

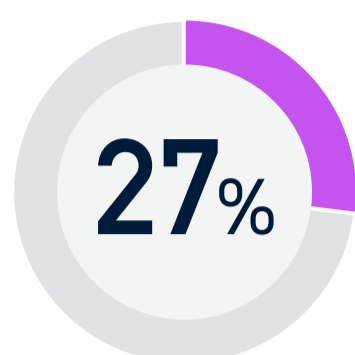
Elements of a Best-in-Class Fraud Prevention Program

To maintain a forward-looking and effective fraud prevention and mitigation program, companies should take these relevant actions.

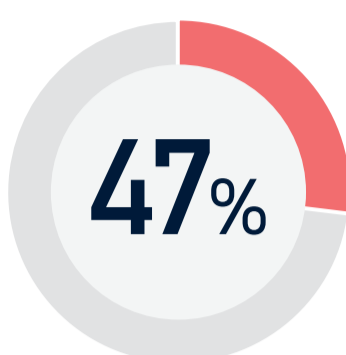


CONDUCT PERIODIC RISK ASSESSMENTS

An up-to-date risk profile and big-picture view of the organization's capabilities form the foundation of any effective fraud prevention strategy.



Financial institutions (FIs) say a lack of fraud risk assessment framework is a major challenge their company faces when assessing/prioritizing key fraud risks



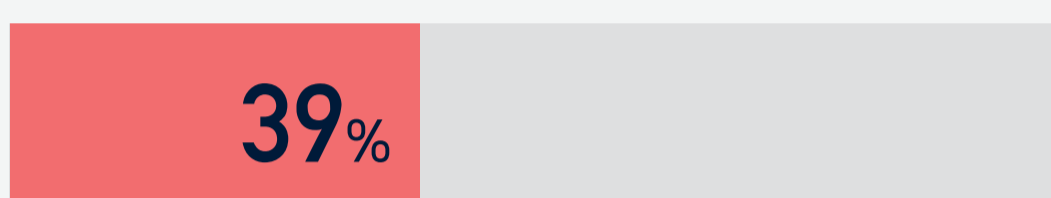
Financial institutions (FIs) agree completely that their fraud control framework is integrated across functions

Without a sense of the weaknesses or strengths in their systems, it's impossible for FIs to be fully confident in their fraud prevention program.

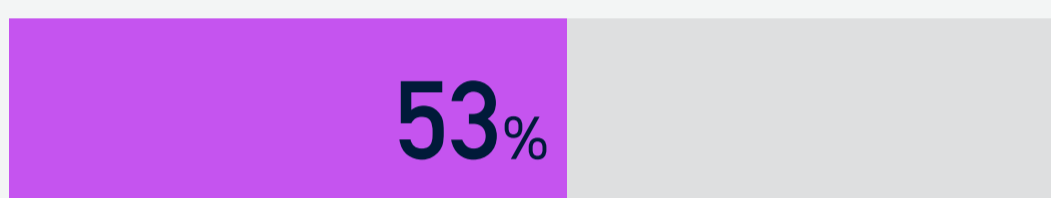
LEVERAGE TECHNOLOGY

The right technology and data can reduce fraud risk exposure.

FIs cite ineffective technology as a challenge when it comes to assessing/prioritizing fraud risks



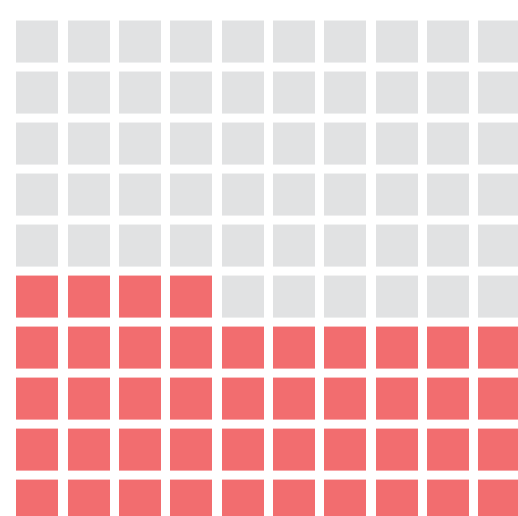
FIs report using big data analysis to combat fraud



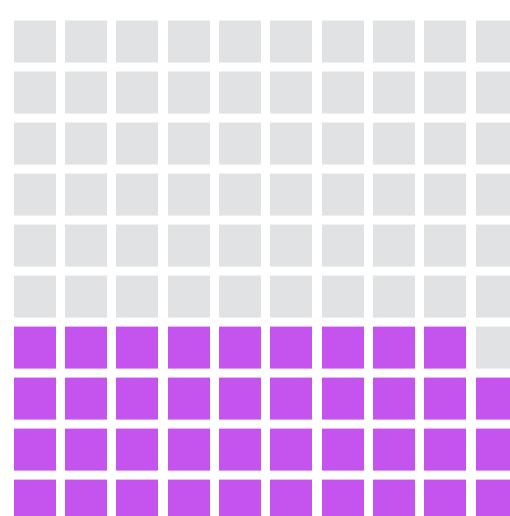
Tip: Make sure the use of tech tools such as artificial intelligence and machine learning match an organization's needs and risk profile.

RAISE AWARENESS THROUGH EDUCATION

Communication and training keeps customers and employees abreast of what they need to know to fight fraud.



FIs agree completely that results of fraud risk assessments are systematically communicated to relevant business lines to inform decision-making



FIs agree completely that they have a formal fraud prevention education program for rolled out for customers



Tip: Take time to educate employees and customers on the latest fraud trends and findings so they have the full picture on their role in prevention.

BE PROACTIVE TO GAIN BETTER BUSINESS OUTCOMES

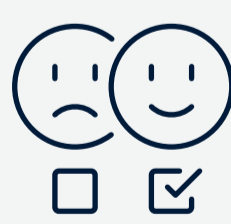
Organizations rating themselves proactive report better fraud-related outcomes than companies with a more reactive posture, including:



Increased customer retention



Improved profitability



Higher customer satisfaction



More fraudulent transactions prevented

For more information about fraud prevention strategies and resources, visit www.guidehouse.com/fraud

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Methodology

The online survey was conducted by Arizent Research/American Banker in February 2021 among 102 respondents that work at financial institutions or technology providers. Qualified respondents are employed in manager level-plus roles and have at least a moderate level of responsibility or oversight into fraud prevention/mitigation at their organization.