

The logo for NICE ACTIMIZE, featuring the word "NICE" in a large, bold, white sans-serif font with a black horizontal bar through the middle of the letters. Below it, the word "ACTIMIZE" is written in a smaller, white, all-caps sans-serif font. The background of the entire page is a gradient from blue on the left to green on the right, with a faint, stylized image of a person's head and shoulders in the background, overlaid with a network of white lines and dots.

NICE
ACTIMIZE

CUSTOMER EXPERIENCE AND THE EMOTIONAL TOLL OF FRAUD

eBook

Introduction

When people experience fraud, their future behaviors are likely permanently changed.

As the threat landscape evolves and the competitor landscape broadens, financial services organizations (FSOs) must seize the opportunity to become a trusted resource for their customers and optimize the customer experience (CX).

This means faster fraud detection and prevention, predicting fraud before it occurs, and safeguarding the customer journey across every touchpoint.





A Golden Opportunity to Build Trusted Relationships with Customers

Identity fraud victims are 3x more likely to leave their primary financial institution.²

Customers depend on their primary FSO to protect their identity and their assets from theft and fraud. So when fraud does happen, **even if the FSO is not at fault, customers are 31 percent more likely to leave the institution.**¹

There's a substantial amount of compromised data that is stolen via phishing scams and social engineering, in addition to being purchased on the dark web. Information that resides outside of traditionally acknowledged personally identifiable information (PII), such as date-of-birth and social security numbers, are being targeted and used to steal an identity and perpetrate fraud. Email addresses, passwords and mobile phone numbers are now increasingly vulnerable to criminals and fraudsters.

FSOs must proactively detect and prevent fraud to reduce attrition and improve CX - because there's a direct impact on the bottom line if a consumer falls victim to fraud.



Digital Acceleration & Payments Modernization Amplifies Fraud Risk

To maintain loyalty, customer experience is critical. 87 percent of companies expect to compete on CX in 2021.³

Numerous fraud schemes are occurring across all channels, and now fraudsters target customers in ways that resonate with their specific generational persona.

Customers expect that every interaction and transaction is based on that pillar of trust with their FSO - and beyond this, with the things that are tied to their personalized concept of identity, like phone numbers and email addresses.

The core of a CX-driven fraud program is based on the concept of identity and trust.

- Fraud prevention must be incorporated into every transaction to establish trust.
- Artificial intelligence (AI) and machine learning (ML) can adapt, process large volumes of data, and make a curve fit an individual customer rather than a broad customer base.
- FSOs must protect customer journeys across different touchpoints, channels and mediums using best-in-class data, analytics and AI.
- Customers must feel confident that their FSO is protecting everything they do with their assets in a personalized, immediate and accurate way without impacting their perception of ownership.



Competitive Differentiation in the Customer Experience Era

Banks face many challenges: declining customer loyalty, an emergent fintech class, and commerce platforms that continue to inch toward providing financial services.⁴

Ensuring a positive customer experience makes all the difference:

Fraud outcome matters.

Even if fraud is not the FSO's responsibility, they must take the opportunity to help with the CX and become that trusted resource - because the outcome is going to alter the customer's mindset.

Prevent customer attrition.

The competitor landscape today is more extensive than it was just 20 years ago, and it's not difficult for a customer to switch to a competitor bank, fintech or emerging player.

Establishing customer relationships earlier.

Younger generations will soon be experiencing life changes and thinking about car and home loans, and investments. FSOs want to start relationships now to build upon and move forward as a trusted partner.

A network diagram with black nodes and connecting lines, set against a background that transitions from blue on the left to green on the right. The nodes are of varying sizes and are interconnected by thin black lines, creating a complex web-like structure.

Putting CX Front & Center in Fraud Prevention

Done right, customer experience offers a path forward that puts banking on the right side of customers in a sustainable way.⁶

FSOs need the right tools to proactively detect and prevent fraud, safeguard the customer journey, and protect both the customer and their institution from fraud schemes.

Today, CX has to be front and center in fraud prevention. FSOs must strike an optimal balance between risk and revenue that enables access to accounts safely, quickly and digitally in a way that keeps the door open for legitimate customers while stopping fraudsters from entering.

Data and AI are the answer.

- **AI personalizes fraud and helps FSOs build an understanding of normality from an individual customer perspective.** It also provides immediacy and adaptability so that FSOs can establish that trusted identity of the customer and enable faster access to products.
- **It's not just about what data is available, but what data can be generated.** This creates a baseline of normality from an understanding of broader behaviors that exist within a peer group or business unit.



IFM-X Provides Intelligent Fraud Prevention and Proactive Detection

IFM-X

IFM-X, the intelligent enterprise fraud prevention solution from NICE Actimize, supports FSOs in providing mutual trust at every touchpoint so they can drive continual, safe account growth through excellent, digital-first customer experiences.


End-to-end fraud prevention protects the customer journey across the entire lifecycle. Agile advanced analytics and powerful AI adapts to new and emerging fraud threats now and in the future.

IFM-X New Account Fraud and IFM-X Payments Monitoring:

- Seamless first and third-party data ingestion and integration to immediately stop fraud in real time.
- Connects and extends coverage earlier at the application stage with identity proofing, and moving into early account monitoring and ongoing monitoring.
- Detects sophisticated fraud from stolen and synthetic identities, and mule activity.
- Always on AI understands customer patterns and continuously learns, discovers and adapts to quickly detect anomalous activity and prevent complex fraud attacks.
- Orchestrates data across all point solutions to create accurate fraud analytics, accelerate alert resolutions and centralize all fraud prevention activities.

Mutual Trust at Every Touchpoint



A network diagram on the left side of the slide, consisting of numerous grey circular nodes connected by thin grey lines. Some nodes are highlighted with a white circle. The diagram is set against a vertical gradient bar on the far left that transitions from green at the top to blue at the bottom.

Trust goes both ways - FSOs have to trust that their customers are not defrauding them, and customers have to trust that their FSO is protecting their assets.

Payments modernization, shifting customer expectations, the evolving regulatory landscape, and digital acceleration can make it challenging to deliver a superior CX in the digital-first age.

IFM-X enables an optimized customer experience with advanced AI to help FSOs continually nurture trust with their customers through accurate, real-time and holistic fraud detection and prevention. FSOs can use data-driven intelligence to protect their customers, their organization, and truly thrive in this new economy.

Get Started >

Additional resources

On-Demand Webinar: The Emotional Toll of Fraud

Watch Now



¹ Javelin Strategy & Research, 2021

² Javelin Strategy & Research, 2021

³ <https://www.gartner.com/en/documents/3996862/to-improve-customer-experience-improve-the-customer-faci>

⁴ <https://go.forrester.com/blogs/category/banking/>

⁵ Javelin Strategy & Research, 2021

⁶ <https://www.mckinsey.com/industries/financial-services/our-insights/banking-matters/cutting-through-the-noise-i-n-retail-banking-customer-experience>

About NICE Actimize

NICE Actimize is the largest and broadest provider of financial crime, risk and compliance solutions for regional and global financial institutions, as well as government regulators. Consistently ranked as number one in the space, NICE Actimize experts apply innovative technology to protect institutions and safeguard consumers and investors assets by identifying financial crime, preventing fraud and providing regulatory compliance. The company provides real-time, cross-channel fraud prevention, anti-money laundering detection, and trading surveillance solutions that address such concerns as payment fraud, cybercrime, sanctions monitoring, market abuse, customer due diligence and insider trading.

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