

VIDEO PRESENTATION

How to Reduce Card-Not-Present Fraud and Safely Accept More Online Orders Through Collaboration

Retail Fraud 2010 Masterclass Session –
4/20/2010

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What You Will Learn Today

1. Today's fraud problem and how detection has evolved
2. How collaboration advances the state of the art in fraud detection
3. What is Ethoca360 Negative Signals
4. How Ethoca360 Negative Signals works with your existing fraud solutions to make them better
5. Security, privacy, PCI compliance and data integrity – how it all works with collaboration
6. How to apply and get started using free Negative Signals

The TCoF Problem



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TCoF is Only Tip of the Iceberg

- **6 times as much revenue lost to “fear of fraud” as there is to actual fraud (FTC)**
- Your competitor’s fraud problem is your fraud problem
- Collaboration represents win-win-win opportunity to melt the iceberg



Fear of fraud facts

- 50% internet users avoid shopping online fearing financial information will be stolen
- 49% of those who express concern about fraud/security will not make any online purchases
- Among previous fraud victims
 - 12% no longer shop online
 - 25% report they shop less frequently
 - 19% report they spend less when they shop online

CyberSource says:

- 71% of consumers are concerned with the level of risk when shopping over the web, an increase of 5% over 2008
- 41% of consumers say they don't shop online primarily because they are concerned about safety/security
- **24% of consumers say it is merchants' responsibility to make online shopping safe (the largest grouping of answers)**

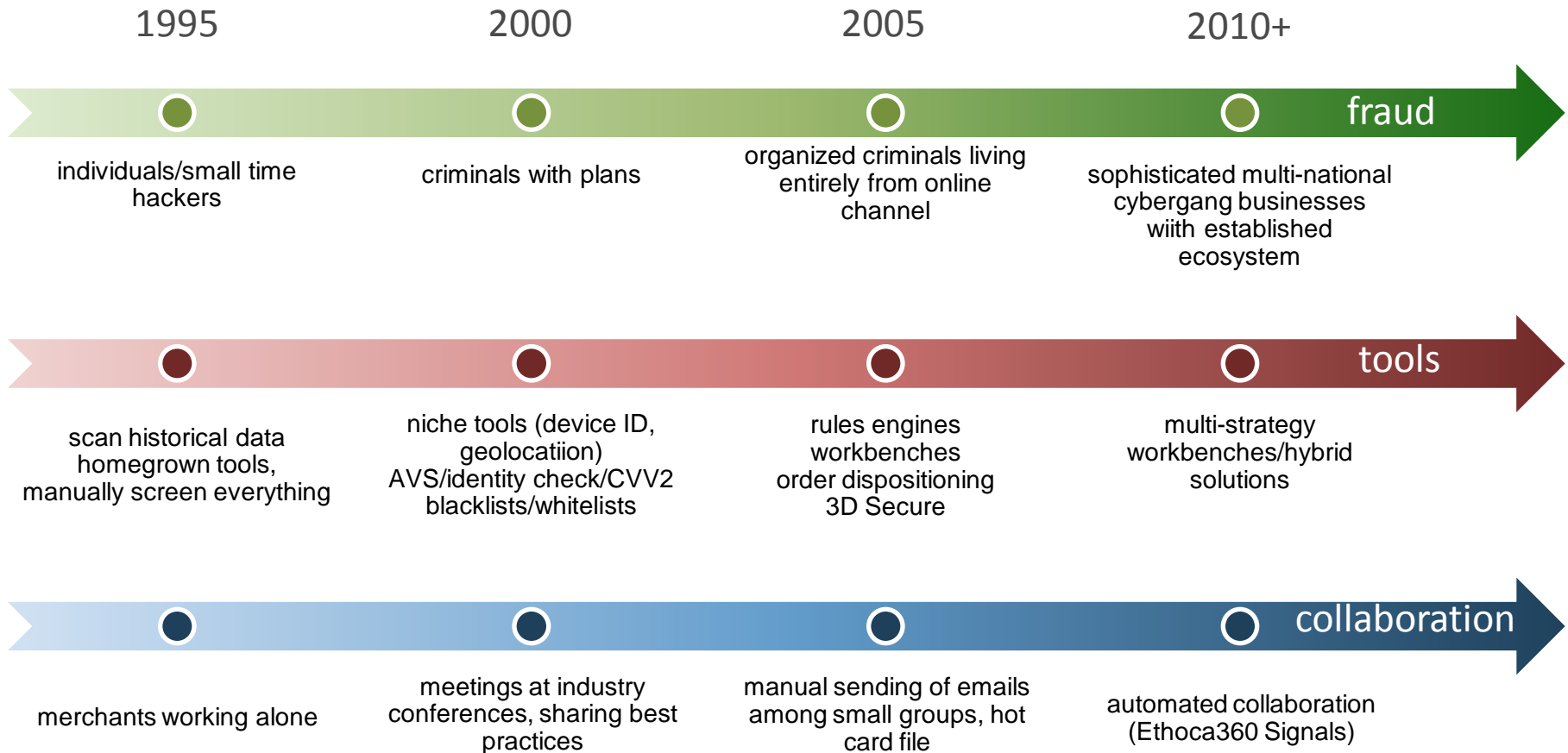
2010

UK Online Fraud Report

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CyberSource®
the power of payment

