



The next generation of fraud detection

SAS and HSBC partnership leads to real-time fraud detection solution

Each year, banks and other financial organizations around the world lose more than US\$2 billion to payment card fraud. While financial institutions have fought back by developing processes and systems designed to identify and stop fraud, increasingly savvy criminals have kept pace by adapting their fraudulent practices accordingly. It seems a vicious cycle...as soon as one fraudulent scheme is uncovered, another threat surfaces. What financial institutions need is a way to stop fraud before it happens. What they need is a new generation of fraud detection.

Fraud detection comes of age

SAS, the leader in business intelligence, and HSBC Holdings plc, one of the largest banking and financial services organizations in the world, have partnered to create a new strategic initiative that will fundamentally transform the fraud detection industry.

Drawing on HSBC's banking expertise and SAS' extensive global infrastructure, world-class analytic solutions and ongoing investment in R&D, the resulting solution represents a new approach to fraud detection that is unlike anything currently available.

With the SAS solution, banks and other card-issuers can achieve more sophisticated analytic intelligence and complete integration with the industry's latest anti-fraud measures, including chip and PIN technology. As an enterprisewide fraud detection system, the SAS solution incorporates analytics based on multiple data sources and with multiple detection requirements, enabling a bank to realize the much sought after—but

rarely achieved—goal of preventing and detecting crime across the entire spectrum of fraudulent techniques that today's criminals employ...in real time.

In addition to significantly reducing potential losses from fraud and service disruptions to customers, the SAS solution will also lower the operational costs of fighting fraud and create a more flexible, enterprisewide fraud platform so that institutions can respond faster to new threats as they arise.

Fighting fraud in real-time

While many fraud detection systems on the market employ reactive “after the fact” analysis of questionable transactions, this sort of fraud detection comes too late to give financial organizations any real protection from loss. Clearly, it is critical to detect fraud at the point of sale using real-time transaction scoring. What's unique about the SAS solution is that it is the only fraud detection system available that offers real-time scoring of accounts by looking at *all* card transactions—including purchases, payments and non-monetary transactions. No other system on the market provides this breadth of coverage.

As a full-service payment card fraud management system, the SAS solution provides real-time integration to authorization systems, on-demand scoring, advanced analytics, rule writing, simulation capabilities, case management and reporting. Models are built on a combination of consortium and individual bank data, which includes all transaction event activity on an account. In addition, the solution includes a highly functional fraud case management and



investigation system, extensive reporting capabilities and a new, highly flexible connector to plug into authorization systems. Since the system is designed to allow both operational and performance reporting, financial institutions can rely on it as their primary solution for fraud detection and investigation.

A true enterprise fraud detection application

When a transaction occurs, the software indicates the probability of fraud and helps prevent the stolen or counterfeit card from being used at the point of sale. A specialized neural network modeling technology, sophisticated rules, a champion/challenger system and a consortium data approach make the SAS solution an enterprise fraud detection application that is second-to-none.

The solution uses proven SAS technologies for managing data and deploying predictive analytics. The depth and breadth of the underlying SAS architecture—along with SAS' domain knowledge and industry expertise—deliver real-time fraud detection that not only provides a powerful tool in the fight against card fraud, but is

also extensible to grow along with your needs, making it a true enterprise fraud detection solution.

About SAS

SAS is the market leader in providing a new generation of business intelligence software and services that create true enterprise intelligence. SAS solutions are used at more than 40,000 sites—including 96 of the top 100 companies on the FORTUNE Global 500®—to develop more profitable relationships with customers and suppliers; to enable better, more accurate and informed decisions; and to drive organizations forward. For nearly three decades, SAS has been giving customers around the world *The Power to Know*®.

Want to learn more?

For more information about the SAS payment card fraud detection solution or the SAS data consortium, please e-mail us directly at stopcardfraud@sas.com or visit us online at www.sas.com/cardfraud.

“We chose to work with SAS primarily because of their technology assets, extensive R&D capability and industry leadership, and their ability to support us across the globe. We are impressed with their understanding of our business goals and their flexibility to meet our demanding requirements.”

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