



Brochure

Silencing the Noise: Effective Strategies for Reducing False Positives in Transaction Monitoring

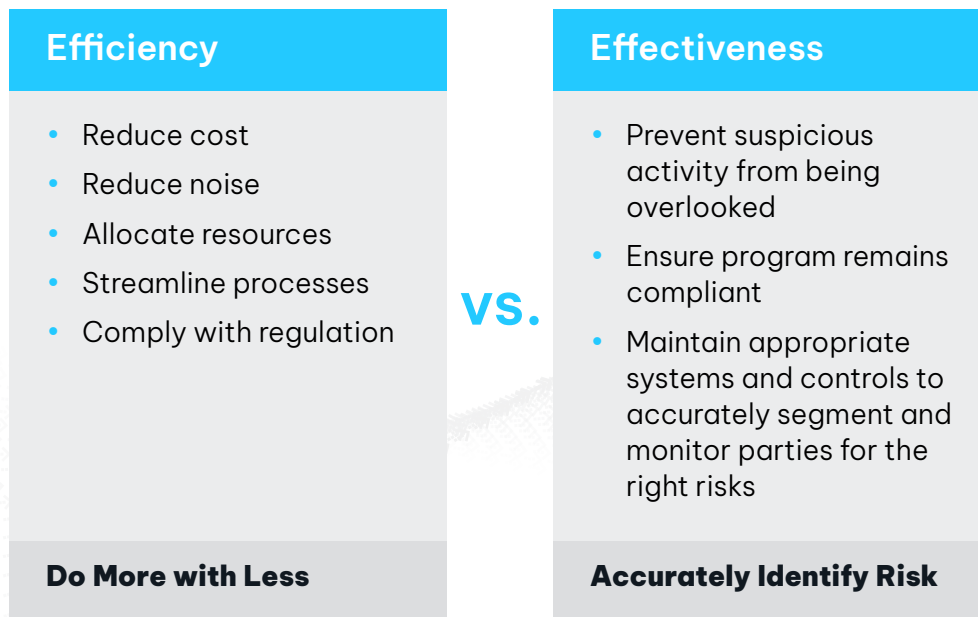
Make high volumes of false positives a thing of the past with modern transaction monitoring

False positive (FP) rates within AML transaction monitoring systems pose a significant challenge for compliance teams, often leading to an abundance of alert backlogs, unnecessary investigations, and wasted resources. In fact, studies show industry wide that up to 95% of alerts generated by traditional monitoring systems are false positives, creating noise that obscures truly suspicious activity. Reducing this noise is essential to improving operational efficiency and enabling teams to focus on what matters most—identifying real threats and ensuring compliance without breaking the bank.

A technology modernization strategy is necessary to tackle high volumes of false positive alert rates. Financial institutions must reduce the inconsistent and time-consuming manual effort required to optimize detection models and suppress false positive alerts. NICE Actimize’s transaction monitoring solution is proven to minimize false positives by using AI to optimize detection models and predict alert accuracy, using disposition outcomes to further optimize models.

Balancing Efficiency with Effectiveness

Financial institutions are continually striving to be efficient and effective, especially when it comes to transaction monitoring. The key to achieving both includes reducing false positives to improve operational efficiency whilst ensuring the system remains effective, not missing legitimate risks and truly suspicious activity. Using the right technology organizations can achieve both, streamlining compliance without sacrificing operational efficiency or accuracy.



AI-Driven Solutions for Efficient, Effective Investigations with Fewer False Positives

Segmentation and Optimization

Regular advanced segmentation and automated tuning are crucial for enhancing model performance, achieving precise monitoring and reducing noise. Conversely, poor segmentation reduces granularity in defining parties and their associated risks, limiting the ability to accurately monitor specific financial crime typologies and leading to an increase in false positives. NICE Actimize uses AI to refine this process, creating thorough and granular segments based on customer information and behavior attributes, allowing more precise monitoring of customers against the right risks. To manage the increase in segments, NICE Actimize also uses AI to monitor performance of each detection model in each segment, determining the optimal threshold to minimize false positives while maintaining true positive detection. AI continually monitors optimal thresholds providing recommendations with full governance documentation for organizations to make a tuning determination. This approach reduces false positives, minimizing reliance on manual, time-consuming tuning cycles. By continuously adjusting thresholds, this solution delivers detailed monitoring and improved suspicious activity detection. It is proven to reduce false positives whilst maintaining detection of suspicious activity.

