




**ENSURES MAXIMUM  
SECURITY**

**CASE STUDY**


**NATIONWIDE  
BUILDING SOCIETY  
PUTS THEORY INTO  
PRACTICE**

Following the implementation of ACI Proactive Risk Manager™, the fraud levels on Nationwide's debit card fraud portfolio dropped by around 80 percent.

Nationwide has been awarded the Banking Technology Magazine Award for Best Use of IT in Retail Banking for its use of Proactive Risk Manager in fraud prevention and detection.



**ACI PROACTIVE RISK  
MANAGER™ PROVIDES  
THE MEANS TO COST-  
EFFECTIVELY REDUCE  
LOSSES AND LIMIT AN  
ORGANIZATION'S RISK  
EXPOSURE.**



## **THE CHALLENGE**

Fraud on U.K.-issued cards has been increasing steadily, and financial institutions are facing an ongoing battle to beat fraudsters while protecting their customers. Nationwide Building Society, like all other financial institutions, experienced the impact of the growing problem of fraud across the industry, especially concerning its debit card portfolio.

As such, Nationwide Building Society initially approached ACI to build a database of debit card transaction history to reduce debit card fraud. After the initial phase of the project was complete, it became clear that Proactive Risk Manager would be able to deliver many more benefits for the building society in terms of detecting and preventing fraud.

Proactive Risk Manager is a comprehensive fraud detection solution to help card issuers, merchants, acquirers and financial institutions combat fraud schemes. From strategic user-defined rules to powerful neural-network technology using custom modeling techniques, Proactive Risk Manager provides the means to cost-effectively reduce losses and limit an organization's risk exposure.

In May 2008, Proactive Risk Manager was implemented with a feed from ACI's BASE24® solution that Nationwide uses for processing debit card payment transactions. Proactive Risk Manager was implemented with the Tieback functionality, allowing selective rules to automatically change card statuses on BASE24, along with card blocking capabilities.

ACI also assisted Nationwide in adding a real-time feed to its fraud analysis system, allowing the team to deploy real-time rules that are able to decline transactions during the online authorization process. This element went live in December 2008, following a twelve-week project delivery.

In addition to providing the Proactive Risk Manager solution, ACI also provided project management, business consulting and technical assistance to Nationwide during the integration and implementation of the solution.

## **THE SOLUTION**

Proactive Risk Manager was chosen to monitor member accounts for potential fraud and apply preventative measures once fraud is identified for a number of reasons. These include the solution's ability to quickly analyze transactions for fraud without impacting response rates, its flexible rules that allow Nationwide to create and deploy on the fly, the sophistication of its rules that allow Nationwide to be accurate in its fraud detection

and its automatic blocking functionality that can free up Nationwide's employee time for other fraud mitigation tasks.

Using Proactive Risk Manager, Nationwide is now able to accurately identify potential cases of fraud via custom defined rules and apply an automatic block to a card when the rule fires, preventing money from leaving the member's account. This solution also allows Nationwide to decline card-not-present, point of sale, ATM or cross-border transactions, stopping fraud immediately before the criminals have raided an account. Nationwide is thus able to apply prevention measures such as a block without impacting genuine customers.

### **ACI PROACTIVE RISK MANAGER™ AT NATIONWIDE**

Proactive Risk Manager is a complete fraud detection solution to manage risk in online and offline card environments. It combines the power of expertly defined rules with automatic blocking and decline messages to the authorization system, BASE24, for a fast, accurate and flexible response to the evolving and growing nature of issuer card fraud. Through its sophisticated rules technology, Proactive Risk Manager compares the characteristics of each Nationwide member transaction with fraud identifying features, it then assesses and flags the transaction for fraud in real time or near-real time. In real time, once a transaction is identified as fraudulent, a message is automatically sent back to BASE24 via Tieback integration to apply preventative blocks.

## **THE RESULTS**

Following the implementation of Proactive Risk Manager, the fraud levels on Nationwide's debit card fraud portfolio dropped by around 80 percent.


As a result, Nationwide's debit card fraud losses were the lowest for over four years and reversed the trend experienced by the industry of 18 percent year-on-year increases at that time.

Nationwide was awarded the Banking Technology Magazine Award for Best Use of IT in Retail Banking for its use of Proactive Risk Manager in fraud prevention and detection. In addition, Nationwide's fight against card fraud was also recognized by Visa as "an incredible story" and put ACI Worldwide at the forefront of card fraud detection.





## REVOLUTIONIZES PAYMENTS

ACI Worldwide, the Universal Payments company, powers electronic payments and banking for more than 5,000 financial institutions, retailers, billers and processors around the world. ACI software processes \$13 trillion in payments and securities transactions for more than 250 of the leading global retailers, and 21 of the world's 25 largest banks. Universal Payments —  — is ACI's strategy to deliver the industry's broadest, most unified end-to-end enterprise payment solutions. Through our comprehensive suite of software products and hosted services, we deliver solutions for payments processing; card and merchant management; online banking; mobile, branch and voice banking; fraud detection; trade finance; and electronic bill presentment and payment. To learn more about ACI, please visit [www.aciworldwide.com](http://www.aciworldwide.com). You can also find us on Twitter @ACI\_Worldwide.

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