AITE REPORT SUMMARY

CONTACT CENTERS: THE FRAUD ENABLEMENT CHANNEL

New research from the Aite Group proves that organized fraud rings are attacking contact centers more than ever before. Aite interviewed 25 executives from 18 of the 40 largest US financial institutions to collect their feedback on the state of fraud within the contact center. You'll want to hear what they have to say.

CAUSE FOR CONCERN

Contact center fraud has continued to grow substantially at many U.S. Financial Institutions (FIs) in recent years. Armed with a wealth of data from breaches, organized fraud rings are probing FIs and using social engineering tactics to add to the information they already have to take over customer accounts. Fraudsters tend to look for the point of least resistance, and often that is the contact center. Account takeover fraud is so commonly enabled through the contact center that it should be renamed the cross-channel-fraud-enablement channel.

CONTACT CENTER FRAUD LOSSES EXPECTED TO ALMOST DOUBLE

$393M
2015

97%

$775M
2020

CROSS-CHANNEL PROBLEM

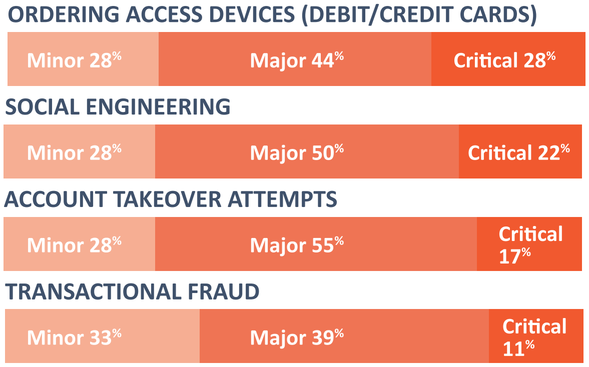
Much of the fraud that is enabled in U.S. financial institutions' contact centers later occurs in another channel (i.e., occurs as cross-channel fraud). Examples include a debit card, credit card, or check order obtained by an impersonator, or online fraud that results from credentials being reset by the contact center agent. At many banks, the root cause of the fraud losses—the contact center—often goes unrecognized.

IVR THREATS

Some organized fraud rings are using automated attacks to keep their cost down while dramatically increasing market coverage. Most FIs have few, if any, protections in their IVRs, so this is an additional consideration in protecting contact centers.

The following costly fraud trends combined with mounting pressure to improve the customer experience, has customer service representatives feeling the strain.

TOP FRAUD TRENDS RANKED BY FINANCIAL INSTITUTION EXECUTIVES



STAKEHOLDER PROTECTION

FASTER AUTHENTICATION SAVES MILLIONS

72% of fraud executives agree that the greatest benefit from implementing contact center fraud solutions can be the operational efficiency achieved by reducing the time spent authenticating the customer. In the largest banks, reducing the average length of a call by 1 second can save the FI US$1 million annually.

CUSTOMERS & COMPLIANCE ARE COVERED

While 61% of executives agree fraud reduction benefits are important, most (56%) view the customer satisfaction achieved by these solutions equally important. Half view compliance with the Federal Financial Institutions Examination Council (FFIEC) as an important factor in the business case.

LINE OF BUSINESS STAKEHOLDERS WILL BENEFIT

Since different lines of business (LOBs) can benefit from these solutions, a project team of representatives from areas such as contact center management, fraud, and compliance should be assembled. Stakeholders can discuss desired features and capabilities then evaluate which solution achieves the best results. A product that meets the needs of various LOBs represents a real win-win for the FI overall.

61% of Account Takeover Losses Can Be Traced Back to the Contact Center

IDENTIFY FRAUDSTERS AND AUTHENTICATE CUSTOMERS

Pindrop allows for the identification of suspicious callers, on the first call, using a multi-factor scoring engine and adaptive machine learning technology. The regional location of the caller and the type of device being used to originate the call (VoIP, cell, land) are pinpointed with over 90% accuracy.

The analysis goes further by producing a unique phoneprint, which is used to track callers and identify all the numbers they use, both legitimate and spoofed, as well as to identify colleagues, fraud gang call centers and other groups. The acoustic fingerprint also allows authentication of legitimate callers, saving time and money and reducing hassle for customers. At the same time, high risk callers can be subject to greatly increased scrutiny, reducing fraud by 80%.

