LexisNexis
RISK SOLUTIONS

Leading Airline Company Reduces Fraud Losses by 90%

At A Glance

Client
Airline company

Location
Latin America

Solution
LexisNexis® Emailage®

Usage
API integration as frontline security scoring 100% of transactions

ROI
Over $15 million in fraud prevented over 12 months

Requirements

Passive authentication utilizing a very small amount of data due to privacy concerns and the need to limit breach risk to end client

Fast implementation from both a technical and legal perspective

Ability to evolve based on fraudsters' changes in strategies and tactics

Overview

The internet has become a critical channel where airlines can streamline booking, reinforce brands and create a positive customer experience. Unfortunately, while consumers have been quick to take advantage of the convenience, so have fraudsters.

In an industry where loyalty is paramount and competition is fierce, fraud managers require tools which allow them to reduce fraud levels while delivering optimal customer experience. Stopping a fraudster prevents loss. But every time a legitimate customer is blocked, long term relationship hangs in the balance.

This case study illustrates why LexisNexis® Emailage® was selected by a leading airline company as the front of the line fraud prevention solution. Some key criteria desired included:

- The ability to get results using non-sensitive data
- A noninvasive approach to data exchange
- Quick response times, easy integration
- No friction added to checkout process
- Extremely low cost, with significant ROI potential

In a span of three months, the airline company reduced fraud losses by 90%.

Need and Background

The airline was experiencing extremely high fraud losses on both gross amount and rates relative to its peers. Fraud losses were directly impacting revenue and the sustainability of the organization.

The Solution

The airline implemented Emailage® via API and began scoring 100% of transactions upfront. As part of this integration, both the email address and IP address for every transaction were sent for scoring.

The Outcome

The airline company was able to reduce fraud losses by 90% of all fraud losses in a span of three months. The total cost of fraud saved for the period was over $6 million. The client achieved this by leveraging Emailage's high risk band, (transactions with a risk score of 899+) to manually review risky transactions and catch fraudsters.

After a period of 3 months, the client made the decision to also utilize low risk band scored transactions (a risk score below 100) to automatically approve transactions. This approach led to an immediate 50% reduction of manual reviews.

In the following months, this combined method was able to capture 80% of the company's fraud. The overall hit rate exceeded 35% when additional API fields were used to evaluate the risk associated with the customers' email and IP addresses. By implementing Emailage®, the airline company is now considered the benchmark for fraud prevention among its peers.

Fraud Hit Rate Improvements

Legend: Date Validated, Hit Rate, Neutral Score
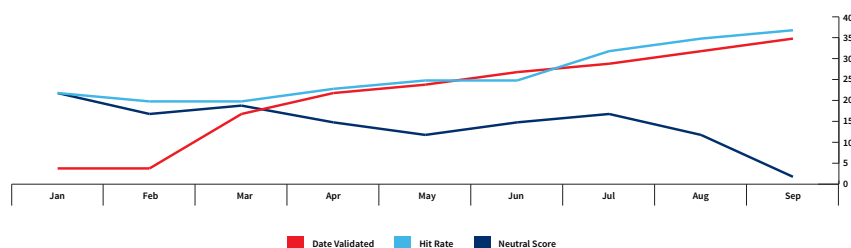
- Hit Rate Improvement (Feb-Jul) - 94%
- Moderate Rate Reduction (Feb-Sep) - 92%

ROI	Key Takeaways
⬆ **Over $6 million in fraud costs prevented (in a period of 3 months)** 📈 **Over 20x ROI for the period (immediate ROI since the first month)** 🌐 **35% hit rate on risk population (8x average hit rate using internal controls)** 🔍 **80%+ of all fraud cases were detected**	• **30% cost reduction achieved by implementing Emailage® in front of other external fraud checks** • **Only 15% of transactions received a risk score above very high risk and were sent to manual review**

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For more information, visit
risk.lexisnexis.com/global/en/products/lexisnexis-emailage