

Embedded Fraud Detection For Card As A Service Driving A Competitive Advantage

A COMPLEX CHALLENGE

With market trends, customer demand, and innovation driving the evolution of the payments landscape, we've seen the emergence of new players offering payments and cards as a service. These Card as a Service (CaaS) and Payments as a Service (PaaS) models enable financial services providers to deliver advanced payment products and services without the need to invest in internal resources or infrastructure.

In an increasingly competitive environment, financial institutions (FIs) considering the adoption of a CaaS and PaaS model will be looking to gain a competitive advantage in 5 key areas:

1. Cost

To provide the breadth and depth of new services their customers demand while reducing operational overhead, banks and financial services providers must tightly manage their cost to income ratio. Traditional models often require a significant investment early on to build complete payment stacks to be inclusive of program management, license, support, and maintenance costs. In comparison, innovative technologies that can scale and adapt could deliver long-term results.

2. Fraud and financial crime

A spiraling cost for many FIs alongside technology maintenance, is the increasing rates of fraud and the losses associated with it. With more businesses enabling new advances to pay/move money instantly, so does the risk of criminals exploiting vulnerabilities within the ecosystem. According to UK Finance, a total of over £1.17billion was stolen through fraud in 2024¹.

Fraud and financial crime innovation has not historically been seen as a revenue generator in financial services, with many traditional banks simply writing off fraud losses as the cost of doing business. All participants in the payments system require accuracy in risk scoring, including for scams or 'authorized fraud'. Monitoring transactions to accurately detect fraud and stop suspicious payments in real-time can be key to balancing the risk of fraud with a seamless customer experience to enhance the entire payment process.

Our clients deserve first class services that allow them to concentrate on the success of their core business, without worrying about ever-evolving fraud.

With the Featurespace Platform, we remove that worry. It's an intuitive solution that allows us to monitor our clients' transactions across all verticals, facilitating faster onboarding and supporting our growth.

Tiia Helokas
Fraud Manager, Enfu

CASE STUDY

Enfuce

3. Technology

Many FIs have infrastructure, often very complex and costly to upgrade or replace, inherited from having to facilitate and support traditional payment systems. New innovations in artificial machine learning and cloud technology are enabling FIs to optimize their technical resources, reducing the dependency on specialist skills, individuals or team upgrades to deploy solutions without the costs associated with traditional on-premise solutions.

4. Customer experience and competitive advantage

Consumers increasingly demand new added value services, and they expect to transact instantly and seamlessly, trusting that they are protected. While traditional banks grapple with how to securely digitize their operations to detect fraud and financial crime, and how to satisfy regulatory requirements while optimizing the customer experience, the modern infrastructure of a CaaS/PaaS model empowers FIs to rapidly evolve and iterate, update and test new features, processes, or capabilities in hours, not weeks.

THE SMART SOLUTION

Enfuce is a modern card issuing and payment processing solution for the European market.

In addition to established enterprises and FIs, Enfuce serves an increasing number of new payment brands competing to gain traction. For these start-ups, protecting end users while delivering seamless and secure payments options is incremental to building customer trust and loyalty. If end customers have a fraudulent experience early on in their relationship, it's likely that they will stop using the service.

Against a backdrop of growing instant payments, Faster Payments, and open banking adoption – as well as rising authorized push payment fraud and heavier fines for anti-money laundering failures – Enfuce sought a flexible fraud detection solution that could quickly integrate with its cloud-based payments platform. The enhancement in offering fraud and financial crime protection as a service, would underpin the transaction growth of banks, merchants, and financial operators in its portfolio, helping to monitor each transaction.



CASE STUDY

Enfuce

RESULTS

Award-winning Fraud and Dispute Management

Enfuce's Co-CEOs Monika Liikamaa and Denise Johansson set out to build a company that is better, bigger, and faster. On their journey to become one of Europe's leading payment processors, they packaged Enfuce's expertise and offering into a card issuing and payment processing platform, Card as a Service. Enfuce selected the Featurespace Platform as their fraud monitoring partner.

The Featurespace Platform matched the scale and complexity of Enfuce's payment platform without throttling transactions. The solution would be made available as either self-service, to meet the needs of their current smaller fintech customers, or as a fully managed fraud and financial crime detection service, for larger or growing FIs:

- Supporting all payment types
- Maintaining excellent customer experience through low false positives
- Enabling speedy onboarding for new customers
- Delivering customizable controls at every level, even down to individual organizations, through scalable multi-tenancy capabilities
- Enabled Enfuce to scale efficiently by assisting them with the applicable jurisdictional regulatory requirements in the UK market

Tech, people, processes

Enfuce is differentiating competitively in a crowded market with their Fraud and Dispute Management. The company's competitive edge within fraud detection builds on a winning trio – powerful technology provided by Featurespace, skilled experts, and tried and true processes to run everything smoothly.

The Featurespace Platform enables Enfuce to monitor and risk score complex sets of payment types and non-monetary events, at an enterprise level. The remote deployment took just six months, meeting Enfuce's speed to market goals in managing the risk of both outbound and inbound payments.

Through the Featurespace Platform, Enfuce accessed adaptive machine learning models and innovations such as Adaptive Behavioral Analytics. This enabled them to better understand the genuine behavior of customers, flagging when transactions were suspicious, even if a customer has authenticated themselves but is likely to be the victim of a scam.

With Featurespace embedded into its own platform, Enfuce is able to leverage data insights from across its entire customer base to train its models, achieving greater accuracy in spotting emerging fraud trends.



ONGOING PERFORMANCE

The stability and uptime performance of their payment platform enables Enfuce to grow with their customer base. Key applications include expense management, neobanks, fleet and fuel, loyalty programs, and corporate and consumer lending. By combining industry expertise, innovative technology, Enfuce delivers long-term and scalable payment solutions that are fast and secure:

2m+

transactions
scored per month*

99.44%

Average Fraud
detection rate*

0.67

Average Basis Point
(BP) of reported fraud*
(remarkably lower than
averages of the countries in
which its FIs are based)

- 30+ FIs onboarded to the service fully managed by Enfuce*
- FIs with different type of products e.g. credit, prepaid, debit, fuel, mobility and also from various business sectors
- Enfuce is working with its issuing customers to help them understand their individual fraud value detection

- rates, at which point it can calculate the overall rate for the platform
- As a processor, Enfuce has customers from a wide range of business areas and also product types. Due to that and the different maturity levels of different customers' business, the overall false positive ratio is on average around 10-40%*

* Average numbers reported in 2022

Let's connect.

Book a demo to discover how The Featurespace Platform can help reduce fraud, business risk and operational costs.

Get in touch

Website



[1] UK Finance Annual Fraud report 2025

Disclosures:

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