



SAS® BUSINESS FORUM 2018
THE ANALYTICS ECONOMY

STOCKHOLM | MAY 30



SAS® BUSINESS FORUM
STOCKHOLM 2018

Use analytics to improve the fraud detection process

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USE ANALYTICS TO IMPROVE THE FRAUD DETECTION PROCESS

Fredrik Nilsson och Johan Elfman

SBAB!

- ⦿ Swedish bank focused on 'Household finances'
- ⦿ Some 500 employees
- ⦿ Lending to the public of SEK 355 billion
- ⦿ Deposits from the public of SEK 112 billion
- ⦿ RoE of 12,5 %
- ⦿ Long term credit rating (Moody's): A1
- ⦿ Operating profit of SEK 2,3 billion
- ⦿ Market share residential mortgages of 8 % (18 % of market growth in 2017)



MER Consulting

- ⦿ Business and IT consultants with a focus on the financial sector
- ⦿ Some 50 consultants (300 within C.A.G)
- ⦿ Experts within financial crime prevention
- ⦿ SAS Partner

AGENDA

1. Fraud prevention
2. Fraud analytics
3. Scoping an analytics project
4. Our project
5. Summary and key take-aways

WHY FRAUD DETECTION IS IMPORTANT

Criminals ♥ Fraud
Fraudsters ♥ Digital

2010: 114 724 reported frauds,
3 190 convictions

2016: 208 688 reported frauds,
1 885 convictions

↑ 82% ↓ 41%

According to The Swedish National Council for Crime Prevention



KEY IN USING ANALYTICS TO PREVENT FRAUD

Avoid complex business rules.

Understand your data (organization).

Don't overestimate the fraudsters.

Focus on case management (learning).

