

Reducing international fraud loss by nearly 60%

Case Study – Cardholder Fraud Analysis

Coastal Federal Credit Union, based in North Carolina, serves members from over 1,400 businesses and associations. Upon integrating Visa Analytics Platform's Fraud Specialist application package into their daily risk operations, they were able to decrease fraud losses by nearly 60%.

Fraud detection

Coastal Federal Credit Union (Coastal FCU) experienced high fraud rates in certain countries, prompting them to consider blocking all cross-border transactions, with the exception of accounts with travel notices. Coastal FCU was already blocking and reissuing cards after each breach, which carried substantial costs and impacted their members.

Using fraud report benchmarking, Coastal FCU was able to easily isolate their impacted cards and recognize trends connecting fraudulent transactions in high-risk markets. As a result, they could then determine which cards needed to be reissued on a case-by-case basis, instead of reissuing entire portfolios.

Fraud Monitoring

After subscribing to Fraud Specialist application package, Coastal FCU was able to simply and consistently pull its card fraud data by attributes like merchant country, fraud type, sales channel, merchant category code, and more. In one situation, Coastal FCU was able to filter fraud data by merchant country and identify a high degree of fraud occurring in Mexico and Qatar.

Contact your Visa account executive or email dataproduts@visa.com to learn more about Visa Analytics Platform or to request a demo.

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After further investigation using fraud report benchmarking, Coastal FCU identified that counterfeit U.S. cards were being used in a card-present environment in these markets. This contributed to the business case and ultimate decision to implement EMV cards in 2017.

Impact

Since deploying Visa Analytics Platform's fraud report benchmarking, Coastal FCU has reduced their annual international fraud from \$244K to less than \$145K over a period of 4 quarters (Q4 2016 – Q4 2017). They also are able to monitor their fraud trends, implement controls, compare year over year data, and create new processes to help limit their exposure across markets and transaction types.

\$244k  **\$145k**

Source: Coastal Federal Credit Union analysis; Q4 2016 – Q4 2017

Identifying fraud through Visa Analytics Platform helps to:

- Minimize cancellations when fraud activity occurs
- Reduce operational costs as a result of less cards reissued
- Build a better customer experience for members by keeping cards active
- Help keep client cards top-of-wallet in physical and digital environments