

Preventing Digital Banking Frauds

Insights and Solutions from a Leading Credit Bureau.



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The role of credit bureaus



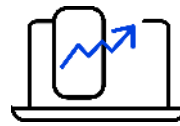
Data Collection

credit-related information from various sources such as banks, other financial institutions and utilities.



Credit Reporting

individual and business credit histories into credit reports, details about credit accounts, payment history, credit limits, and outstanding debts.



Credit Scoring

use collected data to generate credit scores, numerical representations of creditworthiness used to assess risk.



Consumer Protection

via access to their credit reports and scores, providing mechanisms for disputing inaccuracies and correcting errors.



Fraud Prevention

against identity theft and fraud by maintaining up-to-date records and alerting on suspicious activities or discrepancies in credit information.

Credit bureaus are uniquely positioned as effective partners for supplying sectoral solutions to prevent financial crime.

BIK – the largest credit bureau in CEE.



Established in 1997, the only credit reference agency in Poland, member of **ACCIS**. Shareholders: **9 biggest banks in Poland and Polish Banking Association**. Sole shareholder of Digital Fingerprints (behavioural verification fintech), major shareholder of BIG InfoMonitor (economic information registry)



The database of **complete credit history** held by **25.4 million** Poles and 1.5 M entrepreneurs



Exchanging credit information between banks and financial institutions (**positive** and negative credit record) update 2 times per week, credit applications on-line

We use authentication every day since “The old days”

We signed our documents (even when we couldn't write)



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Why **signature** matters?

Cheques

In the old days, when the telephone was still used for calling, cheques existed. Cheques were signed. And every signature has individual:

- Line of writing
- Spacing between letters and words
- Size and consistency of letters
- Fluency of writing
- Combining letters
- Completeness of letters
- Printed and written letters
- Pressure
- Slant of writing
- Writer's habits
- Embellishments
- Placement of diacritical marks



Safe PINs

But writing can be tiresome..

Then came cell phones and the next level in the evolution of signatures was PINs. Best security practices required PINs to be **15** characters long...

Short PINs

But using a long PINs can be tiresome..

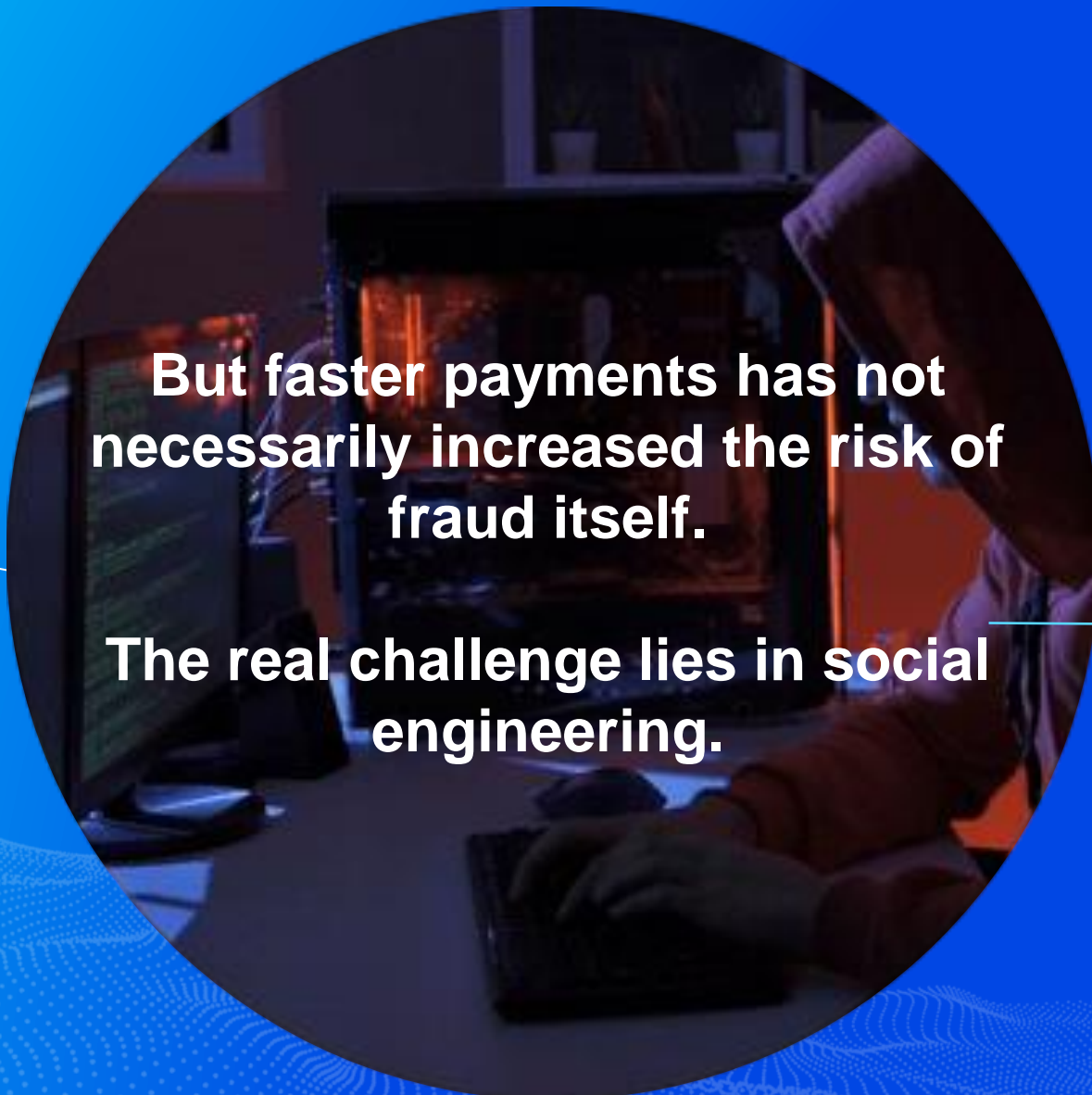
Then we reached a compromise between security and user comfort and allowed PINs to be **4** characters long...