FRAUD ANALYTICS

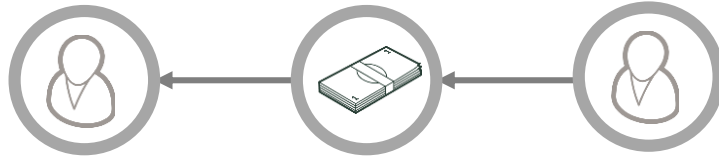
FRAUD ANALYTICS

**NETWORKS AND LEVELS
OF DETECTION**

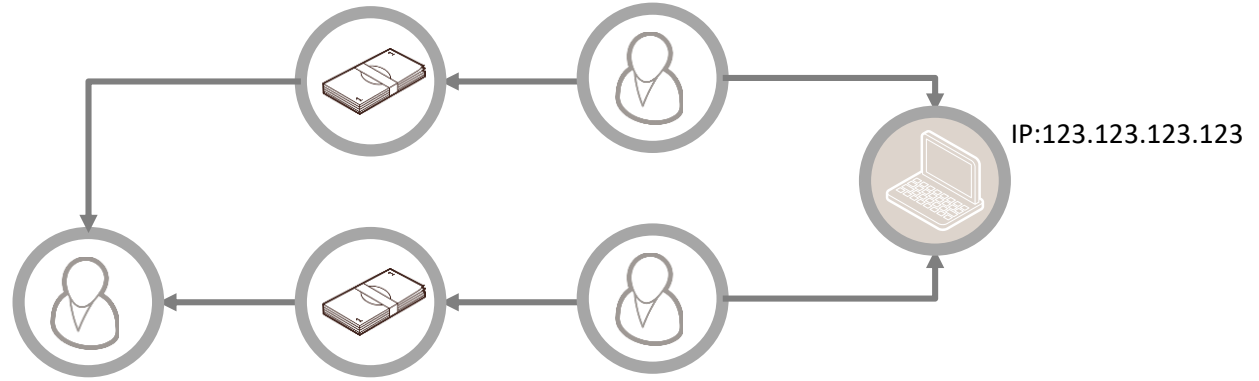
**DATA BUILDS
PERSPECTIVES**

