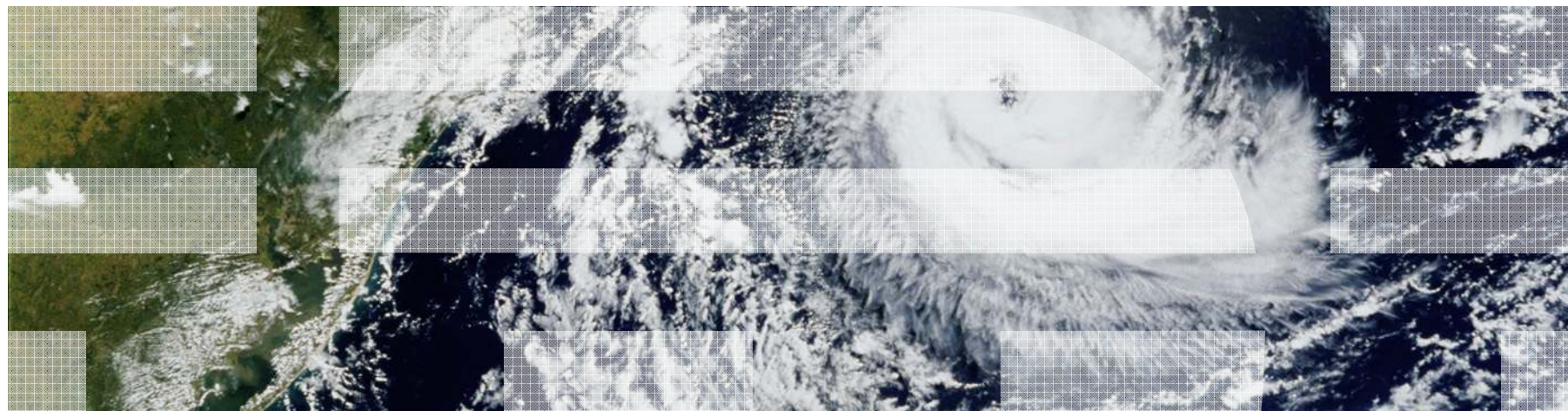


# Retos y Tendencias en la gestión del fraude

Global experience and its relevance to Spain



Richard J.D. Collard  
WW SME – Fraud and AML

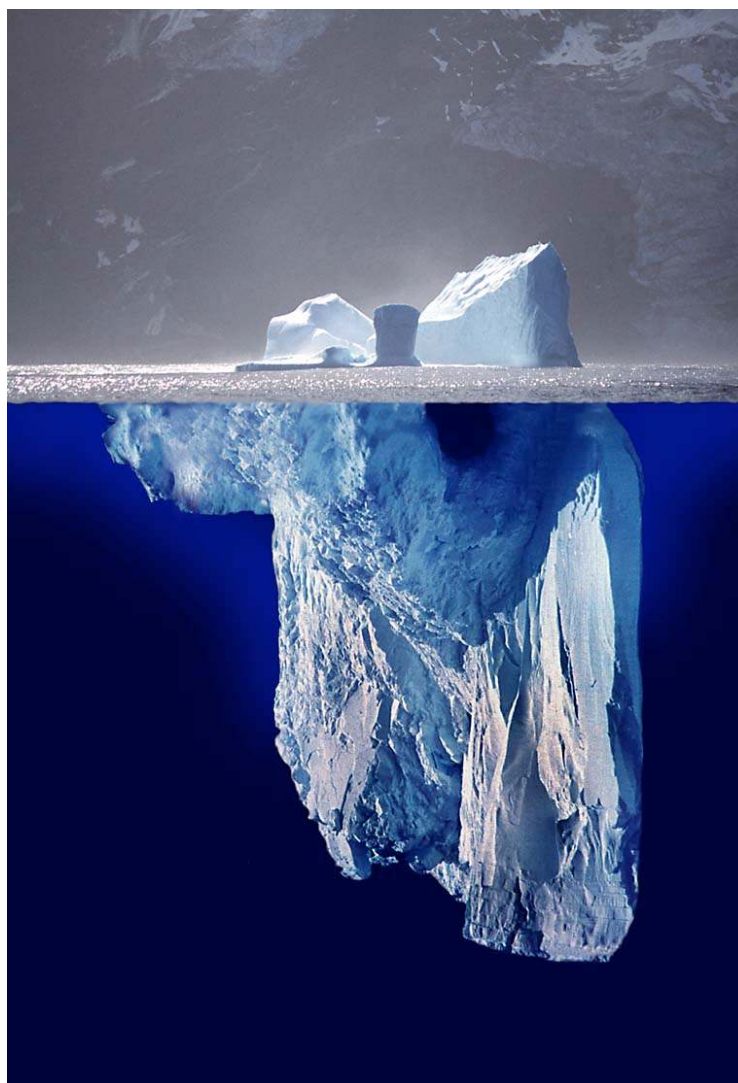
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## Agenda

