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Clari5 EFM solution gives Real-time Fraud Management ability to Mashreq Bank

Mashreq Bank combats fraud patterns and protects its customers' financial interests using a cross-channel fraud management system

IBS Intelligence

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The adoption of digital banking has skyrocketed since early 2020, and much of this shift is expected to be permanent. Digital banking gives financial institutions the opportunity to engage with consumers more frequently and via lower-cost channels. Unfortunately, financial crime against banks and other financial services institutions has also moved to the digital world, and they need to tackle a large and growing fraud problem to protect their bottom line and maintain consumer trust.

Mashreq Bank is a leading financial institution with an expanding footprint across the globe and has been UAE's best performing bank for five consecutive decades. Right from its inception in 1967, Mashreq Bank has pioneered several technology-driven market-first concepts and launched unique products and services.

Given its significant digital operations, Mashreq wanted to implement a cross channel enterprise fraud management solution to monitor and prevent fraudulent transactions across all its systems in real-time. After an extensive solution evaluation, Mashreq opted for CustomerXPs' Clari5 EFM solution, which was found to be highly customisable to Mashreq's needs.

Project and Solution Overview

To gain a real-time, holistic view, Mashreq needed an enterprise-wide, cross-channel fraud management solution to monitor and prevent suspicious transactions across all channels.

The system had to interact with all core systems, channels, and applications, with the capability to integrate with any new system, channel, or application which the bank may develop in future. Clari5 EFM's platform architecture inherently supported scalability and flexibility, which ensured a future-proof solution for Mashreq Bank.

An AI/ML solution was put in place to reduce efforts misdirected on false alerts raised. With every transaction, the model re-learned and re-adjusted, feeding information back into the system.

Several unique features made for a perfect fit for Mashreq Bank:

- "Fraud freeze" was built into the system to enable the bank's analyst to place a freeze at the customer level to ensure that risk

containment measures were taken instantly without any delays, while reducing dependency on other units.

- A graphical visual link analysis tool was incorporated for customer demographics and/or transaction details to discover hidden relationships of multiple entities and detect various fraud patterns.
- Case Management System (CMS), a new generation case management application, provided superior efficiency wherein all forms of fraud investigation were visible in a single place, providing a 360 degree/holistic view.
- The application provided a Scenario Authoring Tool - a user-friendly UI to easily define new scenarios, test and promote the same.

Implementation Process

CustomerXPs implemented the Clari5 Enterprise-wide Fraud Management (EFM) System covering both financial and non-financial transactions across various business groups such as retail banking, corporate banking, treasury & capital markets, international banking and others.

At the input level, the system was connected to every internal core system of Mashreq in real-time. At the output level, bank employees were able to use this intelligence to influence every transaction and touchpoint in real-time. At the time of implementation, necessary infrastructure sizing was put in place to ensure adequate processing capabilities to withstand volume growth across jurisdictions over time.

Instead of using the traditional approach of a proof of concept followed by a pilot and full project implementation, Mashreq chose to run a "pilot" by creating fraud scenarios integrating all systems, channels, applications and covering prevalent fraud types.

While the pilot project was successfully completed and started yielding results, additional scenarios integrating additional systems, channels, and applications covering a wide spectrum of fraud themes, were implemented over the subsequent 11 months.

Additionally, the solution was implemented using in-house project management instead of an external Project Management Office.



The Business & Information Technology teams conceptualised the fraud scenarios while covering the bank's digital foray in line with its technology landscape.

Risk assessment and review for the project was carried out using the bank's established project management methodology and governance policies to ensure that the risk mitigation process implemented was effective.

Challenges Faced

The foremost challenge during the project was getting the right information from a multitude of systems into Clari5 EFM system in real-time or near real-time.

Furthermore, the Clari5 EFM solution had to interface with several platforms running on multiple technologies. This was a temporary integration hurdle.

Lastly, due to the pandemic situation, the project delivery and testing had to be reconfigured to an agile + remote + distributed model.

Close collaboration between CustomerXPs and Mashreq Bank ensured that all these challenges were successfully overcome without impacting agreed timelines.

Benefits Achieved

Clari5 EFM aligned well with Mashreq Bank's digital strategy and integrated throughout the customer's digital journey. This was effective in mitigating fraud risks associated with a customer's digital footprint as well as other prevalent fraud themes.

The platform enabled Mashreq to capitalise on data readily present in the system, to not only predict fraud but also to support early warning signals, predicting customer behaviour, and other similar value-added activities.

Some key success indicators and post-implementation numbers derived from the bank's performance during the 9-month period:

- System configured to process 100 transactions per second (TPS) versus the current volume of 30 TPS.
- Total Transactions Processed: 225 million
- Increase in Mule Fraud Cases Detection: 145%
- Increase in Mule Mobile Devices Identification (New Feature): 100%

Conclusion

Mashreq Bank now has a robust enterprise-wide real-time, cross-channel anti-fraud system in place, to detect and prevent fraud across customer accounts, products, channels, staff, and geographies.

Key Facts



Supplier: Clari5 (CustomerXPs)

Headquarters: Bengaluru

Founded: 2006

Client: Mashreq Bank

Solution: Clari5 EFM

Timeline: Nov 2019 – Oct 2020