**BUILDING AN ANALYTICAL
MODEL**

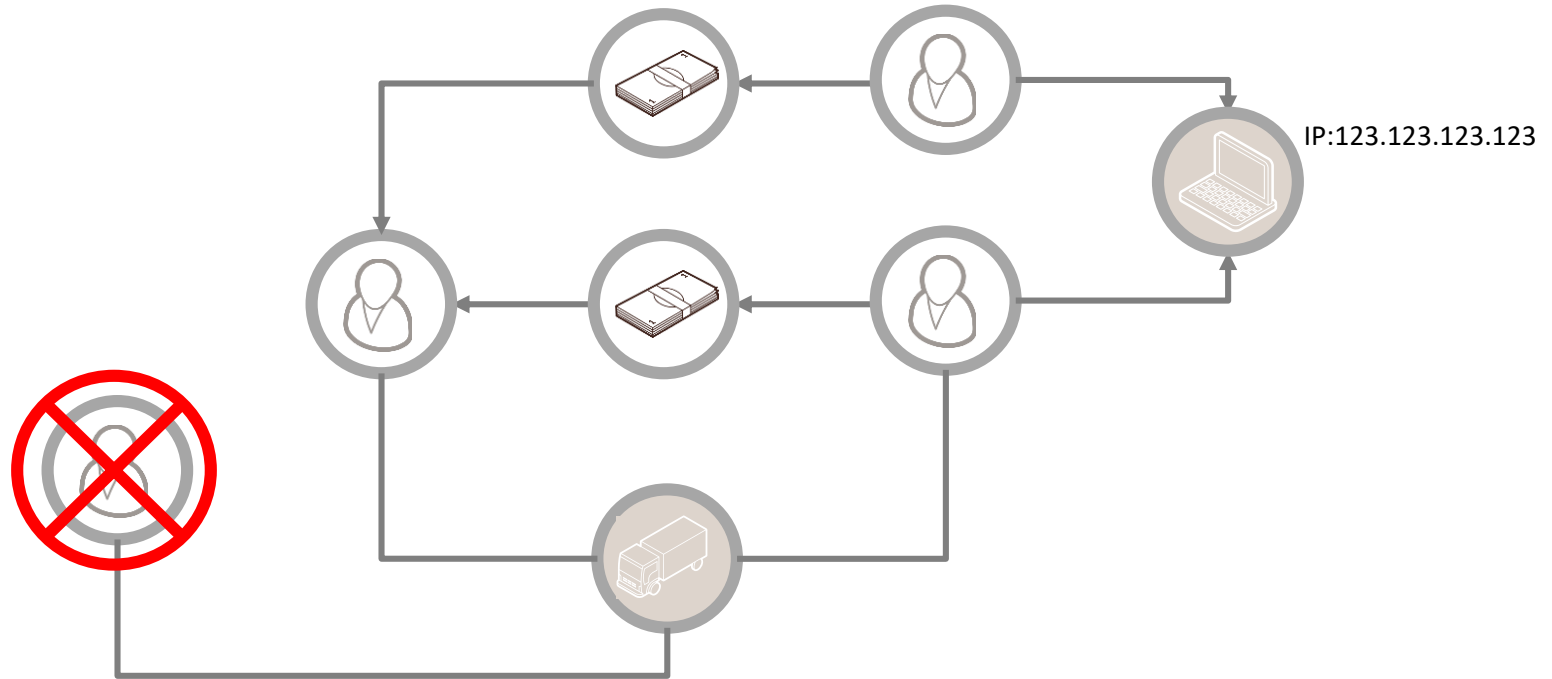
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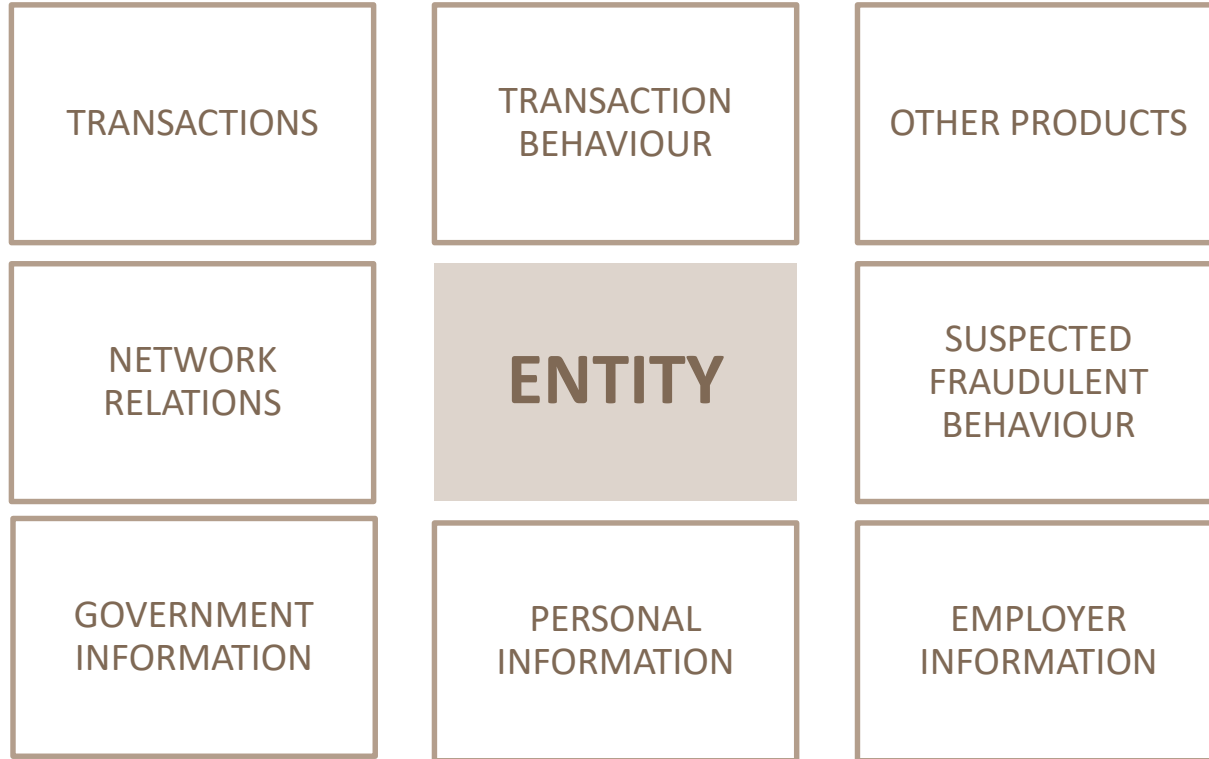
