Securing Faster Payments: Getting Ahead of the Unknown

Rivka Gewirtz Little,
Worldwide Payment Strategies Director

May 29, 2019
FRAUD Follows Speed
FRAUD FOLLOWS NOVELTY, AND INNOVATION
Early Warning Launches Real-Time P2P Payment
Bank of America, U.S. Bank

Company now enabling two Top 5 U.S. banks to deliver P2P immediate funds availability

SCOTTSDALE, Ariz., MAR. 9th, 2016 – Early Warning, the industry leader in real-time payments, authentication and risk solutions, announced that Bank of America is live and actively processing real-time person-to-person (P2P) transactions through Early Warning’s clearCharge™ network. Bank of America is one of the first banks to go live along with U.S. Bank.

Customers at both banks are now able to send eligible real-time P2P payments to customers at either bank, with funds made available immediately. This announcement follows on from earlier this year, when some of the major U.S. banks announced their plans to support EPP payments and Early Warning makes it easier to do so now for their clients, with this solution.
Instant P2P: Fraudsters Begin Bank Hopping
What We Know about Real-Time Payment Attacks

Rise in Money Mules

Partially fueled by Synthetic ID

Compromised Credentials – Social Engineering – Bots & Automation

#DontBeAMule

A legitimate company will not ask you to use your own bank account to transfer their money. Do not accept any job offers that ask you to do this.
Innovation Means New Attack Inroads

ISO 20022
More Data

New Transaction Types

Alias Identities

Emerging Overlays

DIGITAL EXPANSION
Online Mobile IoT API

Digital Channel Expansion
30% CAGR to 2022

© IDC
FRAUD TEAMS WILL CRUSH YOUR (PAYMENTS) DREAMS
Real-Talk on Real-Time from Fraud Teams

- Not aware of what product teams are planning
- They aren’t involved in payment modernization efforts
- They believe faster payments will mean more fraud
- Limited fraud coverage in commercial banking
- They’re fine with hard limits and tougher authentication
- Cost of fraud tools will take a back seat to payment modernization
- Massive uncertainty about faster payment requirements (e.g. SLAs)
- Don’t have a clear timeline to faster payments

© IDC
FRAUD STRATEGIES CAN ENABLE INNOVATION
Table Stakes: ML-Driven, Real-Time Monitoring

- Endless data ingest
- Advanced, adaptive analytics
- Machine + human learning
- Sub-second decisions
- Cross-payment, cross channel view of risk
- Instant actions on decisions
Beyond Table Stakes

Holistic View of Transactions & Account or Entity Risk
Consortium Data for a Cross-Institution View
Multi-Level Monitoring: Network + FI
The Ideal Real-Time Payments Fraud Stack

- New Account Scoring
- Dynamic Entity Scoring
- Transaction Monitoring
- Risk-Based Authentication

Network Scores

© IDC
Aligning payments, fraud and DX initiatives