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# 🧠 Autoencoder for Anomaly (Fraud) Detection
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import pandas as pd

import numpy as np

import tensorflow as tf

from sklearn.model_selection import train_test_split

from sklearn.preprocessing import StandardScaler

from sklearn.metrics import confusion_matrix, classification_report

import matplotlib.pyplot as plt

import seaborn as sns

import os

# ✅ 1. Load dataset (auto-download if missing)

file_path = "creditcard.csv"

if not os.path.exists(file_path):

    print("⬇️ Downloading dataset...")

    url = "https://storage.googleapis.com/download.tensorflow.org/data/creditcard.csv"

    data = pd.read_csv(url)

    data.to_csv(file_path, index=False)

else:

    print("✅ Found local dataset.")

    data = pd.read_csv(file_path)
```

```
print("Data Loaded. Shape:", data.shape)
print(data.head())

# ✅ 2. Preprocessing
scaler = StandardScaler()
data[['Time', 'Amount']] = scaler.fit_transform(data[['Time', 'Amount']])

X = data.drop('Class', axis=1)
y = data['Class'].astype(bool)

# Split into train/test
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.2, random_state=42)

# Train only on normal data
X_train_norm = X_train[~y_train]
X_test_norm = X_test[~y_test]
X_test_fraud = X_test[y_test]

print(f"Training on normal samples: {len(X_train_norm)}")
print(f"Testing on normal samples: {len(X_test_norm)} | Fraud samples: {len(X_test_fraud)}")

# ✅ 3. Build Autoencoder
input_dim = X_train_norm.shape[1]
input_layer = tf.keras.layers.Input(shape=(input_dim,))
encoder = tf.keras.layers.Dense(16, activation='relu')(input_layer)
encoder = tf.keras.layers.Dense(8, activation='relu')(encoder)
```

```
latent = tf.keras.layers.Dense(4, activation='relu')(encoder)
decoder = tf.keras.layers.Dense(8, activation='relu')(latent)
decoder = tf.keras.layers.Dense(16, activation='relu')(decoder)
output_layer = tf.keras.layers.Dense(input_dim, activation='sigmoid')(decoder)
```

```
autoencoder = tf.keras.Model(inputs=input_layer, outputs=output_layer)
autoencoder.compile(optimizer='adam', loss='mse', metrics=['mae'])
autoencoder.summary()
```

#### # 4. Train Autoencoder

```
history = autoencoder.fit(
    X_train_norm, X_train_norm,
    epochs=5,
    batch_size=64,
    validation_data=(X_test_norm, X_test_norm),
    verbose=1
)
```

#### # 5. Reconstruction Error (Anomaly Detection)

```
recon = autoencoder.predict(X_test)
mse = np.mean(np.power(X_test - recon, 2), axis=1)
```

```
threshold = np.percentile(mse, 95) # Top 5% errors as anomaly
y_pred = (mse > threshold).astype(int)
```

#### # 6. Visualization — Histogram of reconstruction error

```
plt.figure(figsize=(8, 5))

plt.hist(mse[y_test == 0], bins=50, alpha=0.6, label='Normal')

plt.hist(mse[y_test == 1], bins=50, alpha=0.6, label='Fraud')

plt.axvline(threshold, color='r', linestyle='--', label='Threshold')

plt.title("Histogram of Reconstruction Error")

plt.xlabel("Reconstruction error (MSE)")

plt.ylabel("Number of samples")

plt.legend()

plt.show()
```

#### # 8. Plot Training Curves

```
plt.plot(history.history['loss'], label='Train Loss')

plt.plot(history.history['val_loss'], label='Validation Loss')

plt.title("Autoencoder Training Performance")

plt.xlabel("Epochs")

plt.ylabel("Loss")

plt.legend()

plt.show()
```

#### # 9. Anomaly Detection Graph (NEW ADDITION)

```
# Scatter plot showing reconstruction error per sample

plt.figure(figsize=(10, 6))

plt.scatter(range(len(mse)), mse, c=y_pred, cmap='coolwarm', alpha=0.6)

plt.axhline(threshold, color='r', linestyle='--', label='Threshold')

plt.title("Anomaly Detection Graph (Reconstruction Error per Sample)")

plt.xlabel("Sample Index")
```

```
plt.ylabel("Reconstruction Error (MSE)")

plt.legend()

plt.show()

# ✅ 10. Show how fraud samples stand out

plt.figure(figsize=(8, 5))

sns.kdeplot(mse[y_test == 0], label="Normal", fill=True)

sns.kdeplot(mse[y_test == 1], label="Fraud", fill=True)

plt.axvline(threshold, color='r', linestyle='--', label='Threshold')

plt.title("Density Plot: Normal vs Fraud Reconstruction Errors")

plt.xlabel("Reconstruction Error (MSE)")

plt.ylabel("Density")

plt.legend()

plt.show()
```