

case
study

Seceti S.p.A.

Seceti S.p.A. Uses ACI Proactive Risk
Manager™ To Fight Potential Fraud





Seceti S.p.A. is Italy's second largest card payments processor and provides services to 140 member banks in Italy. In recent years, Seceti has characterized its business by innovation and expansion. Seceti manages 230,000 point-of-sale (POS) sites and more than 8,000 ATMs in Italy.



Challenge

- ▶ Implement a fully integrated authorization and fraud detection service to combat debit card fraud
- ▶ Improve efficiency and profitability by detecting fraudulent activity in shorter time frames
- ▶ Meet these objectives of Seceti's business case while becoming fully compliant with national and international anti-fraud mandates
- ▶ Provide additional services to customers, thereby adding a revenue stream and potentially expanding Seceti's business and customer base

Solution

- ▶ ACI Proactive Risk Manager™, a complete fraud detection solution that uses expertly defined rules alone or in conjunction with a customized neural network model

Results

- ▶ Seceti can now proactively assist and support its customers, resulting in better service and decreased losses from fraud.
- ▶ Seceti's customer banks can closely monitor fraud alerts in near-real time and react quickly when a transaction appears suspicious.
- ▶ Seceti's customer banks experience improved efficiency and cost savings, since potential fraud losses are greatly reduced.
- ▶ Seceti has met the goals of its business plan and is compliant with international anti-fraud mandates.

The Challenge

Globally, credit and debit card fraud continues to be an escalating problem. Summer 2003 proved arduous for Italian issuers and processors as fraudsters vigorously attacked the domestic network, causing millions of euros in losses.

As Italy's second largest processor, Seceti S.p.A. recognized the need to address concerns expressed by its customers and the Italian Banking Association about rising levels of fraud in the region, particularly in the debit card business. Seceti drew a business plan with key objectives: improve efficiency and profitability by detecting fraudulent activity faster; comply with emerging anti-fraud mandates; and provide additional services to customer banks, which include every popular bank in Italy, to increase revenue and attract new customers.

To this end, Seceti sought a solution to combat debit card fraud, provide a fully integrated authorization and fraud detection service, and enable it to offer more services to customer banks.

The Solution

Seceti chose to implement the rules-based component of ACI Proactive Risk Manager™ on the Stratus® ftServer® high availability platform for Microsoft® Windows®.

Proactive Risk Manager provides a complete fraud detection solution that combines the power of expertly defined rules with an optional customized neural network component for rapid, accurate and flexible response to the evolving nature of credit and debit card fraud. Users may choose to implement the rules-based version of Proactive Risk Manager alone, as Seceti chose, or in conjunction with the neural network component.

Proactive Risk Manager provides superior Microsoft Windows-based workflow management capabilities with expert, rules-based strategies at the core of its process. This component builds upon the creation of real time rules in addition to a set of best practice rules provided with the product.

Proactive Risk Manager's ability to accurately identify fraud allows users to immediately recognize fraudulent behavior. The system sends alerts in near-real time, allowing earlier detection of attempted fraud and enabling reviewers to take immediate defensive action on high-risk transactions.

The Results

Proactive Risk Manager has helped Seceti minimize losses and exposure to risk, preserve customer confidence and ensure compliance with national and international fraud reduction mandates. Seceti is also able to proactively assist and support its customer banks, resulting in better service and decreased losses from fraud.

Seceti's customer banks can subscribe to the service via Web access to closely monitor fraud alerts generated by Proactive Risk Manager in near-real time. Financial institutions can then promptly react and contact a cardholder if a transaction appears suspicious. The service will bring significant benefits to the banks, primarily through cost savings, since potential fraud losses are greatly reduced.

Moreover, by using Seceti's integrated card processing, authorization and fraud detection service, Seceti's customer banks can take action to changes in fraud patterns and activity levels with a high level of responsiveness.

"By using ACI technology to support fraud prevention, Seceti S.p.A. is able to provide an advanced and flexible fraud detection service," said Gianfranco Botti, general manager at ACI Worldwide Italia. "Seceti customers now have one of the industry's most powerful fraud detection tools and gain a significant advantage in the competitive Italian banking market."

“Our goal is to minimize our customers' exposure to risk by identifying fraudulent activity quickly and proactively. ACI Worldwide is able to provide an effective fraud detection solution that provides many benefits to our customers and ensures we work together to reduce the rising fraud levels in Italy. We are giving banks much more control over their fraud strategies.”

*Giuseppe Capponcelli
General Manager
Seceti S.p.A.*



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