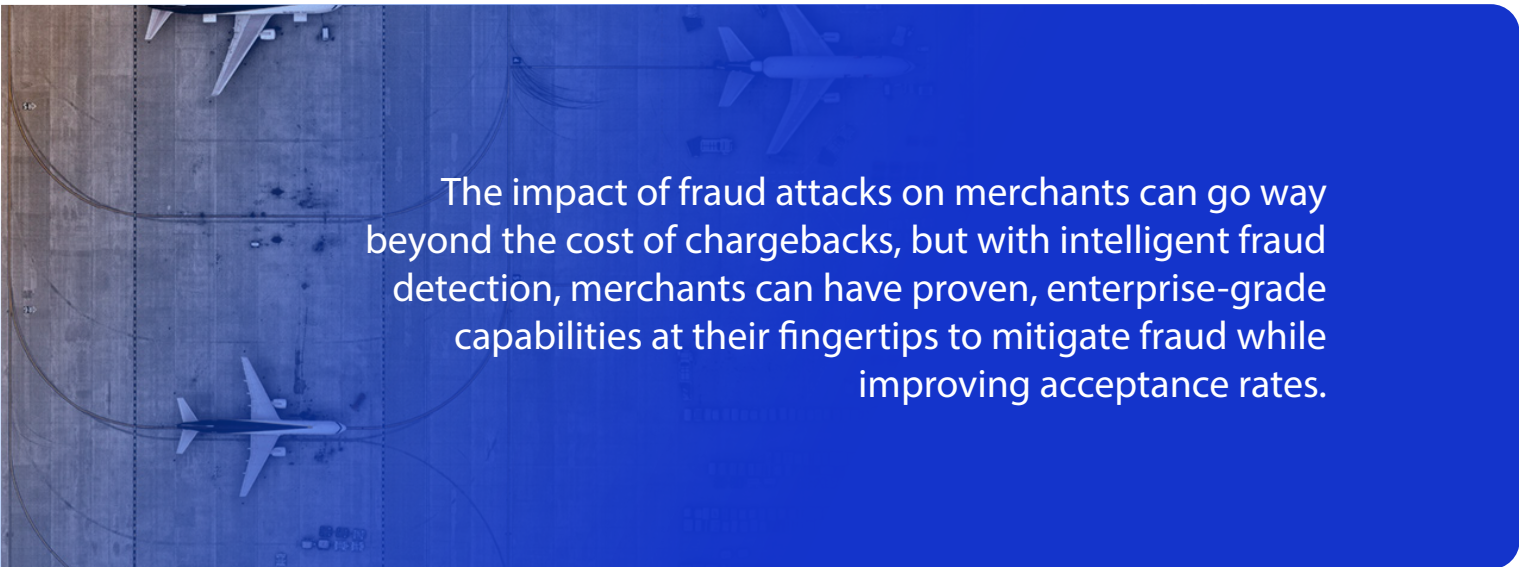


Tackling the persistent threat of carding attacks on merchants across national networks head-on

Merchants have been hit hard by carding attacks over recent years as fraudsters look to leverage the huge volumes of breached financial data up for sale on the cybercrime underground.

Carding (also known as credit card stuffing and card verification) is a web security threat in which attackers use multiple, parallel attempts to authorize stolen credit card credentials. Carding is performed by bots, software used to perform automated operations over the Internet.



The impact of fraud attacks on merchants can go way beyond the cost of chargebacks, but with intelligent fraud detection, merchants can have proven, enterprise-grade capabilities at their fingertips to mitigate fraud while improving acceptance rates.

THE CHALLENGE

Each year, vast quantities of illegally obtained credit card data is sold online to criminals who attempt small-value transactions to see which cards can then be used to perpetuate more fraud. Creating so much noise in data makes it hard to identify what is genuine.

Unless a real-time fraud detection solution, powered by adaptive machine learning models is in place, merchants are left exposed to the risk of lost revenue, higher chargeback volumes, and reputational damage, as well as increasing friction that creates poor customer journeys.

In 2021, a large American chain restaurant and gift merchant with more than 650 locations across the United States and an eCommerce website, saw a sudden and significant spike in network declines due to carding attacks. Fraudsters found a way to penetrate existing fraud detection measures and the merchant found itself without a solution to stop the attack.

The business impact¹

A vast number of false positives

Being hit by the fraud attack crippled the large American chain restaurant and gift merchant's ability to conduct their legitimate business because a large percentage of genuine transactions were blocked at the network level

Up to 262 fraudulent card transactions per day

Multiple escalations

from card schemes required the large American chain restaurant and gift merchant to respond to fraud immediately

Smart answer

Unable to respond quickly, the merchant turned to Worldpay for a solution.

By combining technology and market expertise, Worldpay and Featurespace are helping an increasing number of merchants manage their fraud detection and customer experience strategies with FraudSight. Enabled in less than 48 hours from contract execution, FraudSight made an immediate impact to the large American chain restaurant and gift merchant's fraud detection strategy.



RESULTS²

99.9% ↓

reduction in average network decline rates

Reduction

in false positives

56.5% ↓


reduction in fraudulent card transactions per day

Outcomes

FraudSight's success in honing in on specific transactional information such as cardholder email address and compromised BIN numbers dramatically reduced false positive rates, fraud, and customer friction. FraudSight was able to confirm with greater accuracy than average whether the attempted transaction was genuine or fraudulent; effectively providing an even better authorization baseline.

Worldpay and Featurespace's partnership produced the best technology initiative for exactly the types of issues faced by merchants on a daily basis, around the world. Worldpay has visibility into multi-channel payment data across more than 40 billion transactions per year along with millions of reported fraud and chargeback events. This unparalleled insight enables the technology of FraudSight to detect fraud while increasing merchants' approval rates and protecting a larger number of consumers.

Today, FraudSight continues to protect the large American chain restaurant and gift merchant and over 85 other merchants from carding attacks, while maintaining leading customer experience.



Managing fraud is about keeping out suspect transactions while ensuring genuine transactions get through. FraudSight leverages our unique combination of technology, data, and people to protect merchants and their customers against the financial threat that fraud poses.

John Winstel, Senior Director, Global Fraud Products Worldpay

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] American chain restaurant and Worldpay data, 2021

[2] Worldpay data, 2021

Disclosures:

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