- Financial Crime & Fraud – Challenges across Industries
- The Value of Investigation
- Complementary solutions to cover the fraud lifecycle
- Next steps

## Fraud and Financial Crimes - Hidden depths



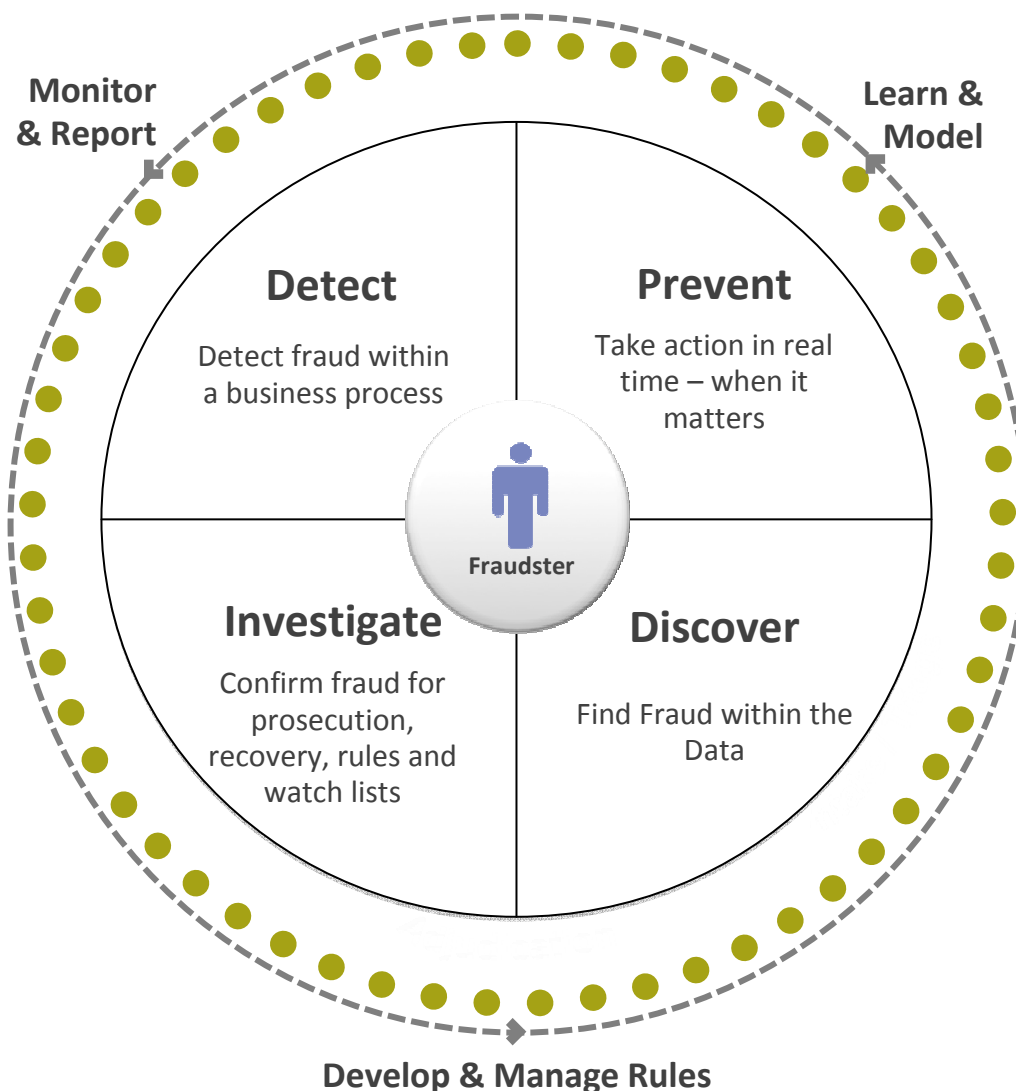
# Fraud - an IBM Point of View

## Detect

*Detect in real time if a transaction, request, application, document, etc. is potentially fraudulent by applying models and rules in real time to determine the propensity for fraud*

