Intellinx ATM / Debit Card Fraud Prevention Solution

The Challenge

ATM and Debit Cards have become an important instrument in retail banking, with economic significance far exceeding the original purpose of withdrawing cash from automated teller machines. ATM and Debit Cards are now used to authenticate customers, open accounts, and perform both online and offline transactions. With the growing reliance on cards, though, banks are seeing higher losses and an increased risk of fraud.

ATM and Debit Cards are particularly attractive to criminal rings. They are relatively easy to counterfeit, card numbers and PINs are widely available on the black market or via readily available skimming devices, and many internet transactions don’t even require the criminal to have a physical card. Compounding this problem are technological advances that enable criminals to overcome safeguards, to clone cards and steal large sums of money in numerous locations, within a short period of time.

An example is a famous fraud scheme carried out in February 2009, where a criminal ring stole data from an American payment processing company. Cloning 100 debit cards, the criminal ring proceeded to use them simultaneously in order to withdraw 9 million US dollars from 130 ATMs in 49 countries. This example highlights the critical need of financial institutions to deploy a robust surveillance system that would detect abnormal card activity and provide real-time decisions for blocking malicious transactions.

The Solution

The Intellinx ATM and Debit Fraud Solution is part of the Intellinx Enterprise Fraud Detection and Protection System, based on a patented network sniffing technology that detects and prevents fraud in real-time.

Intellinx tracks business activity in financial systems, applying preventive rules to block suspicious transactions, and detection rules that identify unusual behavior patterns at the card, merchant, and ATM device level (such as excessive balance inquiries, failed PIN attempts and cancelled transactions).

Sample Detection Methods

Following are several examples:

- Card, account and customer profiling
- Merchant and merchant groups profiling
- ATM device profiling
- Geo-locations and time correlations
- High-risk locations
- Black and white lists
- Out of profile behavior
- Out of profile action sequences
- Cross-channel correlations
The Intellinx ATM & Debit Card Fraud Prevention Offering:

- **Stops ATM and POS Fraud in Real-Time**
  Intellinx deploys preventive rules in real-time to validate and block attempted fraudulent transactions, as they happen, integrating seamlessly with the card processing systems.

- **Real-Time Rules Combined with Batch Rules for Thorough Analysis & Protection**
  Preventive rules block fraud that is detectable in real-time; while detection rules, running in the background, expose fraud schemes by analyzing card and ATM device behavior over time.

- **Provides All the Data Needed for Investigative Work**
  Intellinx collects and maintains extensive information on card, merchant, and ATM device activity from various systems and data sources. All relevant data for investigation and decision-making is immediately available.

- **Operates in High-Availability Mode**
  Intellinx can run in high-availability mode with load balancing and clustering to ensure optimal reliability in detecting and preventing fraud.

- **Rule-Engine and Investigation Center that are Flexible and Easy to Deploy**
  The solution is flexible and adaptable to the specific applications and processes of each organization. Corporate investigators can adjust scoring parameters, calculation methods and thresholds with no need for assistance from IT.

- **Integrated with the Intellinx Enterprise Case Management**
  The Intellinx ATM & Debit Card Fraud solution is fully integrated with the Intellinx Enterprise Case Management providing an effective and easy-to-use investigative environment.

The Intellinx Difference

- **Genuine behavior analysis** - Intellinx tracks all customer actions both through integration with your core banking systems and through our patented sniffing mechanism. This rich data allows deep, automated behavior analysis.

- **Provides the most thorough coverage** – integrating data from all sources into a unified system with one accurate risk score (including data from card companies, customer reports, etc.).

- **Cross-Channel Analytics** – The ATM & Debit Fraud solution can correlate information from other anti-fraud modules within the Intellinx suite allowing the organization to expose sophisticated fraud schemes which may involve several channels.

- **Low false-positive rates** – with an analysis process that provides genuine understanding of user behavior.

- **#1 in deployment simplicity*** - with fast and simple installation banks and card processors can move to quickly block fraud attempts and detect and investigate suspicious actions.

* Based on research by a leading analyst firm.

- **Link Analysis** – the Intellinx Link Analysis function visually maps connections between suspect activities, cards and ATMs, providing a powerful tool for exposing criminal activity.

About Intellinx

Intellinx Ltd. is the innovative leader in enterprise fraud management, providing protection from internal and external fraud and data theft committed by legitimate internal end-users as well as external fraudsters. Intellinx captures application data directly from the corporate network providing a detailed forensic audit trail of all end-users, with unparalleled visibility into user activity. Intellinx detects fraud attempts in real-time with powerful analytics based on genuine behavior profiling. Intellinx is recognized #1 in its field in two important categories: internal fraud protection and deployment simplicity. The Intellinx patented agent-less technology imposes no risk or overhead to the organization and enables seamless compliance with government regulations (including PCI, GLBA, FACTA Red-Flags, Sarbanes-Oxley, Basel II and AML). Intellinx serves over 150 large and medium sized financial, healthcare, government and telecom organizations worldwide.