

CUSTOMER STORY

How a leading acquiring bank prevented repeat offending transactions and avoided scheme penalties



THE CHALLENGE

Rising card scheme failures, growing fraud risk

A leading acquiring bank processing high volumes of card transactions faced increasing risk of breaching stricter card scheme compliance thresholds and tightened fraud monitoring requirements. As transaction volumes grew, so did the bank's exposure to:

- » Financial penalties and losses due to card scheme errors, fraud, customer disputes and unexpected declines
- » Undetected fraud activity, including card testing, message tampering (e.g. inconsistencies between authorization and settlement) and card-not-present (CNP) fraud attacks
- » Response code errors triggered by excessive retries, scheme rule violations, missing or mismatched transaction fields, formatting issues, velocity breaches and connectivity failures
- » Rising disputes and chargebacks impacting customer experience and revenue
- » Potential entry into a card scheme monitoring program with ongoing compliance scrutiny

Managing card scheme risk was also proving to be time consuming and challenging. Relying on issuers to detect fraud was no longer enough. The bank now needed the ability to detect early warning signals and block transactions before authorization.

THE SOLUTION

Automating the detection and blocking of transactions that trigger scheme penalties

Resolving card scheme errors and avoiding penalties linked to excessive declines, enumeration, customer disputes and fraud required a shift from reactive response to proactive control. The onus was on the bank to detect and stop transactions that trigger scheme penalties before authorization and without impacting legitimate customer activity.

With **INETCO BullzAI**, the bank gained a real-time view across authorization and clearing transaction flows. Utilizing a combination of rich transaction data and AI capabilities, it can now automatically detect and block suspicious activity and compromised terminals or devices before fraud completes. This enables the bank to take proactive action to avoid reaching card scheme thresholds.

Proactive control over performance and fraud

The powerful combination of INETCO BullzAI's real-time transaction monitoring, AI-driven behavioral analysis and patented transaction firewall allowed the bank to:

- » Track authorization rates and current enumeration, fraud and dispute ratios against card scheme thresholds in real time
- » Avoid compliance monitoring programs, penalties and card scheme assessments
- » Detect and prevent bot-driven card testing, card-not-present fraud and message tampering before they result in losses, penalties or customer friction
- » Automatically block suspicious transactions with precision and before authorization, reducing false declines that impact revenue, operational effectiveness and customer experience
- » Instantly flag and remediate issues related to response code errors, missing or mismatched message field errors, connectivity problems, unexpected declines or delays, and retry loops — 75% faster



Continuous improvement through adaptive AI

INETCO BullzAI enables the bank to continuously improve detection and prevention capabilities utilizing adaptive, self-learning AI models that analyze the unique individual behaviors of every merchant, card, device and terminal. Risk scores and behavior models are updated with every transaction, advancing the early identification of anomalies and “borderline” merchant behavior before it exceeds the dispute and fraud ratios set by card networks. Analyst feedback enhances closed-loop machine learning, while explainable AI and intelligent agents accelerate investigations and decision-making. The INETCO BullzAI patented transaction firewall automatically blocks new and evolving threats with precision before transactions authorize.

THE RESULTS

Staying ahead of card scheme compliance requirements

By detecting and blocking card scheme risk earlier, the bank ensured adherence to card scheme penalty conditions before fees were incurred while gaining access to defensible, auditable data to support card scheme and chargeback dispute management.

This also reduced the operational burden associated with card scheme monitoring programs, including manual reporting, investigation and ongoing compliance oversight.



Ready to take action before penalties, fraud losses or customer friction impact your business?

Contact sales@inetco.com