\Orchestrating a brighter world NEC

Synthetic Identity Fraud Detection

Reduce exposure to identity thefts with intelligent analytics and AI-Powered solutions

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Introduction

As the global economy progresses towards increased digitization, the number of frauds in the financial services sector is rising, predominantly within the credit system. Financial fraudsters today are increasingly innovative and employing sophisticated techniques to commit crimes that fail to get noticed by a traditional theft detection mechanism.

Synthetic identity fraud is one of the fastest-growing crimes today, accounting for a significant share in credit losses across institutions. Unlike traditional identity thefts, synthetic identity fraud involves using true personal identity/social security numbers in conjunction with a fake identity (created by utilising multiple genuine records) to create an overall fraudulent identity. These identities are then used to apply for credit cards, buy car and luxury items, avail loans or mortgage properties. This combination of fake and real information makes identifying and preventing such frauds extremely challenging for organizations, thereby putting billions of dollars in collectible debt risk for banks and financial institutions.

NEC understands the challenges faced by the financial institutions and has built a superior identity theft detection mechanism. Our Synthetic Identity Fraud Detection model combines technologies like optical intelligence, deep facial recognition, Natural Language Processing (NLP), and AI & ML learning algorithms to build a score-based fraudulent identity detection system. The system assists in detecting synthetic identities, even before fraud is committed, thereby helping maintain exceptional customer experience.

Synthetic identity fraud accounts for up to **20%** of credit losses and costs lenders roughly **$6 billion** annually.

Source – Auriemma Group

What is Synthetic Identity Fraud

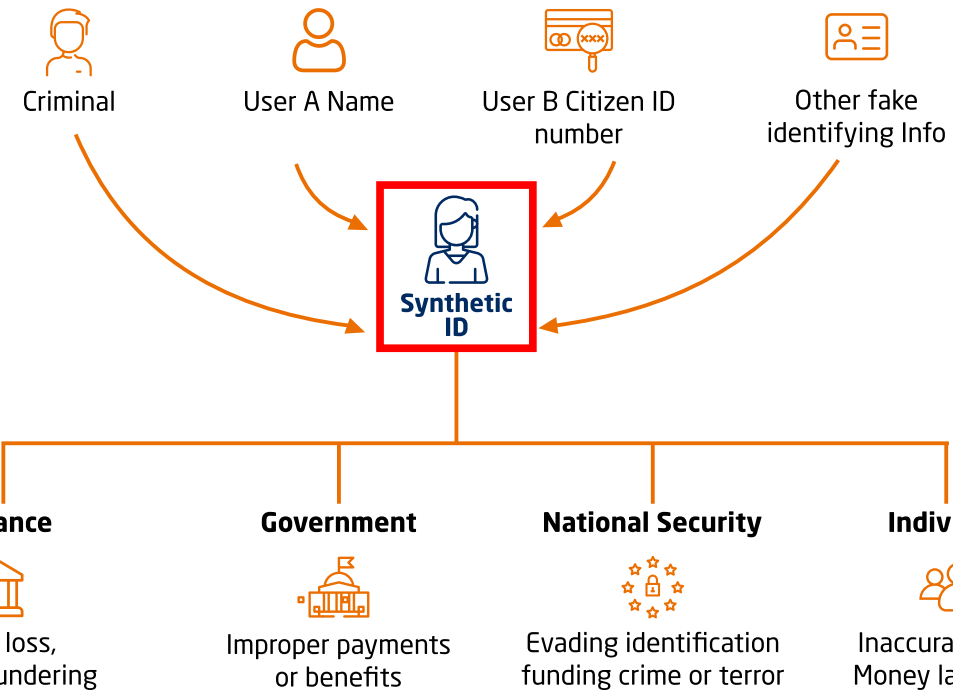
Synthetic identity frauds are a growing concern among financial institutions and individuals alike. Here fraudsters combine real and fake information to create new or fictitious identities. These identities are then used to open a fraudulent account and make dishonest purchases.

Traditional Identity Fraud

Fraudster pretends to be another real person to use his/her financial details.

Synthetic Identity Fraud

Fraudster combines fake and real information to establish a credit record under a new fictitious identity.



How They Do It?

STEP 1

Synthetic ID Created

The fraudster creates a synthetic identity using fabricated PII (Personal Identifiable Information).

STEP 2

Apply for Credit

The fraudster submits the application for credit, causing credit bureau to create a credit account.

STEP 3

Credit Approved

The fraudster repeatedly applies for credit until it gets approved.

