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Actimize

Scams & Mule Defense:

Real-time scam prevention and
advanced money mule detection

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Scams and Mules: A Double-Sided Challenge

Until now there has been an ongoing struggle regarding who owns the money mules and scams problem – Credit Risk, AML (KYC), or Fraud Management? With liabilities shifting, ownership is clearly landing on the shoulders of Fraud Management teams. Fraud leaders must act quickly or risk losing revenue, their reputation, and loyal customers.

Financial Institutions (FIs) are grappling with this multifaceted challenge of ongoing consumer victimization. There has been a significant increase in scams, particularly authorized push payment or APP fraud, as well as a rise in fraudulent mule accounts. And when it comes to identifying those fraud types, traditional monitoring tools are proving to be insufficient. Firms require powerful, real-time systems to combat fraud and identify money mules. The replication of real-time rules and models that have been combating third-party risk must be positioned to tackle new incremental loss exposures.

To stop authorized fraud, prevent scams and detect mules, FIs need a single solution that simultaneously analyzes multiple fraud typologies in real time.

Fight Fraud Fiercely with Scams & Mule Defense:

NICE Actimize's Scams & Mule Defense solution analyzes risk from multiple vantage points. It cuts through the haystack by focusing on fraud typologies, enabling layers of detection throughout the customer life cycle versus singular transactional points.

The typology-centric approach offers a more preventative strategy that offers specialized alert handling and customer risk triage. This change in methodology leverages data and AI in redefined ways to group detection based on unauthorized, authorized (APP/scam) and mule activity. In this approach, modeling takes these factors into consideration:

1. **Non-monetary and monetary data:** Leverage historical profiled data sets to benchmark normal activity and compare it to current real-time risks

2. **Network Analytics:** Analyze how the activity of devices, payees/payors, and other key linkage attributes tie to other risky entities

3. **Risk signals from multiple sources:** Detect APP/scams and mule behavior across domains/channels with the ability to combine unique and proprietary risk signals

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Scams continue rise
YoY 17.5% increase in Authorized/APP fraud

Scammers view money mules as a necessary step to accomplishing their goals

59%
of new account fraud is mule related, and the majority of these accounts demonstrate mule characteristics **within 45 days**

APP/Authorized Fraud and 50-50 liability split
U.K. PSR changes are coming in 2024—be prepared
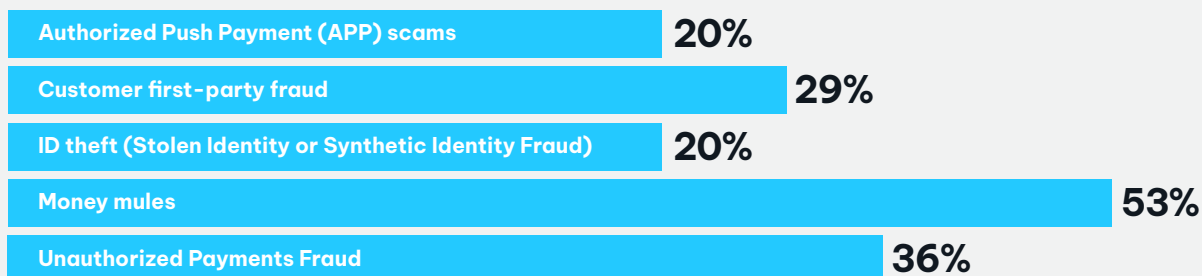

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Fraud Operations teams benefit from this approach by enhanced automation and alert handling. Specialization of skillsets within operations is now critical in the triage of fraud alerts. Specialized teams can be set up for account takeover, scams and mules. Each of these typologies require distinctly different review handling, customer interview handling, and outcome resolution.

Real-Time Solution for Faster Payments

With evolving regulations and faster fraud, its critical to stay ahead. AI-powered Scams & Mule Defense features advanced analytics enriched with biometrics and dark web intelligence. This enables teams to analyze multiple scam typologies and find mules in real time. Firms can detect scams at their nascent stage and anticipate potential threats by mules before money is moved, preserving brand reputation, customer trust, and regulatory compliance.

Global Fraud Leaders Weigh In

What are the top 5 challenges posing the greatest fraud threats to financial institutions today?

Challenge	Percentage
Authorized Push Payment (APP) scams	20%
Customer first-party fraud	29%
ID theft (Stolen Identity or Synthetic Identity Fraud)	20%
Money mules	53%
Unauthorized Payments Fraud	36%

Explore real-time fraud prevention with Scams & Mule Defense.

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Know more. Risk less.

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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