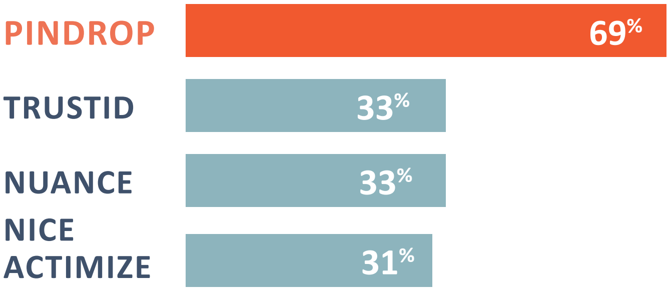
PHONEPRINTING, in near real time, takes the call audio and breaks it down into 147 unique call "features." Pindrop solutions use these features to create a distinctive identifier for each caller. This analysis is highly revealing, determining a caller's true location and device type, and more. The phoneprint is highly resilient and able to detect voice distortion, caller ID spoofing, gateway hijacking, and other obfuscation techniques. In addition, Pindrop solutions identify multiple callers associated with the same phoneprint, which allows enterprises to detect and track fraud rings.

JOIN US FOR A DEMO

to learn more about Pindrop's solutions.

1-866-245-4045
info@pindrop.com

PRODUCT RECOMMENDATIONS BY FINANCIAL INSTITUTION EXECUTIVES



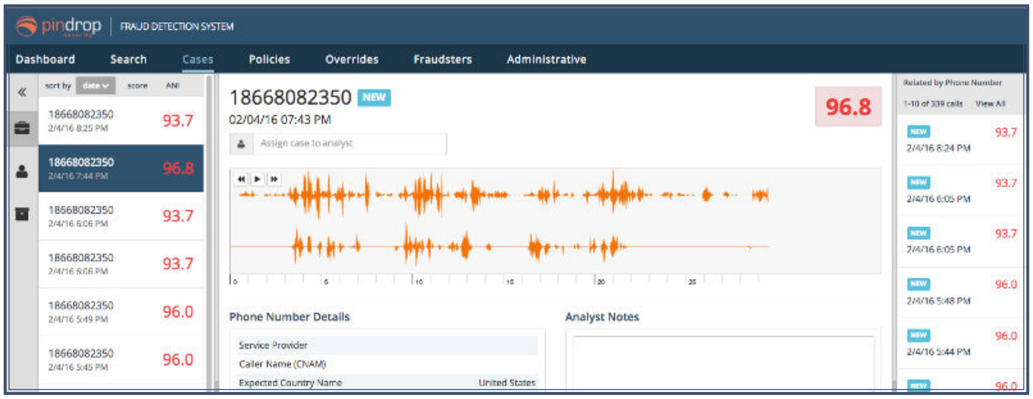
Of the 23 solutions reviewed, *Pindrop has the highest, combined ranking* for industry awareness of the product, overall product rating and likelihood of recommending to colleagues.

CASE MANAGER

Pindrop solutions provide cutting edge tools to fraud analysts and call center technologists. On-demand call playback, advanced machine learning, and analytics enable fraud teams to effectively identify and predict fraudulent activity.

Pindrop's Case Manager features allow users to easily manage call data and investigation activities, offering unparalleled visibility into call center audio events. Pindrop dramatically increases the productivity of fraud analysts.

The screenshot below shows fraudsters calling in repeatedly, from the same number. This case manager view shows how an analyst works the case and if verified as fraud, a voiceprint can be created from the recording and added to a hot file for future fraud detection efforts.



18668082350 2/4/16 8:25 PM	93.7
18668082350 2/4/16 7:44 PM	96.8
18668082350 2/4/16 6:06 PM	93.7
18668082350 2/4/16 6:06 PM	93.7
18668082350 2/4/16 5:49 PM	96.0
18668082350 2/4/16 5:45 PM	96.0

18668082350 NEW

02/04/16 07:43 PM

96.8

Phone Number Details

Service Provider	
Caller Name (CNAM)	
Expected Country Name	United States

Analyst Notes

Related by Phone Number

1-10 of 339 calls

NEW 2/4/16 8:24 PM	93.7
NEW 2/4/16 6:05 PM	93.7
NEW 2/4/16 6:05 PM	93.7
NEW 2/4/16 5:48 PM	96.0
NEW 2/4/16 5:44 PM	96.0
NEW	96.0