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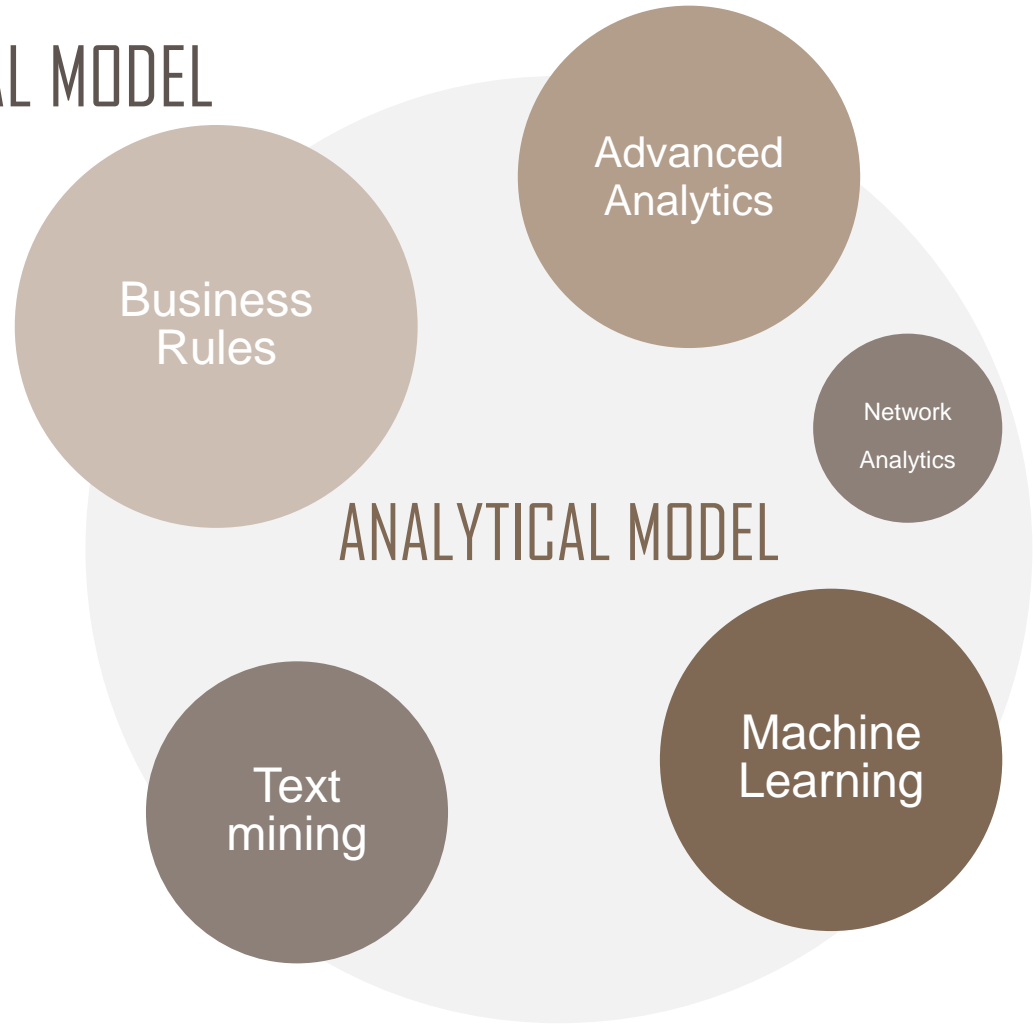
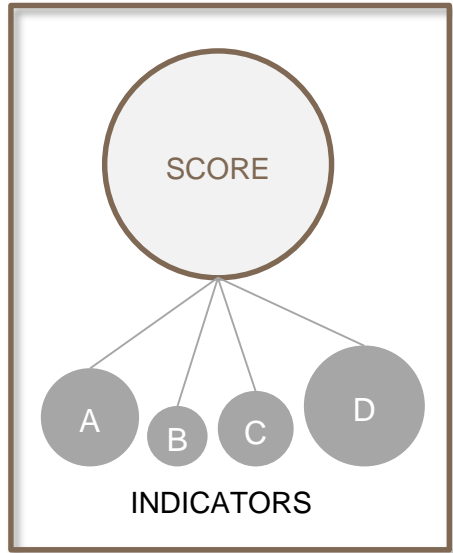
NETWORKS AND LEVELS OF DETECTION