What happened **next?**

- the race between security officers and thieves.
- **the pandemic**





But faster payments has not necessarily increased the risk of fraud itself.

The real challenge lies in social engineering.

The fraudsters have stopped attacking banks, and they have started attacking customers, through social engineering actions:

- 01. Phishing
- 02. Vishing
- 03. False investments
- 04. Friendly Frauds
- 05. Pharming
- 06. Clickjacking
- 07. Gaslighting
(although that sounds made up)

Can behavioural verification fix fraud?

Whose problem is fraud...

From the **regulator's** perspective, **if you provide banking services, you have a duty of care to the people who use your services.**

If you're in a Faster Payments environment, you need to have strategies and tools to look at the threats and how to deal with fraudsters.



Can behavioural verification fix fraud?

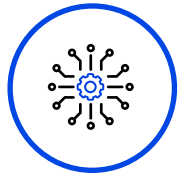
What can we do?

Use Behavioural Verification!

Or rather call it behavioural analytics of **behavioural intelligence**, „Because it's how you interact with your device, whether it be a laptop or a mobile, it's behaviour that's unique to you, but it's not like a fingerprint or a face. It's unique as to how you are engaging with that interface.”



Can behavioural verification fix fraud? How does it work?



We collect user behaviour unnoticed

Behavioural Verification works in browser and mobile (IOS and Android) without impacting the user.



We learn his behaviour

Each user have more than one personal model that constantly updates according to their habits.



We react in real time

If the behaviour is inconsistent with the model, we notify bank via a PUSH message.



Can behavioural verification fix fraud in ethical way?

We do not need to know the content typed on the keyboard, because only the way of typing is analysed. Our system replaces the key code in the user's browser with information about its type:

- whether a letter,
- number,
- other type of key was pressed.

Thanks to this, even if someone eavesdrops on the verification movement, it is not possible to deduce from this information what was typed. **This solution maximizes the security of information of people protected** by Behavioural Verification.



Can behavioural verification fix fraud?

Summary

01.

CONTEXT-FREE
Respect for
privacy

02.

**CUSTOMER
EXPERIENCE**
is frictionless

03.

**CONSTANT
MONITORING**

04.

**HIGH
EFFECTIVENESS**
Including KPI's

05.

**SEAMLESS
IMPLEMENTATION**
Fast
implementation

06.







**LIGHTWEIGHT
PRODUCT**

07.

COMPLEMENTARY
To existing fraud
architecture

Can behavioural verification fix fraud?

Key features

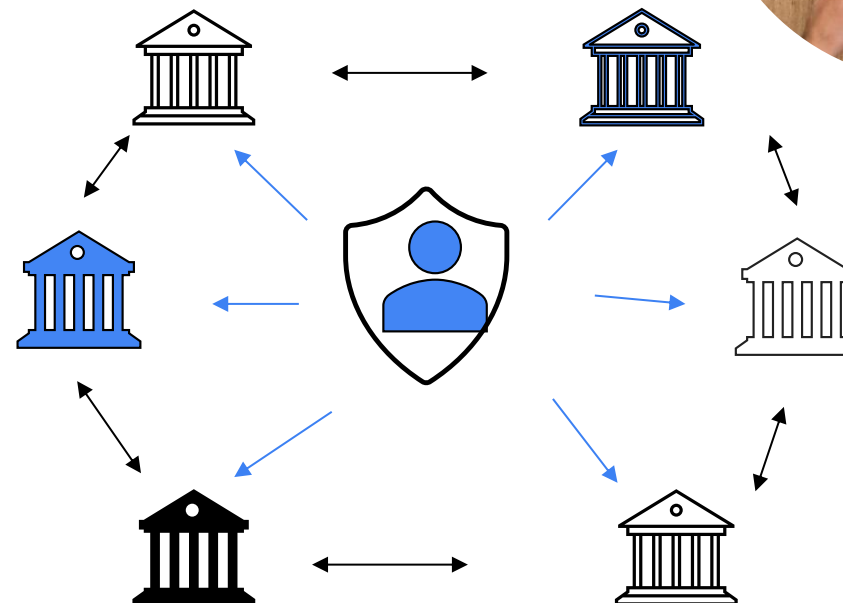
- 
Auto retraining | Models are trained during the whole lifecycle of model, being one step ahead.
- 
Built individually | Each protected user has a dedicated set of behavioural models.
- 
GDPR compliant | All collected data is anonymised.
- 
Better UX | All data is collected in background – no user interaction needed.
- 
100% cloud native | Fast and easy scalability for every operation.
- 
Quick time to market | Swift implementing: Only a couple of weeks to implement the solution.

Can behavioural verification fix fraud?

Cooperation is a key.

The companies are more inclined to think about what they have to do **as a business**, not as an industry.

As BIK, we think about the **industry first**. That is why we have proven **sectoral solutions** based on cooperation and data sharing.



References



Bank Polski



Other projects in progress...

Thank you

Bartłomiej Staszewski

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