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BRIGHTERION ACQUIRER/ISSUER FRAUD PREVENTION

Compared to neural networks, business rules, or data mining, which evaluate financial transactions based on using the same

preventing the first fraudulent transaction. The iPrevent system learns and analyzes in real time and identifies abnormal behavior to prevent previously unknown fraud.

response time of less than 50 milliseconds using only one midrange server. With two midrange servers, the company guarantees operational availability of 99.999%. Clients pay an initial licensing fee, recurring maintenance fees, plus per-transaction fees.

Brighterion™ Real-time fraud prevention

logic for all cardholders or merchants, Brighterion has a proprietary approach it calls “smart agent” that uses multiple artificial intelligence technologies to evaluate behaviors specific to an individual cardholder or merchant. Called iPrevent, Brighterion’s fraud detection system has been integrated into MasterCard’s hosted EMS (Expert Monitoring System) platform since 2007 to detect payment card fraud in real time as well as to deliver issuers a fraud risk score within the authorization message.

MasterCard offers EMS worldwide and supports several dozen customers for iPrevent. Brighterion has direct contracts with 11 financial institutions.

Most other fraud prevention systems operate in near real time, meaning that the scoring decision is made after the transaction has been approved or declined by the issuer. This precludes

Using historical data, iPrevent can build models specific to type of card, time of year, etc. These models can be enhanced by a management system based on 276 built-in business rules and the client’s own risk experts. IPrevent smart agents coordinate other artificial intelligence technologies such as neural networks, data mining, flexible and fuzzy logic, case-based reasoning, simulation, optimization, genetic algorithms, and real-time analysis of velocity to provide an enhanced score.

While currently being used mainly by larger institutions, iPrevent is also suitable for medium- and small-sized clients. The system can be up and running in less than a week. It is not limited to use on MasterCard cards. (MasterCard’s EMS platform handles all card brands.)

iPrevent can process more than 2,700 payment card transactions per second in real time with a re-

Brighterion was founded in 2000 and has been profitable since 2006. It holds a U.S. patent for systems and methods related to dynamic detection and prevention of electronic fraud. Other patents are pending.

The company is privately held. Investors include the Sturm Group and MasterCard. More

than 76% of the company’s equity is owned by its founders.

Brighterion’s technology can be used to detect a range of abnormal

behaviors. A U.K. bank is using it to predict delinquencies in its corporate card portfolio. It could also be used to thwart identity theft. Other applications include healthcare fraud and protection against terrorism. Akli Adjaoute is President at Brighterion in San Francisco, California, (415) 362-5425, aadjaoute@brighterion.com.

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ON ITS EMS
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