DATA BUILDS PERSPECTIVES



BUILDING AN ANALYTICAL MODEL



SCOPING AN ANALYTICS PROJECT

CREATE A BIG VISION – BUT START SMALL

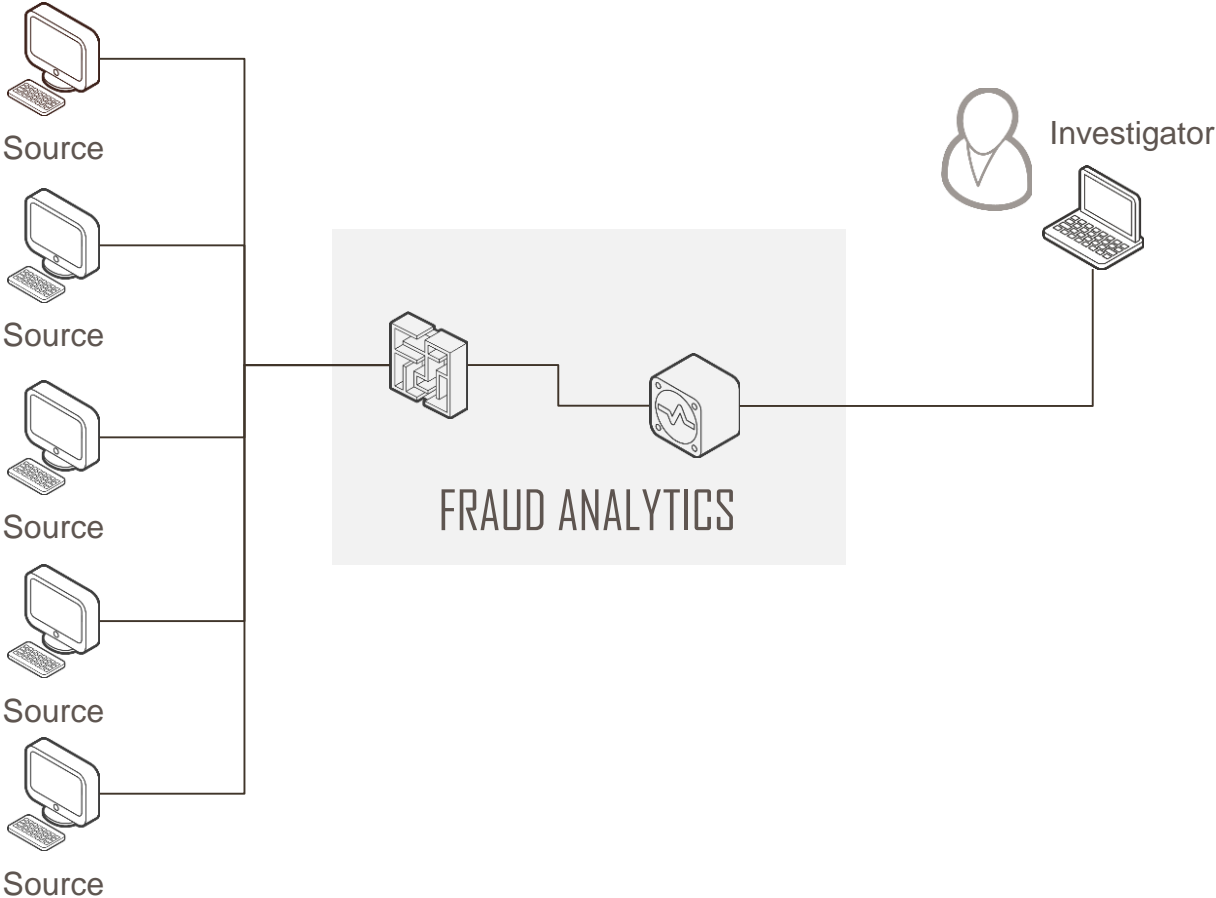
DATA

RULES

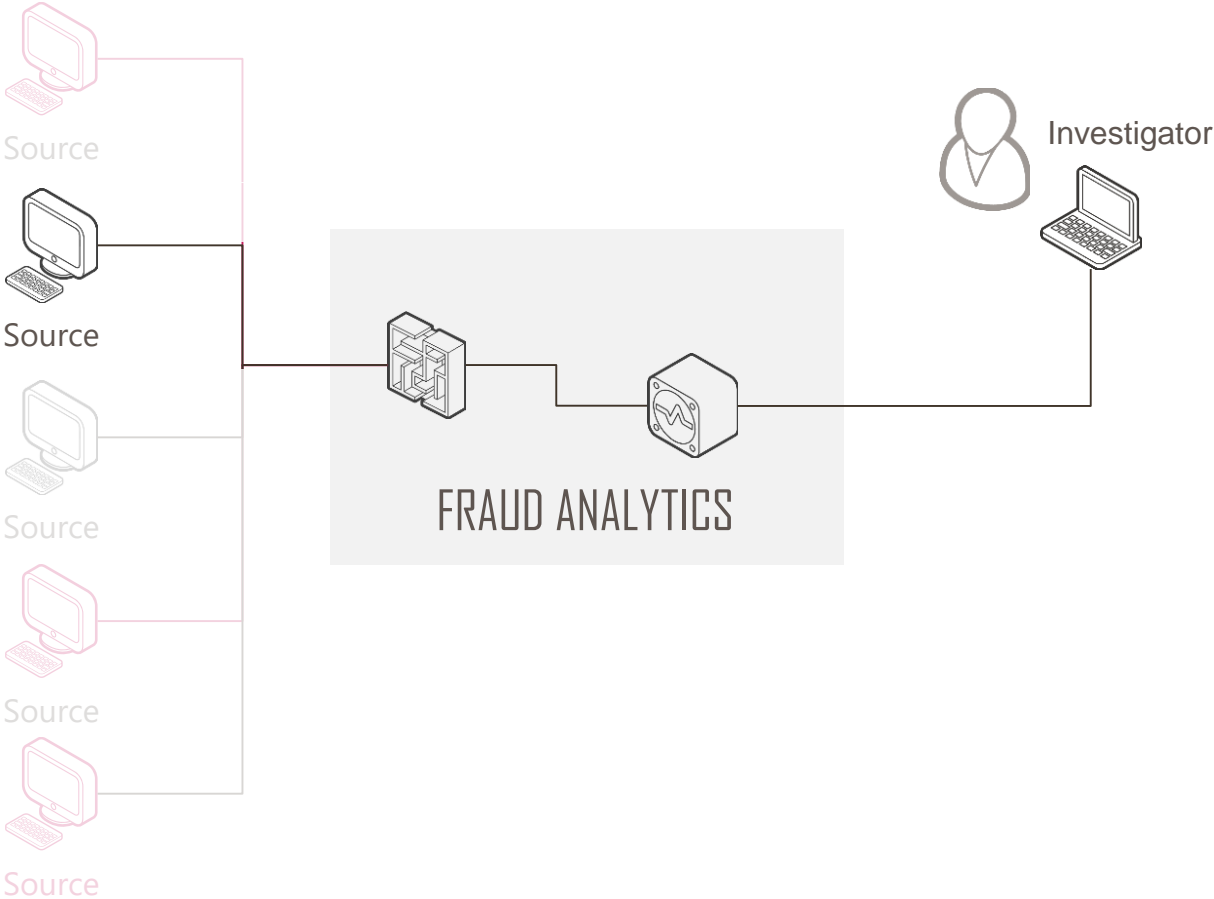
ANALYTICS

INTEGRATION

DATA



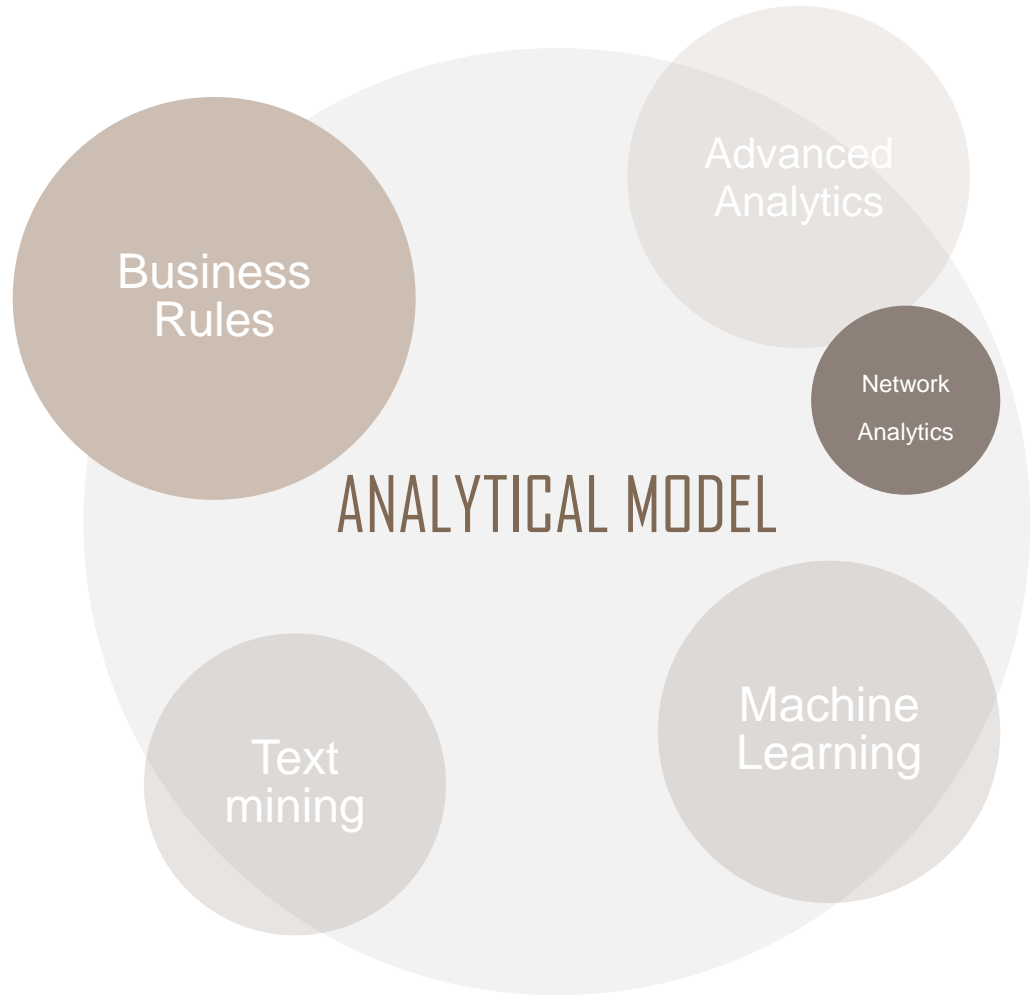
DATA



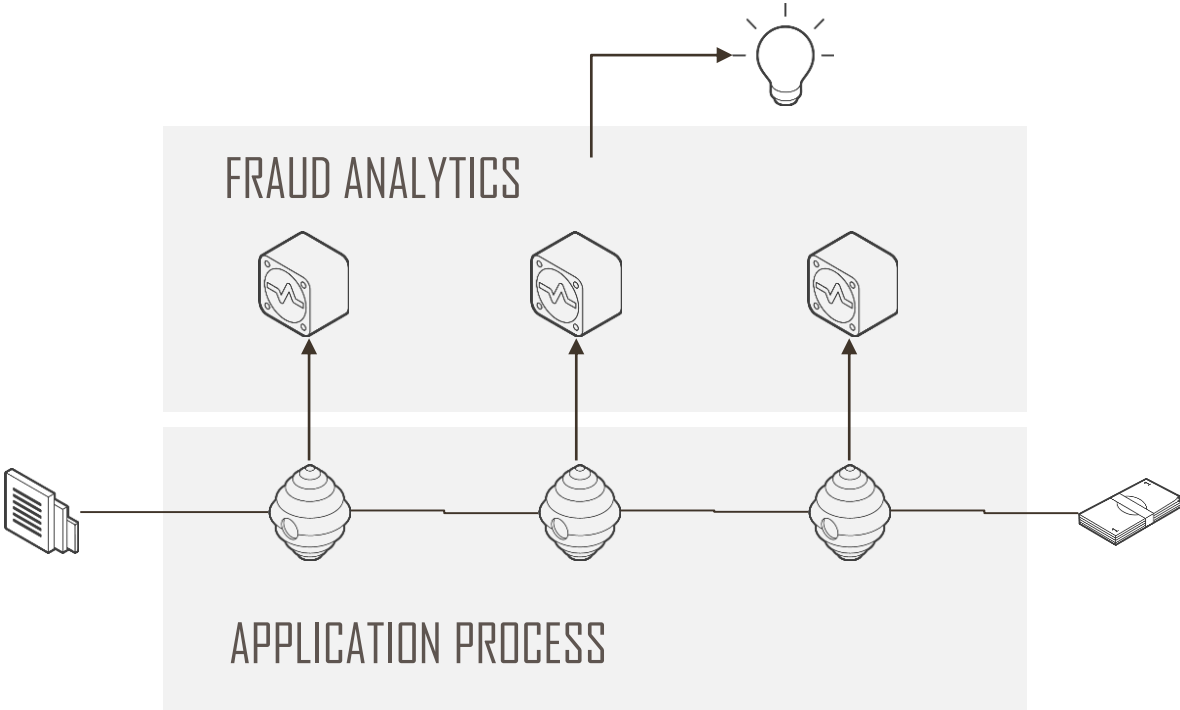
