

Harness the power of AI to reduce transaction-level fraud and merchant risk



ACQUIRER FRAUD DATASHEET

\$443B

Estimated cost of false declines by 2021

Aite, *The E-Commerce Conundrum*, 2019

KEY BENEFITS

- Improve merchant and consumer experience with higher approval rates
- Reduce manual review costs for transactions and merchant onboarding
- Access a 360-degree view of each merchant's business in real time
- Have peace of mind with a stable and experienced AI partner

Imagine a world without payments fraud, chargebacks and chasing merchants for repayment. What if you could use real-time AI tools that identify and stop fraud as it happens? Brighterion helps make that a reality.

Predict transactional fraud before it happens

Since the advent of EMV (chip) cards and growing e-commerce sales, the liability for fraud has landed firmly on the shoulders of acquirers and their merchants.

In 2019, \$19.21 billion was lost worldwide to payment card fraud.¹ Acquirers were affected by 31 percent of that, and they lost an additional 20 percent to chargebacks.²

In an effort to tighten security, merchants and acquirers typically use rules-based solutions that return high rates of false positives, with 62 percent reporting an increase over the last two years. As a result, 66 percent perform manual review on at least half their sales; and half of those merchants end up approving almost three-quarters of those sales. In fact, according to the Aite Group, false declines are such a problem that 79 percent of merchants track false decline rates.³

Proactively manage acquirer fraud

Brighterion's AI platform is keenly focused on transaction-level fraud and merchant risk. Using self-learning AI, it automatically updates the system to scan for that fraud in future transactions.

With digital goods, the stakes are even higher than with hard goods. Without a physical delivery address, purchasers are untraceable. Brighterion AI detects fraud before the customer's download, preventing another fraudulent transaction.

1. HSN Consultants, Inc., *The Nilson Report*, November 2019.

2. Aite Group, *The E-Commerce Conundrum: Balancing False Declines and Fraud Prevention*, July 2019.

3. Aite Group, *The E-Commerce Conundrum: Balancing False Declines and Fraud Prevention*, July 2019.

CASE STUDY

Using Brighterion's AI, Worldpay achieved:

20x

Reduction in false positives

50,000



250

Reduction in business rules

25x

Reduction in daily alerts

3.2x

Increased fraud reduction

[Read case study](#)

"Most of the transactions we see that have been generated by the system, genuinely pose a risk to our business. And that's why we use the Brighterion system."

Ian Belsham
Global Head of Transaction Monitoring

worldpay

ACQUIRER FRAUD

Use case applications



Merchant risk

- Merchant onboarding
- Merchant monitoring
- Fraud and/or collusion, including:
 - Bust-out
 - Identity swap
 - Transaction batch



Transaction-level (consumer)

- False declines
- Cart abandonment
- Chargebacks
- Fraudulent transactions, including:
 - Friendly fraud
 - Unauthorized/stolen credentials

One-to-one analysis provides unprecedented behavioral insights

Brighterion's AI models are based on multiple data points, such as transaction and user history, current activity and account events. When the system alerts your merchants that suspicious activity is in progress, you can intervene before the transaction completes, preventing the expensive chargeback process. Creating profiles for each card, account and merchant, the system also alerts acquirers to unusual merchant behavior.

Limit risk by using AI to continuously monitor merchant data in real time

Case management is an important tool in helping to achieve the merchant monitoring mandate. Brighterion's solution combines demographic and non-monetary data, giving acquirers a 360-degree view of each merchant, their behaviors and their offerings.

- Assess new merchants for onboarding and continued analysis of merchant viability and risk
- Continuously monitor merchant transaction-level fraud in real time through a consolidated platform
- Provide value-added services to merchants to help them prevent fraud at source while creating another revenue stream for acquirers and PSCs

Perpetual refinement

Unsupervised and supervised learning improves outcomes over time, creating AI models that grow and mature with the ever-changing behaviors of consumer and merchant fraud, and are personalized to each individual. This continuous, automated refinement of the model enables acquirers and PSCs to keep pace with evolving trends and sophistication. False positives are reduced, producing actionable insights that enable staff to focus on investigating legitimate fraud.

\$5.145T

Handled by 5 largest acquirers in 2019, up 6.8% over 2018

HSN Consultants, Inc.,
The Nilson Report, 2020

44%

Consumers who stopped shopping at a retailer as a result of false declines

Javelin Advisory Services,
Addressing the Threat of False Positive Declines, 2018

"Brighterion's scalability is over twice that of its closest competitor in this regard, boasting 62,000 TPS in production. Its streaming infrastructure with no underlying databases is a key driver of this impressive performance."

AIM Evaluation: Fraud and AML
Machine Learning Platform Vendors
AITE GROUP



Benefit from 99.9999% uptime and extraordinary scalability

While many of our competitors use a selection of legacy database-driven technologies, only Brighterion technology brings a powerful, distributed file system specifically designed to store knowledge and behaviors. This allows lightning speed response times (below 10 milliseconds), end-to-end encryption and traceability for unparalleled credit fraud detection, immense scalability and resilience to disruption. Our customers benefit from 99.9999% uptime.



From data to intelligence in 6-8 weeks with AI Express

Experience the benefits of Brighterion AI technology in as little as 6-8 weeks. AI Express provides the specific tools to solve your unique challenges. Our experts will work with you to develop a deep understanding of your needs and give you hands-on experience with our AI tools. We will help you collect data, collaborate on outcomes and develop your AI model in less than two months, providing the quickest time to value in our industry.

We are so convinced you'll be happy, we build and test your solution before you need to commit.

Brighterion
 mastercard

To learn more contact one of our AI experts: sales@brighterion.com →
or visit our [resource library](#) →

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