

NICE
Actimize

eBook

Tackling Payment Screening Challenges Head On



Introduction

Payment screening plays a vital role in enforcing the application of sanctions regimes. Screening is a regulatory requirement to prevent transactions linked to sanctioned parties from being processed but effective payment screening proves challenging for many banks and credit unions. They must determine, in real time, if payments can be processed or blocked. High false positives and customer friction continue to be obstacles. FIs must keep up with regulatory changes and constant updates to sanctions lists while maintaining an effective screening program that identifies true positive sanctions hits.

Overcoming Common Challenges

Now is the time to modernize payment screening systems to remain compliant, reduce costs and avoid missing a positive sanctions hit.

There have been rapid enhancements in both data quality and AI technology. When combined, they are powerful tools that reduce noise and help detect true positive sanctions hits.

False Positives

Customer Friction

Regain Confidence
in Screening



Sanctions Evasions

In response to a tumultuous geopolitical environment, governments and intergovernmental organizations are using sanctions as a tool to influence targeted countries and persons with increasing volume and frequency, heightening the importance for strong payment screening processes. Tactics to evade sanctions have become more sophisticated to thwart detection. FIs must deploy advanced technology to halt payments to or from sanctioned persons.

Integration with reliable data sources and internal lists is critical to quickly assess sanctions risk of screened parties. FIs should implement AI-driven fuzzy matching to improve detection accuracy and account for cultural and linguistic variations. Edit distance technology should also be utilized to identify misspellings of names or misplaced spaces, potentially used as an attempt to evade screening.

To better identify sanctions evasion, organizations must consider deploying entity resolution and network analytics technology. Connecting related parties, whether directly or indirectly, can uncover sanctions relationships between parties and transactions.

False Positives

False positives remain high in screening programs, often exceeding 95%, taking time away from investigating true positive hits.

False positives also add unnecessary costs to screening programs with additional resources needed to manage the significant number of hits generated by the system. To combat false positives, FIs need to leverage technological innovations in their screening solution.

FIs should seek a screening solution with embedded AI technology to better assess the match quality of each hit using supervised machine learning and historical hit disposition data. The predictive model assesses the likelihood of a hit being a true match by identifying score-increasing and score-reducing features—historical hit and entity profile attributes—and patterns. Intelligent workflow management and predictive scoring can be combined to automatically triage alerts, hibernating or closing hits likely to be false positives and escalating alerts likely to be true positive hits.

Fuzzy matching and edit distance technology is also beneficial for reducing false positives by assessing variations in name enabling more targeted screening.

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Customer Friction

Customer experience is an important topic for compliance teams. In a real-time world, delays can adversely impact customer experience and potentially result in attrition.

No longer can compliance functions be an excessive blocker. Instead, they need to be enablers. Holding payments wrongly alerted due to a false positive screening hit and subsequent elongated screening investigations can cause unnecessary and increased customer friction. FIs should work toward more efficient investigations to reduce undue customer friction.

Fast and accurate screening and quick-hit disposition not only reduces customer friction but will also reduce costs of a screening program and increase resource productivity.

Screening systems with intelligent fuzzy logic, parsing, and predictive scoring supported by a case management platform which uses data intelligence tools, dynamic workflow, and generative AI can drastically improve screening programs within organizations.

Reduce risk and customer friction while maintaining an effective, compliant screening program by modernizing screening solutions and case management.

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Using NICE Actimize, which leverages the latest technology advances including advanced fuzzy matching and edit distance parsing, FIs can overcome payment screening challenges head on. Increase the effectiveness of your payment screening program to quickly identify true matches, drastically reduce false positives and lower customer friction.

Request a Demo →

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.