Business Data Miners Detects Compromised Cards Before Fraud Happens

Customer Problem

There is a growing trend of increased incidents of compromised bank card data. In 2006, 94 million credit cards were compromised at TJX Companies Inc. In 2008, 134 million credit cards were exposed at Heartland Payment System. Smaller scale card data compromises are happening on a daily basis. Unfortunately, most of incidents are not detected in a timely fashion. Thus fraudsters who steal the data have many months to cause significant loss to banks. According to Ponemon Institute's 2008 Annual Study, data breaches cost $202 per record. In addition to financial losses, fraudulent activity negatively impacts a customer's relationship with the bank.

Customer Solution

Take action before fraud happens. Business Data Miners proprietary algorithm is able to detect cards that will likely have fraudulent activities within 6 months in the future. If these cards are reissued or closely monitored, we can reduce a significant amount of the fraud loss. In a live testing of our algorithm at a top 15 bank, 19% of cards that we predicted as being compromised had fraudulent activities within 3 months after our prediction. We estimate that the annual fraud savings is above $1 million. By reissuing risky cards, we prevent fraudulent activity before it happens. An added benefit of doing this is that the impact of fraud on good customers is eliminated.

For More Information about this Case

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