RULES



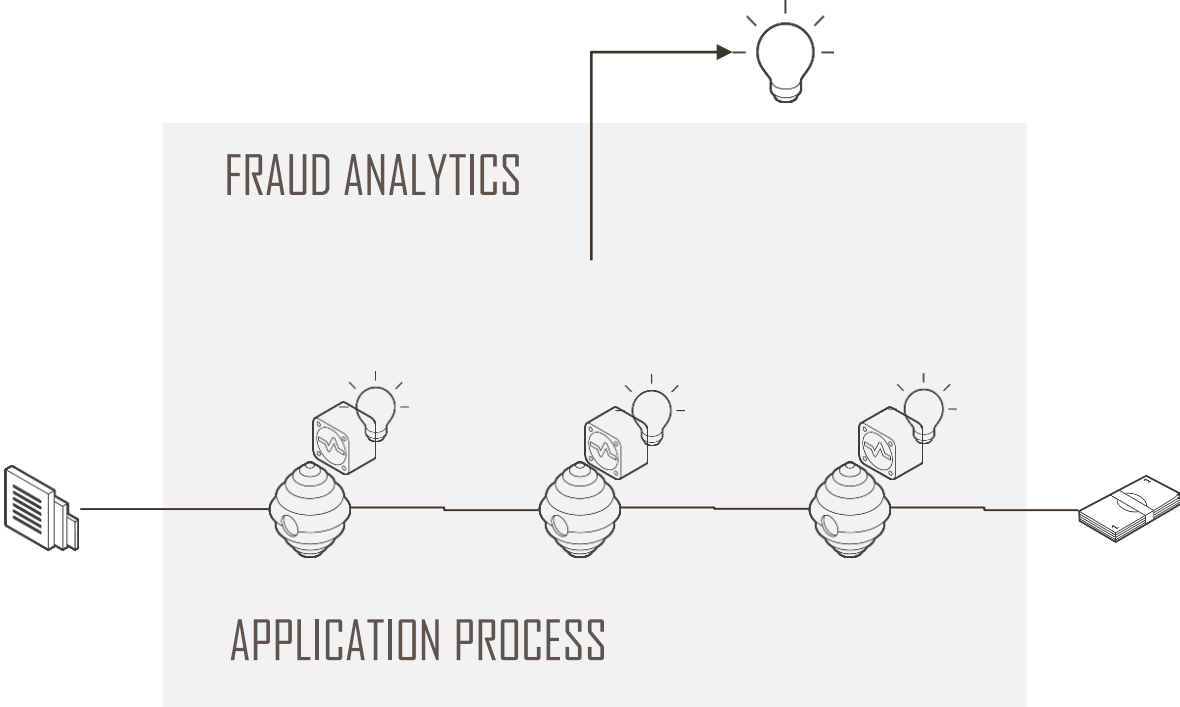
ANALYTICS



INTEGRATION



INTEGRATION



Ok, so what did we build together?

SUMMARY

WHY

Easy money combined with low risk of getting caught makes fraud a good crime-of-choice, why poor fraud prevention will expose organizations to considerable risks.

HOW

Focus on understanding your data and use a multi-skilled team when setting up the fraud detection process and start with the low hanging fruits.

ACHIEVEMENTS

We've built a dynamic fraud prevention system where we can detect, investigate and perform case management in an easy-to-understand interface.

NEXT STEP

Improve the network visualization tool and develop new business rules while finding synergies within the organization.

KEY TAKE-AWAYS WHEN BUILDING

1. Find *Your* low hanging fruits, and start there
2. Working with analytics is a development process
3. A smart and useful system is built by a smart and knowledgeable group of people

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