STEP 4

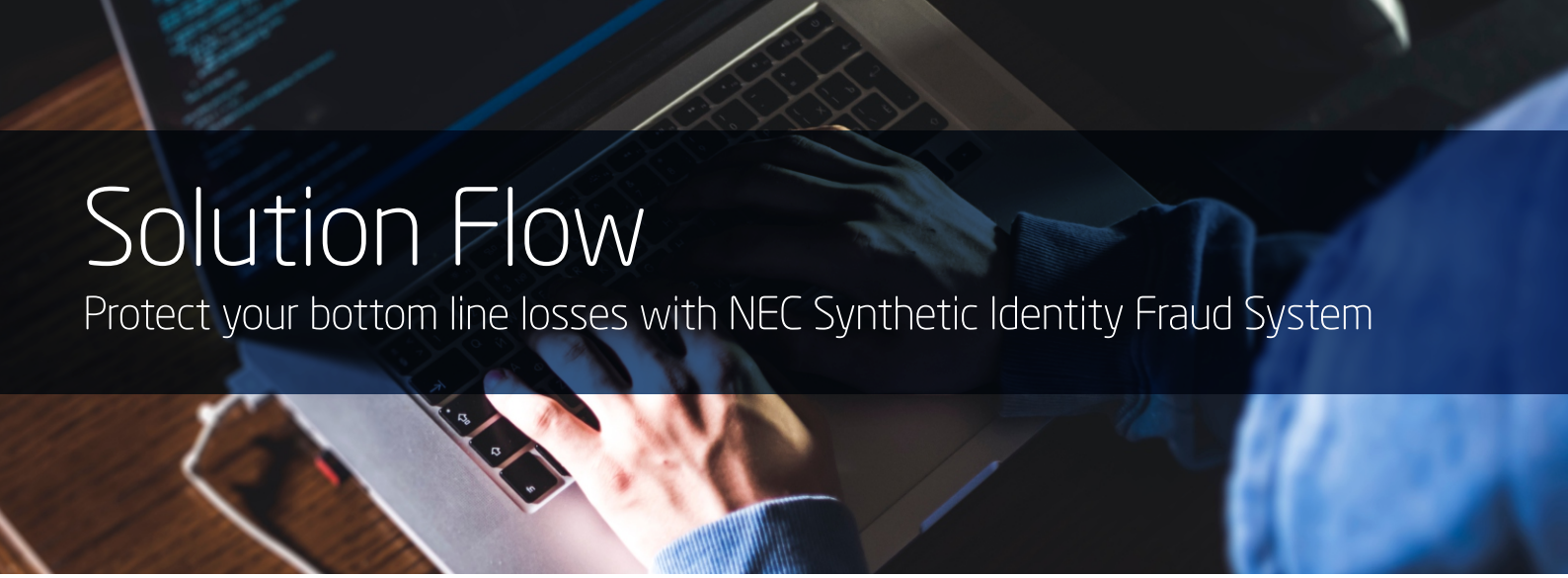
Increase Credit Limit

The fraudster legitimizes the synthetic identity and increases its credit worthiness.