## Investigate

*Gather data about fraudsters and/or schemes DETECTED or DISCOVERED. Build cases for prosecution, recoveries, or denial of payments. Build watch lists and rules to apply to DETECTION and/or DISCOVERY*



## Prevent

*Apply the results of Detection to stop processing known fraud, or encourage fraudsters to abandon their objective by showing more is known than they think should be known about their activities and intentions*

## Discover

*Discover fraud that may exist in a business or public organization by retrospectively reviewing past data and identifying individuals or organizations that may be conducting fraudulent activities*

## Analyst Impressions



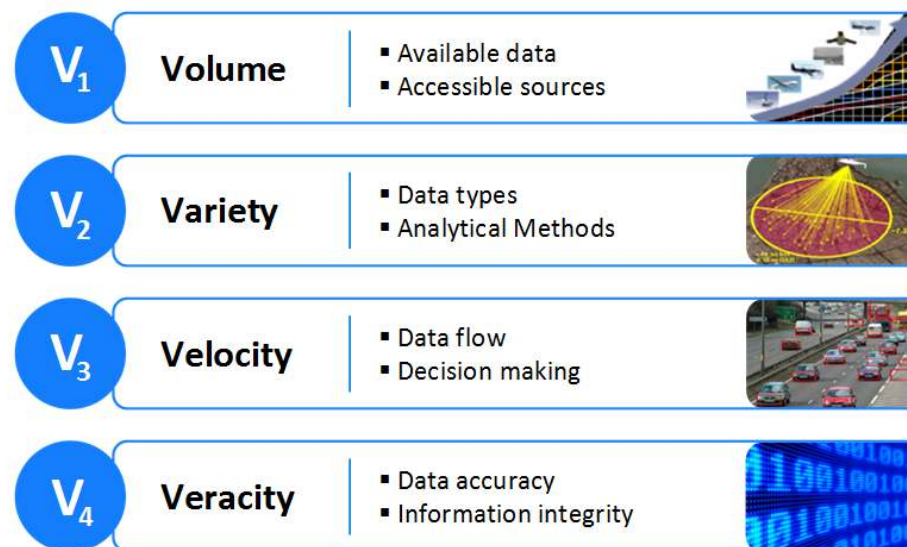
▪“IBM participates in this market as an enterprise-scale provider of financial crimes management solutions. Under the banner of the IBM Financial Crimes Framework, IBM provides a base of expertise and solutions to integrate AML, KYC, cross-product cross-channel fraud, case management, sanction screening, governance, and enterprise risk requirements, including hardware, software, tested reference models, and services. These are supported by a proprietary project management methodology and system implementation accelerators. **IBM is a Leader in this IDC MarketScape.**”

"IBM's broad view into industry best practices relative to the use of BI and analytics in fraud, coupled with its wide and deep subject matter expertise and market **leadership position in data and information management, make it an indispensable insurance-industry ally in the battle against insurance fraud.**"

"The recent introduction of IBM intelligent Investigation Manager **will raise the bar for all vendors in this space by seamlessly aggregating individually powerful fraud tools into a more effective single platform** as carriers seek to eliminate less effective and less user-friendly individual point solutions."

## Data hides “intelligence”

- Data growth - 90% of worlds data created in the last two years
- Customers expect to interact across multiple channels
  - (online, mobile, call center, cross-brand etc)
- Criminals take advantage of this complexity
- Investigation is only possible by joining all relevant information
  - and must be completed quickly to minimize the costs and impact



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## The Value of Unstructured Data Conversion

- Business decisions are not utilising all the available information
  - Business Intelligence and Analysis initiatives typically limited to data and not text; no visibility into 80% of the information available for effective decisions
- Typical requirements
  - *Extraction*: The need to automate the processing of unstructured information and/or the need to expand the scope of information available to applications
  - *Understanding*: The need to explore what's being said in unstructured content sources



## Counter Fraud activities are closely related to both customer experience and digital transformation efforts



Which parties are valued customers versus skilled fraudsters?



Valid claim or a convenient exit strategy?



Which bills were for legitimate services rendered?



Which accounts should never have been opened in the first place?

