Case Study

A Southwestern United States Credit Union

Location .... Southwestern United States
Assets .... $5B – $9B
Core System .... Jack Henry – Symitar Episys

Investing in the Future: Credit Union's Partnership with Verafin Pays Immediate Dividends

Time, effort, resources: the three major factors that determine the success and impact of any fraud management team. Chasing alerts, starting investigations, filing Suspicious Activity Reports (SARs) — the challenges of these processes increase almost daily for financial institutions.

For one credit union in the Southwestern United States, their existing fraud-detection approach and management processes weren't delivering the results they needed for their members.

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In the Beginning

"Before Verafin, we had a solution that was largely a manual process," said the manager of fraud investigations. "We felt that it took more time to review the alerts than it was worth. The actual cases that would come from those alerts were very minimal."

Using a fraud solution that ran overnight, the credit union's fraud team recognized the opportunity that Verafin could offer.

"We were just kind of reactionary. With our old system, we wouldn't be aware of any fraud that would have happened until the day after. We weren't finding fraud, we had lots of false positives, limited capabilities and no case-management functionality."

Building their Business Case

Having seen demos at conferences and hearing positive reviews, the fraud team began preparing their case for Verafin.

"We looked at several solutions and felt that Verafin was the best value. We talked to many credit unions and banks and continued to hear really positive things. I think everything that we heard, we completely agree with now. It almost sounded too good to be true, but it's all come true."

VERAFIN
A STEP AHEAD

> This past year, with Verafin's support, we identified $7.7 million in attempted fraud. By year end, fraud losses as a percentage of attempted fraud decreased from 31% to 14%.

Immediate Impact

"Choosing Verafin was a big sales job within our credit union, but Verafin's Fraud Detection and Management solutions have shown a great ROI."

After implementing Verafin's fraud solutions, the team began to see immediate and proof-positive results.

"In 2019, we identified $3.5 million in attempted fraud. This past year, with Verafin's support, we identified $7.7 million in attempted fraud. By year end, fraud losses as a percentage of attempted fraud decreased from 31% to 14%. That's quite a difference."

Within a short period of time, Verafin had helped the credit union identify a 119% increase in attempted fraud compared to the previous year, while at the same time reducing fraud losses.

> *Working with Verafin's software is like having a couple of additional analysts to do the initial triage and it provides actionable evidence to look at. It's very well laid out.*

Return on Investment

A partnership with Verafin delivered immediate returns on investment for the members of this credit union. With real-time monitoring, potential fraud cases are being handled efficiently and effectively, impacting the speed to implement account holds, call backs and the overall investigation process.

"Deposit fraud is where we're making the biggest difference because the data is live. We can see if alerts come up during the day and assess the deposit right then and there. In many cases, we're able to return the deposit the same day rather than having to put a hold on it. Or if we do find something, we can quickly minimize any losses."

With real-time data and high-quality alerts, this fraud team is seeing how Verafin is streamlining their evidence-collection process and reducing much of the initial legwork.

"We're becoming much more proactive in our reporting and knowing what areas we're spending time on. We have a better view of what channels fraudsters are getting into and more evidence immediately available to us. Working with Verafin's software is like having a couple of additional analysts to do the initial triage and it provides actionable evidence to look at. It's very well laid out."

Improving Together

As this credit union's fraud team quickly discovered, working with Verafin in the fight against crime is more than a customer-client relationship, it's a long-term partnership that grows and succeeds together. Through Verafin's customer-driven development process, challenges are quickly uncovered, and new concept solutions are developed, tested and applied. Problem-solving and continuous improvement underpins the overall experience.

> The development of specific agents targeting COVID-19 relief, including Small Business Administration Loans and Unemployment Benefits Fraud, have been invaluable.

"As a beta customer, it's been a wonderful experience. It feels like a partnership. We can talk to the Verafin teams about any issues we encounter and also learn from other financial institutions as they learn the products as well. It's good teamwork. Verafin is constantly touching base. We didn't just buy a product and then they walked away. Verafin sells a product and continues to want to enhance it — to grow it — to improve it."

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Responding to COVID-19

The impact of the COVID-19 pandemic has been felt across all aspects of life. Financial institutions have seen an immediate response from fraudsters targeting economic stimulus payments released as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act — and Verafin responded.

"The development of specific agents targeting COVID-19 relief, including Small Business Administration Loans and Unemployment Benefits Fraud, have been invaluable. These agents allowed our credit union to identify $1.4 million in incoming fraudulent funds during this past year. We appreciate that Verafin is constantly evolving to meet the rise in new fraud schemes."

Looking to the Future

The complex and ever-changing world of financial crime requires a collaborative and intuitive approach to keep pace with new challenges and regulatory compliance. For this credit union and its partnership with Verafin, the future looks bright.

"Scams change, they come and go, and Verafin seems to adapt really well. I feel great about moving forward and fighting fraud with Verafin. I feel like we have a good platform to work with and I'm excited to expand it within the credit union and get other departments on board."

VERAFIN
A STEP AHEAD