Timelines



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Fraud Arms Race



- Every advance in fraud screening is met by more sophisticated attacks by fraudsters
- Only more “knowing” and less “predicting” can neutralize the fraudster

Missing piece of fraud fighting puzzle

- Merchant's own historical data
- Manual reviews
- Anti-fraud analytics tools
- **360 degree view of online shopping behavior**
 - **Automated global collaboration platform for safe + secure merchant data pooling**



Benefits of collaboration

- Reduces false positives
- Boosts manual review productivity
- Faster order processing
- Lower customer insult rate
- Less “fear of fraud”



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FREE FOREVER COLLABORATION

Ethoca360 Negative Signals

- Compares orders with DB over 500 million and growing
- Finds negative matches
 - Chargeback history
 - Rejection history
 - Blacklisted data
 - Data inconsistencies
 - Velocity issues
- Compatible, additive to all existing tools, processes
- Connect via real-time XML API
or batch mode or single transaction check



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Limited Time Offer

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Collaboration 101

**Check YOUR
payment history.**

**Check OTHERS'
payment history.**

Submitting a Single Transaction Check

Ethoca360 **Negative** Signals (upgrade now) Welcome, Pavel G

Tools Knowledge Base Reporting Administration My Settings Help Contact Us

Single Transaction Check | Bulk Check | Bulk Check Results | Upload Chargebacks | Chargeback Results

Request a Single Transaction Check

To issue a single transaction check enter details in the fields below and click **Submit Request**. At least **2** data elements should be provided. The more data elements provided the higher the chance of a match. Customer name is not sufficient by itself for a match.

Single Transaction Check ?

FINANCIAL

Card Number

Bank Routing Number Bank Account Number

PERSONAL

Name
First Name Middle Name Last Name

Email Address

Phone Number

Address
Line 1 Line 2 Line 3

City Country State/Province

Zip/Postal Code

IP Address

Transaction Check Results

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Signals 1

>> LOGOUT

Ethoca360 **Negative Signals (upgrade now)**

Welcome, Pavel G

Tools Knowledge Base Reporting Administration My Settings Help Contact Us

Single Transaction Check | Bulk Check | Bulk Check Results | Upload Chargebacks | Chargeback Results

View the Single Transaction Check results below.

Perform Another Check

Single Transaction Check Results

Data Elements	Signal	Description
CARD Card Number 454612*****1234		Rejection History
EMAIL Email Address john.brand@fraud1.com		Blacklisted Domain
PHONE Phone 1 Number 3120022337		Chargeback History

Details

There are 2 details in this Negative Signals Check.

Mem. ID	MCC	Amount	Curr	Payment Type	Status	Trans. Date	Not. Date	Data Elements
Member1	7995	345.99	USD	CC	Rejected	01Jan10		Card Number
Member1	7995	349.99	USD	CC	Chargeback	23Mar09	26Apr09	Phone Number

Trans. Date - The date the transaction occurred.

Not. Date - The date the merchant was notified that the transaction became a chargeback.

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Partner Availability



FraudNet



**MANY MORE
PARTNER
ANNOUNCEMENTS
COMING SOON**

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41st Parameter FraudNet

41st Investigate SketchMatch DataSpider Support Logout

Itinerary: 123110-001 Add Memo Wait Approve Reject Cancel XSpecial [+ Summary]

Flight No.	From	To	Departure	Arrival	Operated By
377	RSW	EWR	2010-04-05 14:25:00.0	2010-04-05 17:24:00.0	CO
3203	EWR	ALB	2010-04-05 19:30:00.0	2010-04-05 20:47:00.0	CO

Ethoca360

Ethoca360 Warning Signal ●

Signals Details

CARD

Card Number	456789*****1234	●	PH
BIN	456789	○	

EMAIL

Full Email Address	bsmith@gmail.com	●	CH RH HV
Domain	gmail.com	●	LR

PHONE

Full Phone Number		○	
Area Code		○	

ADDRESS

Full Address	Flat 2 23 London Rd London GB	○	
Postal Code	WC1N 1JK	●	HR

TDL

- Server Timestamp: 2007-03-24 03:55:28.0
- Device Timestamp: Thursday, October 02, 2008 7:30:21 PM
- TDL Hours: 12
- TDL Minutes: 749
- TDL Secs: 44995
- Server Time Zone Offset: 0.0
- Device Time Zone Offset: 5.5
- Time Zone Delta Hours: 5.5