**The ultimate differentiator today...**

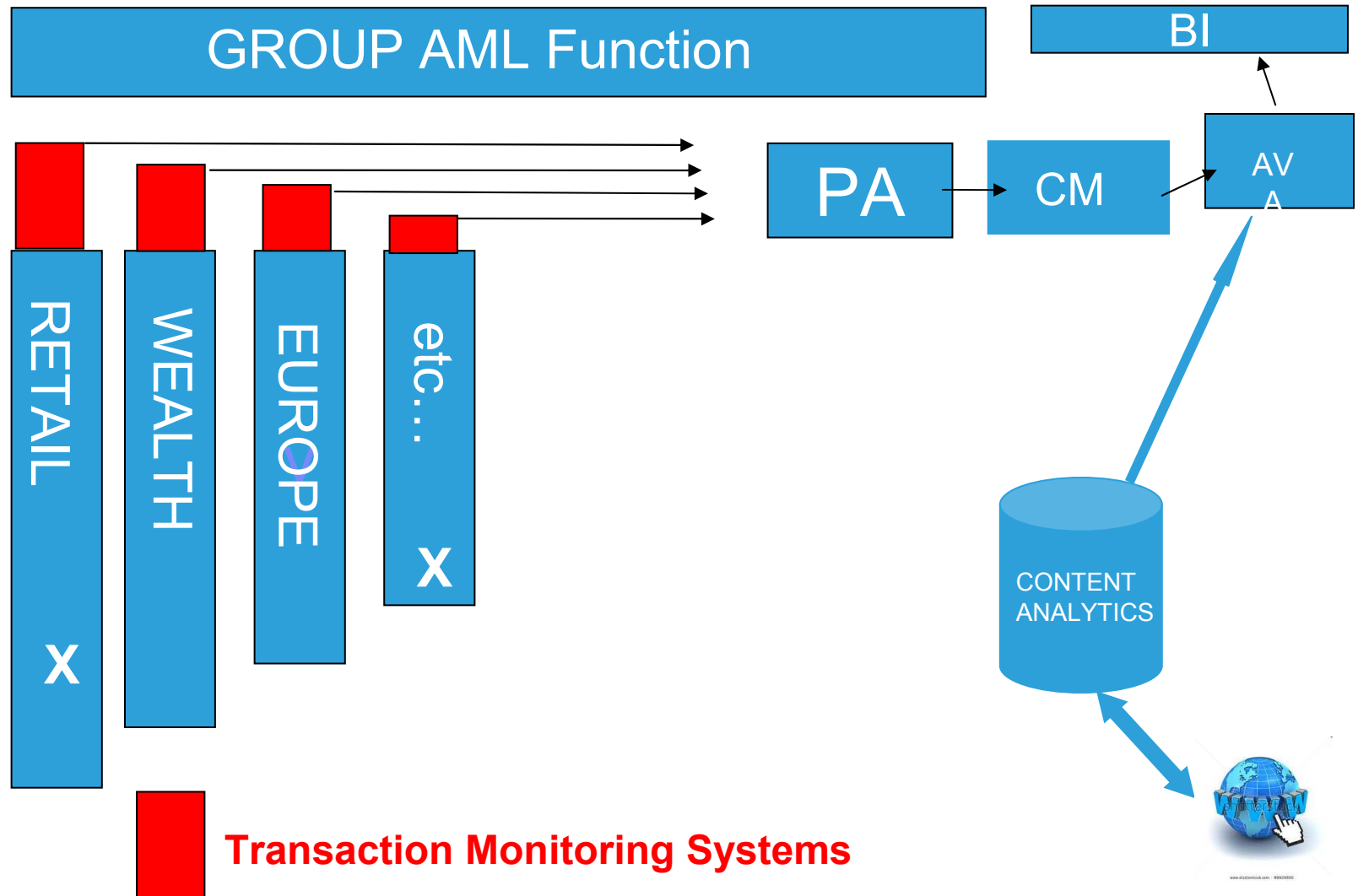
...having the insight to make more informed decisions with confidence, to anticipate and shape business outcomes

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## Fraud - Driven by Economic Hardship and Criminal Intent