STEP 5

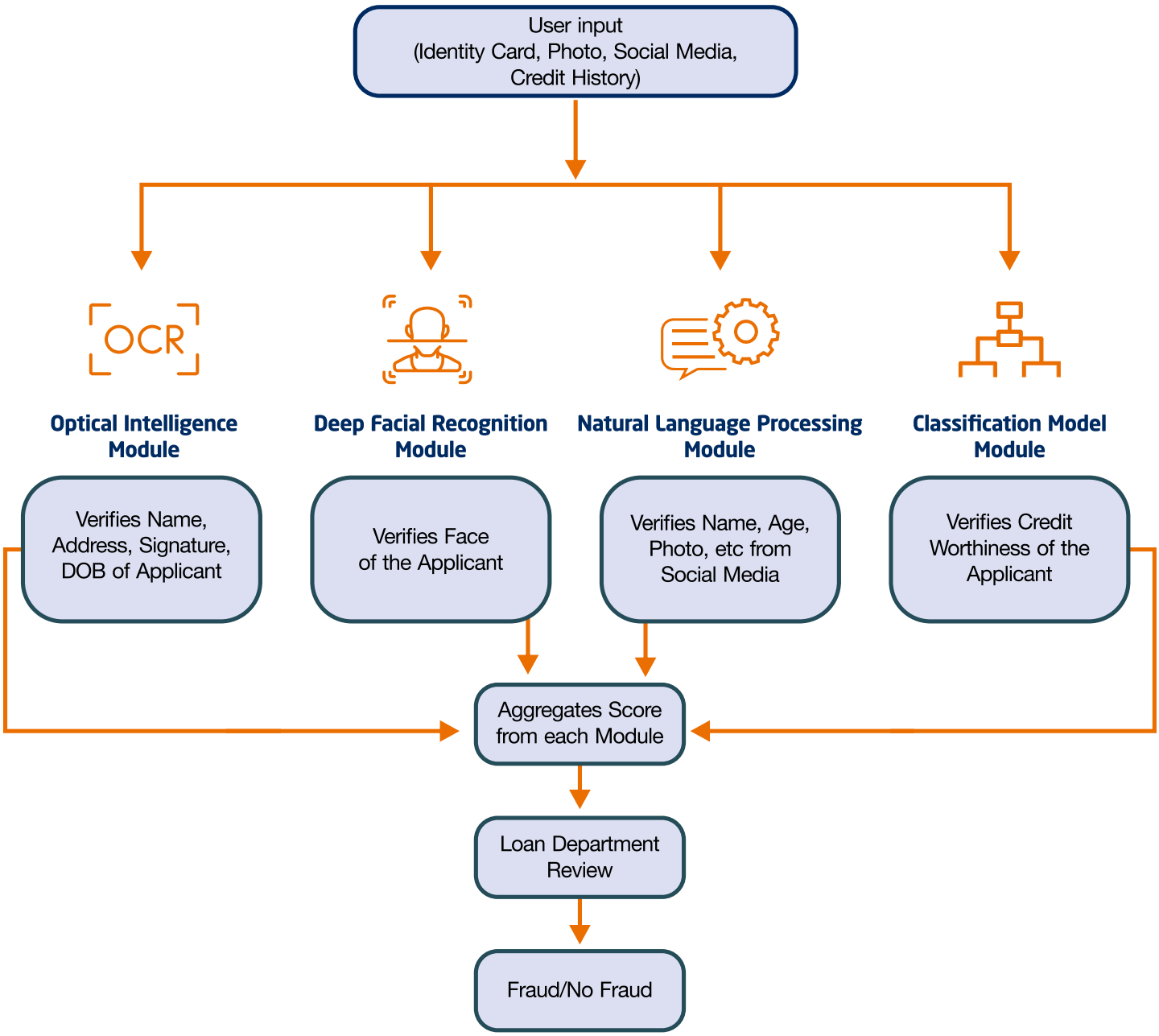
Burst Out

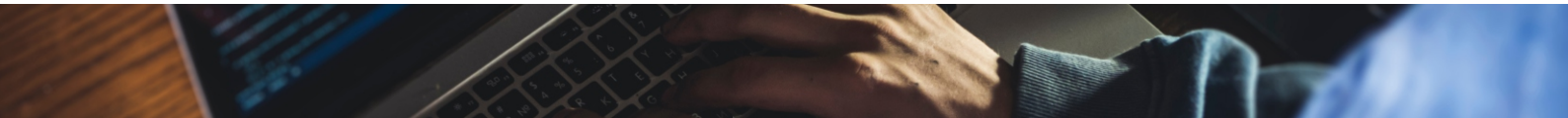
The fraudster “bursts out” and vanishes without paying.



Solution Flow

Protect your bottom line losses with NEC Synthetic Identity Fraud System





Our Approach

Our team is backed by well-experienced data scientists and machine learning experts. They follow a streamlined and systematic process to build the most intuitive and intelligent synthetic identity fraud detection system.

ANALYZE

In the first step, we try to understand the client's existing fraud detection methodology. A suitable roadmap is developed befitting needs and expectations.

After carefully analyzing the requirements, we develop an integrated system combining modules like optical intelligence, deep facial recognition, Natural Language Processing (NLP), and AI & ML learning algorithms to build a score based intelligent synthetic ID detection system.

Build

Integrate

Once we build the model, it is integrated into your system to be utilized by your customer verification team to identify potential fraud identities and act accordingly.

Our team will test the system for different use cases specific to your organization. The issues detected are fixed to enable flawless and robust deployment.

Testing, Enhancement, Deployment

Optimize

As the synthetic identity fraud ecosystem is constantly evolving with increasingly sophisticated techniques, we analyze & optimize its performance regularly to ensure seamless performance.

Continuous support and monitoring.

Support

Why NEC Synthetic Identity Fraud Detection System

Detects Frauds Early

Improves Customer Experience

Broadens Financial Opportunity and Drive Profits

Removes Compromised Identities During Pre-screening and Early Phases

Why NEC

NEC is a leading technology company with more than 121 years of experience working with diverse clients worldwide. Our synthetic fraud detection system helps you truly identify fraudulent identity thefts and take the best action. We possess deep expertise in the design and implementation of banking and financial fraud detection engines that leverage the most innovative NLP, OCR, facial recognition & deep learning techniques to map fraudulent identities and take necessary action. We are an ISO-certified organization and have a multi-level quality checking and assurance team to ensures that only flawless and high-quality theft detection systems are delivered to our clients. Our mission is to amplify customer experience and increase profits by lowering the costs associated with traditional fraud detection.

Technology Partners

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