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Living systems for living threats

Balaji Suryanarayana of Clari5, offers a COO's perspective on the future of fraud defence

Robin Amlôt

Managing Editor, IBS Intelligence

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Financial crime is becoming increasingly sophisticated and dynamic. Our discussion with Balaji Suryanarayana began with his thoughts on the operational response needed from banks to stay ahead of these threats. "Fraud has evolved into a real-time, shape-shifting threat. The operational response must be equally dynamic. At Clari5, our approach embeds intelligence at the core of banking infrastructure. This means systems that breathe, think, and grow – ingesting data in real time, analysing patterns across channels, and updating defences based on the latest signals. Banks appreciate that we don't disrupt their existing systems, we augment them, enabling faster adoption without ripping out legacy infrastructure."

How do you drive successful implementation?

"Transformation doesn't succeed by force, it succeeds through alignment. Engaging fraud and operations teams as co-creators, not just users, is key. Our deployments begin with what we call embryonic intelligence – a system that starts simple but begins learning from day one. Investigators become trainers, their expertise translated into machine learning inputs. This builds trust, drives adoption, and produces early wins that snowball into enterprise-wide change. Banks tell us it feels less like a transplant and more like natural evolution."

How can banks defend against threats from beyond their own ecosystem?

"Perimeter-based security is no longer sufficient. Fraud often originates outside the bank via FinTech apps, wallets, or synthetic IDs created through third-party services. Our strategy shifts defence from the infrastructure layer to the identity and behaviour layer. Every customer develops a behavioural fingerprint – portable, unique, and constantly evolving. Whether a transaction is initiated through the bank's own app or a partner channel, we can recognise whether it truly aligns with the customer's known behaviour."

How are you reimagining fraud investigations in the AI era?

"Our AI-native platform allows investigators to converse with the system rather than navigate siloed databases. Instead of SQL queries, an investigator can ask, 'Why did this transaction trigger an alert?' and get a synthesised response drawn from dozens of internal systems in seconds. This has reduced investigation time by 70%, slashed false positives, and enabled even junior analysts to perform like veterans."



Balaji Suryanarayana, COO, Clari5

What emerging fraud threats are you most concerned about?

"We're entering an era of hyper-personalised fraud. Attackers are using AI to mimic individual behaviour, exploit social engineering, and generate synthetic identities that evolve over time.

Three threats in particular stand out:

- AI-driven behavioural mimicry
- Deepfake identities
- Mule account networks

"Defence requires equally nuanced countermeasures: behavioural genetics, predictive vulnerability models, and collective intelligence networks where banks share anonymised threat signals while preserving competitive advantage."

How do you convince leadership to prioritise investments in adaptive fraud defence?

"This is about institutional survival. The stakes are existential for three reasons:

- **AI asymmetry:** Fraudsters evolve faster than banks' defences.
- **Trust premium:** In an era of invisible banking, customers won't tolerate friction or fraud.
- **Compounding advantage:** Banks that invest in living systems now are building behavioural and threat intelligence libraries that grow exponentially.

"Fraud defence is not just a compliance issue – it's a competitive advantage. Trust will become a core product. Institutions without adaptive defences won't just be vulnerable – they'll be obsolete."

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