Model Results

- Model: TAA
- Action: Reject
- Score: 1500
- Confirmed Fraud: false
- Confirmed Fraud Date:

IP Data

- IP: 111.111.1.101
- IP Country: United States
- IP City:

Payment Info



Ethoca360 Signals within GB Group's URU/ID3 Check

Warning signal provided

The image shows four stacked screenshots of the Ethoca360 interface. Each screenshot displays the 'Results' section for the 'Ethoca Global Fraud Fighting Community' with an 'Investigate' link. The risk assessment results are as follows:

- 9501 Ethoca Risk Assessment result: Red (indicated by a red 'X' icon)
- 3500 Ethoca Risk Assessment result: Green (indicated by a green checkmark icon)
- 6500 Ethoca Risk Assessment result: Yellow (indicated by a yellow warning icon)
- 3504 Ethoca Risk Assessment result: White (indicated by a white information icon)

“Investigate” → signals details

The screenshot shows the 'ethoca' logo at the top, followed by a red dot indicating a warning signal. Below is the 'Signals Details' section, which is organized into categories with associated icons:

- CARD**
 - Card Number: 456789*****1234 (Green icon, PH)
 - BIN: 456789 (White icon)
- EMAIL**
 - Full Email Address: bsmith@gmail.com (Red icon, CH RH HV)
 - Domain: gmail.com (Green icon, LR)
- PHONE**
 - Full Phone Number: (White icon)
 - Area Code: (White icon)
- ADDRESS**
 - Full Address: Flat 2, 23 London Rd, London, GB (White icon)
 - Postal Code: WC1N 1JK (Yellow icon, HR)

Security, Privacy, Data Integrity

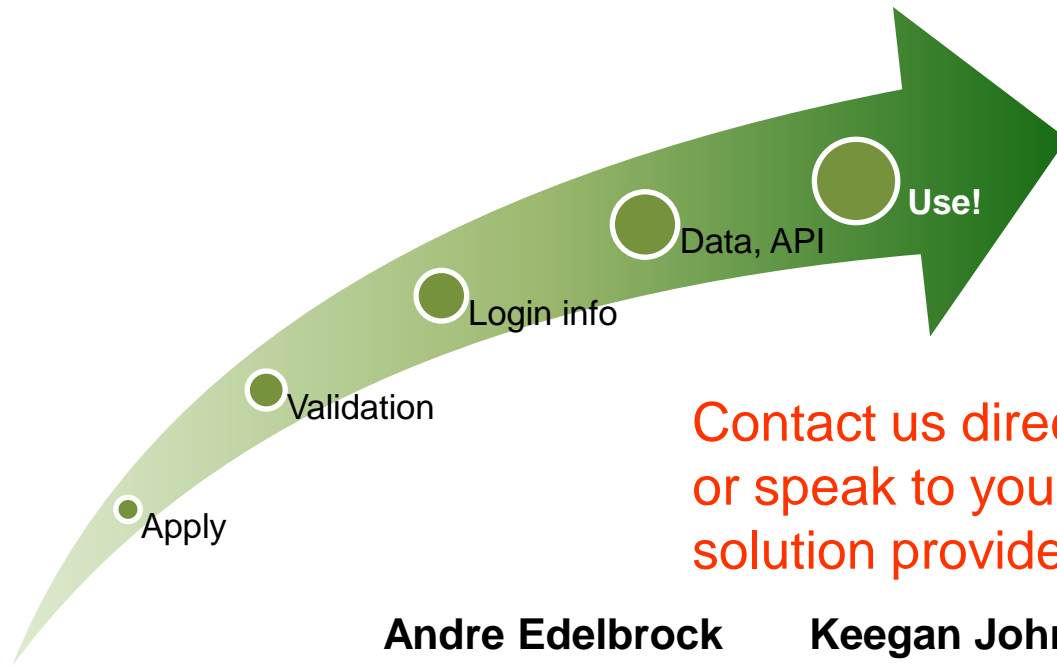
- PCI DSS compliant
- Adheres to strictest privacy regulations worldwide
 - Based in Ireland
 - Complies with all EU standards and laws
 - Audited to AICPA standards
- No data shared or directly accessible

Key Messages

- Collaborating is a win-win-win
- Collaboration 101 – access to others' payment experiences
- Ethoca360 Negative Signals free forever offer is live
- Available directly or through partners

Applying for Free Negative Signals

Apply at: ethoca.com/negative-signals-apply-now/



Contact us directly (sales@ethoca.com) or speak to your payment and/or fraud solution provider.

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