DETECTING FRAUDS, SAVING MILLIONS, AND WINNING GLOBAL AWARD

Abstract

How can a small fraud, when done over a long period, can affect an organization? Infosys BPM identified and fixed revenue losses for a food and catering giant, and helped identify approximately 300 potential fraud cases per month, enabling potential annual savings of close to $1.5 Mn.

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The client is a UK based multinational company that operates its catering and retail units at over 125 airports and 270 railway stations across the globe.

Challenges due to loss incurring behaviors

With plenty of stores across the globe, the client was facing severe revenue leakages through numerous and complex cases of fraud across its bricks and mortar stores. Losing almost 0.8% of its total revenue, the client wanted to identify and fix revenue losses through fraud detection, fix loopholes in their business processes, and bring process standardization across geographies.

In order to overcome the challenges, the client partnered with Infosys BPM, to leverage its fraud analytics, a unique skill that involves a combination of analytical tools and human interaction. To identify potential fraudulent/suspicious behavior, it was imperative to step into the client' cashiers' mindsets to understand the unique scenarios around each of their transactions, and hence had to work very closely with them.

Investigating with a collaborative solution

Infosys BPM deployed a team of 11 Loss Prevention Analysts (LPA) across 7 regions. The team analyzed point-of-sale (POS) data and handed over the cases to the regional Loss Prevention team, to physically investigate them and take appropriate actions. The scope of work (SOW) included:

- Investigate approximately 300 cases each month

- Target hit ratio of 75% of the total alerts/cases generated

- Capture various performance metrics including fraud run-time, potential new fraud cases identified, etc.

The various phases of the investigations demanded that both the Infosys BPM analysts and the client collaborate closely with each other to achieve the target successfully.

Outcome (Client)

- HR/ legal warnings
- Workshops
- Training manuals change

Review PoS Data

- Review transactions by risk/area/region/store/time span
- Identify outliers – suspicious transactions based on business rules
- Identify cashier/store/region

Investigation (Client)

- Physical investigations
- Store Visits
- Mystery shopping
- CCTV footage
- Telephonic enquiry

Analyze

- Pattern identification
- Peer comparison
- Analyze store cashier in high risk areas
- Fraud size – potential value at risk
- Raise incidents with findings & evidence

The Infosys BPM team analyzed the POS data on the client's tool to identify any fraudulent and suspicious behavior by cashiers. Suspicious behaviors underwent pattern analysis based on historical data and behavior patterns of the cashiers' colleagues, and were highlighted to the client. Based on these insights, the client conducted physical investigation through store visits, mystery shopping, and CCTV footage reviews. The concerned individuals were given human resource team (HR)/ legal warnings, and were sent to attend functional trainings and workshops.

A distinctive aspect of this collaboration was the extensive exchange of information and expertise between various teams in four key areas:

- domain knowledge
- data analysis
- platform usage
- risk workbooks creation

Benefits of effective investigation

The collaboration helped the client gain an analytical approach to fraud detection, which led to streamlining and standardization of the end-to-end processes. This helped the client save costs and efforts associated with investigation, and also helped identify over 300 potential fraud cases per month involving suspicious transactions. These transactions had a combined value of close to $1.5 Mn annually, and their identification led to decreased revenue losses due to fraud. For this effective and robust solution, Infosys BPM won the GSA UK 2019 Award in the Excellence in Collaboration category, one of the most coveted accolades in the outsourcing industry.

As a result of the collaboration, the client achieved the following benefits:

- Enhanced fraud detection and case conversion ratio
- Identified new categories / potential areas for fraud with identification of new modus operandi
- Managed compliance to ensure that the cashiers follow defined processes and stop deviating from usual process
- Improved cashier productivity with new areas of trainings
- Acquired and built knowledge with consolidation of best practices and policies for fraud detection across regions to set standardized guidelines
- Reduced cost of Investigation by bringing in economies of scale to fraud investigation process

The award win is a testament of the consistent effort put in by Infosys BPM, and the collaborative approach also received a widespread acclaim from the client stakeholders including the regional & global loss prevention teams.

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