for Account Takeover offers the most comprehensive covert fraud solution for financial institutions. Simple phishing attacks related to email and spam are just the beginning, with more complex and sophisticated fraud schemes emerging daily. FraudNet for Account Takeover is designed to protect banks and their customers from these continually evolving threats. By leveraging unique parameters captured from a user's device during online account login, FraudNet for Account Takeover identifies suspicious activity with the highest level of accuracy – without any impact to the banking customer.

FraudNet for Account Takeover uses patent-pending technologies to enable forensic identification of devices to provide increased visibility into each login attempt and protect sensitive customer data. The comprehensive analytics engine, comprised of more than 200 separate algorithms, offers a complete case management tool for

"I see 41st as our covert side for identifying the criminal once they get inside the gate. If they get over the security wall inside the henhouse – it's how we decide if they're a fox or a hen"

IT Project Manager
41st Customer

efficient investigation and accurate analysis of fraudulent logins. FraudNet for Account Takeover provides increased detection accuracy, a single point investigation tool and one-click link analysis for effective identification and containment of suspicious logins.

Benefits

1. Speed - the faster suspect activity is discovered, the higher likelihood of retaining or recouping funds
2. Automation - provide quick and easy visibility to previously undetected account violations
3. Efficiency - security teams are able to more quickly look for and manage fraud alerts and screen account activity

RESULTS

Saving Money and Stopping Fraud

A substantial reduction in fraud losses was experienced immediately. During the first day of training, an on-site professional services manager from 41st Parameter asked for a sample of confirmed fraud incidents captured in the previous process.

FraudNet for Account Takeover was installed several weeks before training and was collecting account activity, passively building a base of devices accessing the bank online.

Account data from the sample was run against the small collection of data from FraudNet for Account Takeover, quickly identifying two pending ACH transfers in excess of \$100,000.

Common fraud schemes rely on multiple banks, where another bank is used to channel the stolen funds after a first bank is breached, allowing funds to remain recoverable while still in the system - so speed is critical. Without FraudNet for Account Takeover, these events would have gone undetected.

Recoveries of this size and greater continued in the following weeks, exceeding the FraudNet for Account Takeover license agreement and fees for the entire year in the very first month, providing immediate and substantial ROI.

“With FraudNet for Account Takeover we are on it right away - we stop most fraudulent transactions from going through and for the few that do, the odds increase substantially of us getting the funds back.”

IT Project Manager
41st Customer

Learn more about how 41st Parameter can help you protect your business and your customers at www.the41st.com



41st Parameter
17851 N. 85th Street
Suite 250
Scottsdale, Arizona 85255
(888) 843-4178 (Toll Free)
(480) 776-5500
(480) 776-5504 (Fax)