

## HIGHLIGHTS

### THE CHALLENGE

- Like banks around the world, the newly merged TEB faced a growing fraud threat.
- The bank was fighting the problem with a series of disparate solutions that were not able to provide a complete picture of fraudulent activity or keep up to date with new types of fraud.

### THE SOLUTION

- TEB chose to implement ACI Proactive Risk Manager™ across all major payment channels.
- The inherent flexibility within ACI Proactive Risk Manager™ has allowed the merged bank to add innovative developments to combat specific problems as they arise.

### THE RESULTS

- TEB has now acquired one of the most advanced fraud-fighting capabilities within Turkey.
- Proactive Risk Manager has helped the bank protect more than €3.7 million worth of transactions, and to detect more than 92% of fraud across all card transactions.

# TEB TAKES ON THE FRAUDSTERS IN TURKEY

In early 2011, the merger between TEB and Fortis Turkey was completed. As a result, TEB now has over 600 branches, 10,000 employees, three million individual customers and 500,000 corporate clients — and is the ninth largest bank in Turkey according to asset ranking.



The merger also gave TEB one of the most successful fraud-fighting organizations in the country thanks to the work done at Fortis Turkey, which had long been punching above its weight when it comes to detecting and preventing bank fraud.

## TAKING ON THE FRAUDSTERS IN TURKEY

Turkish banks, and their customers, are no more immune to fraudsters than their counterparts in any other country. However, as a growth economy and a member of the MIST group of countries (Mexico, Indonesia, South Korea and Turkey) — designated as the “new BRICs” (Brazil, Russia, India and China) by Goldman Sachs — opportunities for fraudsters have increased significantly in Turkey.

**“ WE HAVE DEFINITELY LED THE WAY IN TURKEY WHEN IT COMES TO BEATING FRAUD. IT IS AN AREA OF BANKING THAT DEMANDS CONSTANT INNOVATION AND THAT IS WHAT ACI PROACTIVE RISK MANAGER™ HAS ENABLED US TO DO.”**

**Ozgur Ozer**  
Director  
TEB

To protect itself and its customers, the bank has been using Proactive Risk Manager since 2003. Initially, the bank was using the core platform and the alerts it provided to ensure a minimum loss from fraudulent transactions across multiple payment types. “At that time our technology was not capable of protecting all our transactions,” explains Ozgur Ozer, Director at TEB. “We always wanted to have a single system to handle all transactions rather than have the information spread across several different screens. So our first goal was to have a single system that was fast enough to identify and prevent fraud transactions.”

One of the advantages of using Proactive Risk Manager is the quality of the reports it provides. Ozgur points out, “Reporting is really important. We were previously using a batch report system, which meant we could produce at most five or six reports, which doesn’t provide the depth of analysis necessary for detecting risky transactions and creating new rules to combat them. With Proactive Risk Manager, we can now have more than 40 rules.”

## **INNOVATING TO STAY AHEAD OF THE GAME**

Having installed Proactive Risk Manager to provide it with a rapid, consolidated fraud detection system, the bank then started to look at specific developments it could make to the platform to improve its performance. Since initial implementation, the system’s reach has extended to cover credit and debit cards, POS and ATM, as well as internet and telephone banking. But some innovative, bespoke developments have been added to combat the specific problems that the bank faces every day.

As a result, a new system was developed to block, in real time, cards suspected of being used fraudulently and either to send an SMS to the cardholder or to make an automated call. A legitimate transaction can then be authorized by the customer, while fraud attempts are blocked before a transaction can be completed.

The newly merged TEB was the first bank in Turkey to use an interactive voice response system (IVR) in conjunction with its fraud detection system, and Ozgur says that the bank has had a very positive response from customers as a result. “We’re still the only bank to use IVR — although others are working on it. It means that the calls we make are very fast. With Proactive Risk Manager, we assign rules to analysts who then have to look at all of the rules and the relevant transactions. They don’t have time to call customers. But the automated system means that if a rule is alerted, a call is automatically placed and we catch the customer — or more importantly, the fraudster — in the process of doing the transaction. It really is all about prevention rather than cure.”



## STAYING FLEXIBLE TO BEAT PROFESSIONAL FRAUDSTERS

The bank has also looked at new ways of protecting risky call-center transactions. Following the introduction of chip and PIN in Turkey, eCommerce has presented fraudsters with the greatest opportunities, with online transactions now being the biggest source of fraudulent activity. Increasingly, professional fraudsters take over accounts and then use the personal information of legitimate customers to make fake purchases.

“This is quite new in Turkey, but it has grown dramatically in the past two years or so,” says Ozgur. “Not all banks are monitoring call center transactions, but we felt it was a very important area and we needed to develop tools and processes to counter it. We decided to take risky transactions from call centers and monitor them using Proactive Risk Manager in combination with internet banking transactions. If a customer makes a risky transaction through a call center, such as a money transfer or card application, we can monitor it and prevent it.”

He continues, “There are two key features in the Proactive Risk Manager solution which have made our approach possible. The first is speed – the ability to filter transactions as they come in and flag those that require additional fraud checking based upon the value of transaction or type of merchant, and then very quickly assess the likelihood of fraud – to identify suspicious transactions and block cards or accounts at the earliest possible opportunity.”

“The second feature is that it is open to any new development. Because it is modular we have been able to do a lot of things that are not standard. Its flexibility means we have been able to develop innovative services to protect our customers. Criminals will always find new ways to extort money from bank users, but Proactive Risk Manager allows us to be innovative and develop new solutions out of the box.”

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## THE MEASURE OF SUCCESS

The innovative approach has paid off. Proactive Risk Manager has helped the bank protect more than €3.7 million worth of transactions, and to detect more than 92 percent of fraud across all card transactions.

Ozgur says: “We have definitely led the way in Turkey when it comes to beating fraud. It is an area of banking that demands constant innovation and that is what Proactive Risk Manager has enabled us to do. It is now being rolled out throughout TEB and we are looking forward to continuing our success in this next chapter of our bank’s story.”

