



## INNOVATIVE FRAUD-DETECTION SYSTEM INSULATES FINANCIAL COMPANY FROM RISK

### FIN-FORCE

/// CASE STUDY



When this leading third-party payment processor set out to protect its assets from risk and promote customer service, it looked to EDS, an HP company, to help implement a best-in-class risk analysis solution. Now armed with the technology to scan and verify payments, coupled with business continuity, the company can ensure nearly 16,000 daily transactions are legitimate.

#### CLIENT PROFILE

[www.fin-force.com](http://www.fin-force.com)

As a pioneering project between KBC and EDS, Fin-Force was originally envisioned as a way to create specialized payment processing for participating banks. Fin-Force has now become a truly international institution led by a joint-ownership coalition of KBC, Rabobank, and DZ Bank, which continues to respond to dynamic markets with quality and innovation.

**Industry:** Financial Services

**Headquarters:** Brussels, Belgium

**Business Needs Addressed:**

Innovation  
Productivity  
Security

#### Fin-Force needed to improve fraud and risk management

Fin-Force - a joint venture of Belgian bank KBC, German DZ Bank and EDS - is a third-party processor of cross-border payments on a "white-label" basis. Responsible for settling financial transactions on behalf of its clients, Fin-Force cannot afford to have funds blocked by official agencies due to suspect client transactions. Yet, the company's systems lacked sophisticated risk analysis and management capabilities. So Fin-Force set out in search of a robust and flexible new application that could scan retail payments and transactions against one or more client lists for verification. More comprehensive visibility into operations would help better manage fraud and risk, ultimately enabling Fin-Force to expand its client offerings.

Another drawback to Fin-Force's existing system was its inability to communicate directly with a mainframe environment. All payment transactions had to be transferred to a decentralized mid-tier platform where they could be scanned by an external application. If no alerts were found, automated processing would continue according to schedule. In the event of hits, however, investigation and approval took place manually within the server environment. Logging all of these interventions, decisions and actions for auditing purposes proved cumbersome, time-consuming and costly. Clearly, Fin-Force needed a solution capable of transferring data between the mainframe and midrange server environments.

#### EDS introduced an innovative solution to deter criminal activity

Working closely with Fin-Force operations and its clients, the EDS team summarized all of the company's critical payment transactions and determined which types to scan first for maximum protection. Next, we chose the fields to scan, defining rules for different types of transactions based on factors such as incoming versus outgoing payments and currency type.

## COLLABORATION AND TEAMWORK PAYS OFF

EDS installed the PinPoint application in a Websphere 5.0 environment with all data (official and client-specific lists) stored in an Oracle shared database. MQ Series connects the mainframe environment to the application. Wherever possible, EDS reused recently developed components and interfaces. The successful implementation of this project required a close collaboration among EDS, Fin-Force, KBC and DATA4s.

### Service featured

- Applications Development Services

*"Our innovative new payment-scanning solution is critical to the quality of service we offer, enabling us to tailor processes specifically to individual clients and their unique needs. Equally important, the application helps us protect our assets and reduce risk, ensuring a stable and secure business environment."*

Pascal Deman  
CEO  
Fin-Force

Once the rules were defined, EDS investigated possible alternatives to the current mainframe solution. We selected an application that enhances the detection of fraud and money laundering activities by automatically identifying suspect transactions. Using internal and external lists, the solution integrates transactional data with customer information for an overview of customer activity. The real-time system allows users to block a transaction or account opening when a person or country matches a name on a blacklist and generates reports to forward to the authorities.

Then EDS integrated the rules into the application and implemented the solution within the IT infrastructure, uploading external data from worldwide embargo and control lists. We also built in an automated workflow capable of supporting the entire process, from transaction and account monitoring to the detection of suspicious transactions for investigation, escalation and reporting.

Finally, EDS redesigned and maintained the old scanning application on the mainframe to provide effective disaster recovery in case the new system ever encountered a problem. Fin-Force's payment system now benefits from stable and reliable business continuity for the first time.

### Fin-Force mitigates risk with early detection and improved visibility

It was crucial that EDS optimize the scanning solution according to recent upgrades and complete a test scenario within an aggressive timeframe. We not only achieved this mission on time, we also executed several simulations to gauge the number of questionable transactions being identified and processed by the new system.

The application now scans approximately 16,000 transactions a day - more than 20,000 per day during peak periods. And all payment transactions are sorted by client and then processed separately for each client with all users, user-groups, rules and workflows. On average, 20 transactions per day are marked as hits and temporarily placed on hold for further investigation. One percent of all suspected transactions are rejected, insulating Fin-Force from risk and fraud. These transactions are then investigated in depth.

The new scanning solution controls Fin-Force's business exposure and risk through early detection and enhanced client visibility. It also enables rapid response to new criminal trends while improving the efficiency with which the company investigates and reports client transactions. With this implementation, Fin-Force introduced a state-of-the-art technology that makes it one of Belgium's leading pioneers of payment scanning and a true innovator.

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