

case study

CertaPay

CertaPay Uses ACI Proactive Risk Manager™ to
Monitor Money Transfers via E-Mails





Formed in 2000, CertaPay Inc. is privately held and headquartered in Toronto, Canada. CertaPay specializes in real time, point-to-point (P2P) e-mail payment solutions and is the exclusive P2P service provider to Bank of Montreal, CIBC, Scotiabank and TD Canada Trust. As a result of these bank relationships, Canada enjoys the highest penetration of domestic P2P e-mail payments in the world. CertaPay enables other banks to create a real time, global payment network, powering e-mail money transfers to virtually anyone with an e-mail address.



Challenge

- ▶ CertaPay wanted to ensure it had the right system in place to monitor money transfers and protect itself and its bank partners from risk associated with money laundering activity including risk from penalties due to lack of compliance with government regulations or from bad press, which can severely damage an institution's good reputation.

Solution

- ▶ ACI Proactive Risk Manager™ for Anti-Money Laundering provides expert, rules-based strategies and an advanced client/server workflow management system to help financial institutions detect complex and diverse methods of laundering funds.
- ▶ Proactive Risk Manager can also be upgraded by adding the powerful neural network-based scoring system.

Results

- ▶ CertaPay will have a monitoring tool in place before it launches its P2P service to protect itself and its bank partners from money laundering activity and reduce the risk of fines or damage to their reputations.
- ▶ CertaPay has a scalable solution that enables the addition of new risk management components as needed.

The Challenge

In 2002, CertaPay and Canada's major banks launched the world's first point-to-point (P2P) initiative — e-mail money transfers to 4 million, or 80 percent, of all Canadians banking online. With this service, Canadians can send money from the security of their online banking service to any recipient, using only an e-mail address. While e-mail is used to notify recipients of payment, the funds are actually transferred the way banks have cleared payments for years: via existing payment clearing arrangements used to transfer money electronically.

The P2P service provides a convenient money transfer method for Canadians in their day-to-day activities. Unfortunately, there could be potential for criminals to abuse the service by moving laundered funds through the system, so CertaPay wanted a solution to detect and combat money laundering fraud.

The Solution

CertaPay selected ACI Proactive Risk Manager™ for Anti-Money Laundering. Proactive Risk Manager offers expert, rules-based strategies and an advanced client/server workflow management system to detect the complex and diverse methods of laundering funds. This enables CertaPay and participating banks to stop money transfers that appear suspicious.

A comprehensive set of tools enables CertaPay supervisors to generate reports, direct workflow and manage analysts. Furthermore, Proactive Risk Manager captures and maintains statistics to provide valuable management information.

Dynamic queue management allows CertaPay managers to define levels of priority and direct alerts to specific analysts. Reviewer workstations provide comprehensive information that allows analysts to check the transaction, account holder details, transactional history and previous account actions. These features allow analysts to process more alerts, which increased efficiency while minimizing operations costs.

Proactive Risk Manager is a key step in money laundering detection that can quickly adapt to rules set by Canada's regulatory bodies, such as the Financial Transactions and Reports Analysis Centre (FINTRAC).

Additionally, Proactive Risk Manager can be implemented in stages, starting with the analysis/review system's rules-based component, then adding a neural network model as the business need arises.

The Results

CertaPay and its partners can now monitor transactions for money laundering activity and protect themselves from costly fines and the damaged reputation that can be associated with accepting money transfers containing laundered funds.

“By working with ACI's software, we will be able to track and review P2P transactions as they are processed. It adds an extra layer of security on top of what banks already offer — a rock solid reputation for transaction integrity and peace of mind.”

*Michael Ginsberg
CEO
CertaPay*



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