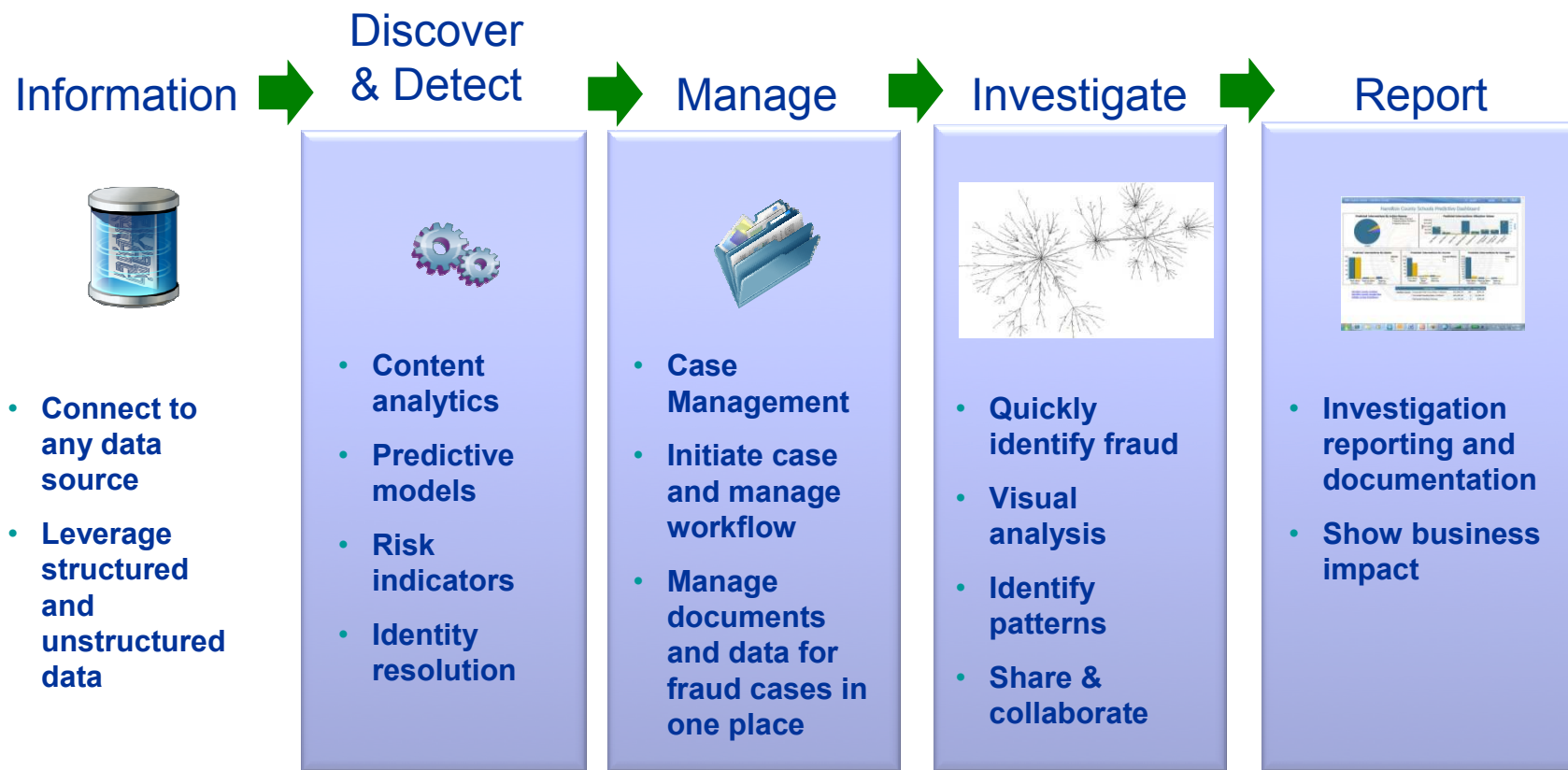
- Banking
  - Credit cards, Debit cards, ID Theft, Account Take-over, 1<sup>st</sup> Party, Collusion, Internal, Mortgage, Loans
- Insurance
  - Underwriting, Claims
- Healthcare
  - IDC-10, Collusive Practitioners / Pharmacies
- Government
  - Benefits, Tax avoidance, Personal & Corporate
- Retail
  - False invoices, Collusion,
- Manufacturing
  - Counterfeit
- Law Enforcement

# AML Entity Profiling & Analysis Project



**Transaction Monitoring Systems**

# Fraud / Fin Crime Management Lifecycle - Capabilities



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