Before		After	
<p>Simple Segmentation</p>	<p>Robust Segmentation</p>		
<p>Laser Focused Thresholds</p>	<p>Laser Focused Thresholds</p>		

Benefits

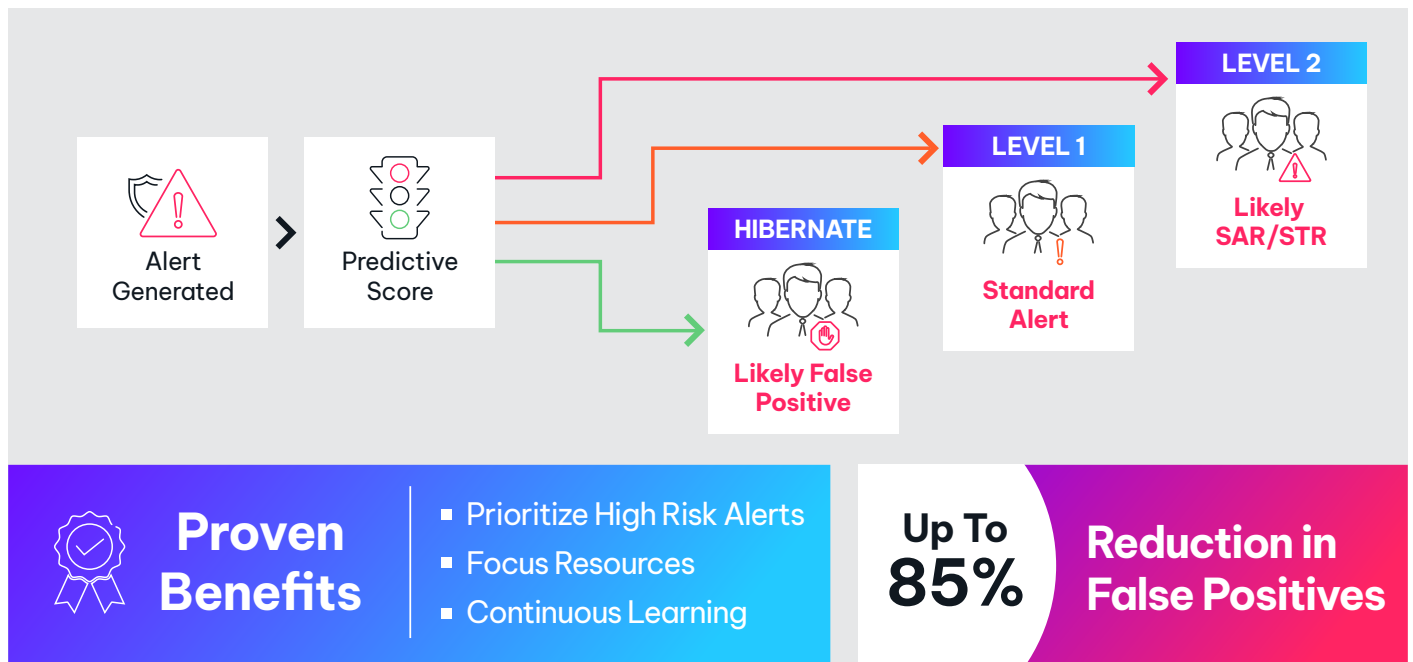
- Reduce False Positives
- Shorter Tuning Cycles
- Greater Accuracy

Over
35%

False Positive Reduction

Predictive Analytics

Predictive scoring uses machine learning to prioritize high-risk alerts, helping optimize investigative resources. By analyzing historical and real-time investigations and disposition, the system predicts the likelihood of an alert being a true or false positive prioritizing high risk alerts for investigation teams to investigate quickly. Alerts determined to be low risk and likely to be a false positive are hibernated, significantly reducing workload and improving staff retention. Predictive scoring continually learns from investigation outcomes, for ongoing accuracy improvements. Predictive scoring is proven to reduce alert volumes by up to 40% with 100% accuracy in correct alert identification. The solution accurately captures true positives while hibernating false positives with an ongoing feedback loop for continuous improvements.



Generative AI- Efficiency and Effectiveness

Generative AI enhances compliance programs by automating and streamlining key processes. NICE Actimize’s InvestigateAI assists investigators by providing clear alert summaries, suggests key evidential findings and guides the investigator on next steps with investigation recommendations. NarrateAI drafts concise, accurate and compliant Suspicious Activity Report (SAR) narratives significantly reducing SAR completion time, increasing consistency and minimizing human error. The solution can be tailored for each institution’s needs and can optimize based on internal policies and narrative requirements. File accurate SARs every time with consistency and with speed.

In today’s regulatory environment, reducing false positives is critical to streamlining compliance and focusing on real risks. NICE Actimize’s AI-driven solutions are proven to empower financial institutions to efficiently reduce false positives whilst remaining effective at identifying suspicious activity. By cutting through the noise, your team can improve accuracy, better utilize resources, and ensure a compliance program which better manages risk.

Know more. Risk less.

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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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