

CASE STUDY



LexisNexis® ThreatMetrix® Helps Mitsubishi UFJ NICOS Significantly Reduce Fraud Losses



AT A GLANCE

CUSTOMER



Mitsubishi UFJ NICOS Co., Ltd.

REQUIREMENTS

- Reduce fraud losses for credit card issuers
- Provide an easily customizable, powerful rules engine

SOLUTION

With LexisNexis® ThreatMetrix®, Mitsubishi UFJ NICOS is able to leverage risk-based authentication to enhance risk decisioning as part of its reduction of damage due to unauthorized usage by third parties in relation to credit card payments. By using the rules engine, which is based on diverse types of information, the organization can reject suspicious transactions and approve legitimate usage in real time and with a high degree of precision.

BOTTOM LINE

- Increased the fraud detection rate by up to 20 points
- Reduced losses by decreasing damage due to fraud
- Reduced factors limiting legitimate usage by customers by improving the fraud judgment precision

“ThreatMetrix has helped us to improve our fraudulent-transaction detection rate and to reduce factors limiting legitimate transactions by the customers themselves. We’re able to protect customer usage while simultaneously achieving our goal of reducing fraud-related loss.” — Mitsubishi UFJ NICOS

Background resulting in issue recognition

Mitsubishi UFJ NICOS operates both credit card issuing and business acquisitions. The organization also handles an extremely high number of transactions with both individuals and corporations and has developed an exceptionally large number of alliances with various companies. Mitsubishi UFJ NICOS conducts business by providing a wide range of financial services to individual and corporate customers.

To combat the risk of unauthorized usage of credit cards by third parties, the organization implemented several fraud-fighting measures, including teaming up with third-party suppliers to understand and keep track of the more common patterns of fraudulent credit card transactions. Through these partnerships, Mitsubishi UFJ NICOS was able to quickly react upon detecting signs of fraud. The organization also established rules to help prevent unauthorized usage depending on the situation of affiliated stores and card holders.

After reviewing different attributes of the particular transactions—such as individual customer behavior and the nature of business in affiliated stores—a risk score for each individual transaction was created, and then transactions were approved or rejected according to the predetermined decision logic for each score.

However, particularly sophisticated techniques for committing fraud—especially in the case of non-face-to-face and e-commerce transactions—were still escaping the net cast by existing prevention rules and risk scoring. However, reducing such fraud by extending existing methods also necessitated the willingness to further limit use by legitimate customers.

To resolve this problem, the organization needed to build a more multi-layered defensive system by using more advanced methods specially designed for non-face-to-face and e-commerce transactions.



Collecting and analyzing intelligence effective for preventing fraud to improve performance

Traditional credit card data is limited to data transferred between issuers and acquirers. Introducing the ThreatMetrix® solution gave Mitsubishi UFJ NICOS the ability to see the very early warning signs of a possible scam by collecting and analyzing additional information related to the types of access and behavior utilized to achieve unauthorized usage at non-face-to-face and e-commerce affiliates.

Mitsubishi UFJ NICOS was able to improve the fraud detection rate by up to 20%.

The LexisNexis® Digital Identity Network collects and processes global shared intelligence from millions of daily customer interactions including logins, payments and new account applications. Using this information, the ThreatMetrix solution creates a digital identity for each user by analyzing the myriad connections between devices, locations and anonymized personal information. Doing so leads to piecing together the digital footprint of online users across businesses, industries and locations.

As a result, behavior that deviated from ordinary member usage was quickly flagged to Mitsubishi UFJ NICOS in near real time, whether this was an unusual login or a transaction coming from a new location.

Fraud prevention tools used by Mitsubishi UFJ NICOS to reduce factors limiting usage by customers

There's a delicate balance between protecting members from fraud damage due to third parties impersonating them and eliminating factors that limit legitimate usage by customers. The Mitsubishi UFJ NICOS solution was underpinned by the following core capabilities from LexisNexis ThreatMetrix:



ThreatMetrix SmartID®: Provides core functions utilized to help prevent fraud by collecting and analyzing information exploited for unauthorized usage.



Champion Challenger: Helps Mitsubishi UFJ NICOS determine the effectiveness of set policies while simultaneously fine tuning them.



LexisNexis® Risk Solutions Professional Services: The LexisNexis Risk Solutions Professional Services team provides hands-on fraud expertise and know-how, simultaneously tailoring the LexisNexis ThreatMetrix solution to meet the unique and evolving requirements of Mitsubishi UFJ NICOS. The team also provides powerful operational support, helping to continually optimize rules and policies to ensure that the full spectrum of fraud attacks is quickly and effectively detected, while minimizing false positives, etc.

Cybercrime constantly changes, becoming more sophisticated with each passing day, and companies hoping to thwart fraudsters must continue to evolve faster than these criminals. Through LexisNexis® ThreatMetrix®, Mitsubishi UFJ NICOS has both gained the ability to more reliably detect fraud and deepened its understanding of legitimate customer usage, thereby succeeding in reducing factors limiting such usage.

For more information, visit risk.lexisnexis.com/CNP-FIM-EN



About LexisNexis Risk Solutions

LexisNexis® Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit www.risk.lexisnexis.com and www.relx.com.

About ThreatMetrix

ThreatMetrix®, a LexisNexis® Risk Solutions Company, empowers the global economy to grow profitably and securely without compromise. With deep insight into 1.4 billion tokenized digital identities, LexID® Digital delivers the intelligence behind 110 million daily authentication and trust decisions, to differentiate legitimate customers from fraudsters in near real time.

This document is for educational purposes only and does not guarantee the functionality or features of the LexisNexis® Risk Solutions products identified. LexisNexis Risk Solutions does not warrant this document is complete or error-free.

LexisNexis, LexID and the Knowledge Burst logo are registered trademarks of RELX Inc. ThreatMetrix, Digital Identity Network and ThreatMetrix SmartID are registered trademarks of ThreatMetrix, Inc. © 2021 LexisNexis Risk Solutions. NXR14837-00-0621-EN-US