

case  
study

# Alliance & Leicester

ACI Solution Helps Alliance & Leicester  
Combat Potential Fraud





Alliance & Leicester (A&L) is one of the United Kingdom's major financial services groups, offering a broad range of financial services to personal, commercial and small business customers. A&L has been a member of the FTSE 100 index of leading shares since converting from its original mutual building society status in 1997.



### Challenge

- ▶ Implement a solution to protect both A&L and its customers from fraud losses

### Solution

- ▶ ACI Proactive Risk Manager™ for Debit and Credit Card Fraud Detection, which combines neural network scoring technology with expert, rules-based strategies to monitor and score all aspects of fraudulent activity

### Results

- ▶ A&L has saved millions of pounds in potential fraud.
- ▶ A&L experiences improved efficiency and information management.
- ▶ A&L prevents and detects potential fraud, in many cases well before customers become suspicious of a problem.
- ▶ A&L detects a significant proportion of all card skimming fraud.

## The Challenge

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In 2000, credit card fraud reached GBP£292 million (US\$419.6 million) in the United Kingdom alone, and that number was increasing at a rate of 55 percent a year, according to APACS. Criminal methods ranged from opportunistic theft to the most sophisticated organized crime, and financial institutions and retailers were looking for the most effective way to combat this scourge.

Alliance & Leicester (A&L), one of the United Kingdom's major financial services groups offering a broad range of financial services to personal, commercial and small-business customers, sought a solution to protect both the company and its customers from fraud losses.

## The Solution

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A&L selected ACI Proactive Risk Manager™ for Debit and Credit Card Fraud Detection, becoming ACI's first European customer to implement the solution.

"We chose ACI Worldwide after a comprehensive selection procedure at the end of 1998," said Geoff Lloyd, head of group fraud and corporate security at A&L. "A number of aspects made the company and its solution stand out for us."

Proactive Risk Manager not only helps A&L prevent fraud, but also detects suspicious, potentially fraudulent behavior. The solution combines the pattern recognition power of neural network scoring technology with expert, rules-based strategies and advanced client/server workflow management software to monitor and score all aspects of fraudulent activity, including skimming and counterfeit cards. The neural model is based upon A&L's card portfolio rather than industry data, which enhances the system's ability to detect fraud and reduces false positives.

The system captures and maintains statistics on fraud savings and losses, queue status and reviewer/model performance. A comprehensive set of tools enables supervisors to generate reports, direct workflow and manage reviewers. Fraud managers

can define levels of priority and direct alerts to specific reviewers. Furthermore, reviewers can process more alerts, which improves performance and efficiency while minimizing operational costs.

## The Results

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ACI Proactive Risk Manager allows A&L to prevent and detect potential fraud, in many cases well before customers become suspicious of a problem. With Proactive Risk Manager, A&L also detects a significant proportion of all card skimming fraud.

Proactive Risk Manager has allowed A&L to save millions of pounds in potential fraud and benefited from improved efficiency and information management.

"Our approach is not a point solution," Lloyd said. "A total strategic approach has to be taken across our team to identify and stamp out fraud in any form."

**“The introduction of ACI Proactive Risk Manager has certainly helped focus our attention on the power of information management. The ability to be able to analyze and report on a full extract of our credit card transaction data has been an advantage in identifying and targeting sophisticated fraud.”**

*Geoff Lloyd  
Head of Group Fraud and Corporate Security  
Alliance & Leicester*



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ACS3723 08-07