Summary of yesterday’s meeting :

1. Confirmed that incoming and closed dispute amounts have not changed significantly in relation to purchase volume as a rate.
2. Write-off amounts have come down due to a recent process of J’s team reviewing the disputes based on purchase transaction history (and please additional process changes explicitly)
   1. Most of this is related to SIG fraud – transitioning our customers to PIN which is more secure.
3. Count of No Auth transactions have come down but the dollar amount have increased year over year.

I’m aligned with the recommendation and controls.

counterfeit card fraud 伪造

I think this may be what’s skewing the percentage so low.

If it’s all in pacific time, it will be skewed for stores in other time zones.

We were over confident in our ability to grow a division, we ignored signs of softness in the economy and we continued to spend and increase our expenses, until we had put ourselves in a spot where we had no choice. A lot of good people suffered because of that. That is a mistake I do not intend to allow to happen again.

dig into

create a funnel: the reason this’s call funnel is that you have fewer and fewer user that get to each stage of the funnel.

Geo Distinct is a good indicator of fraud.

It’s a bit rush to make any promise on the ETA coz we’re not sure if the data is available to be used.

We take it offline. Discuss after the meeting

Do a XX analysis of customers who have make a purchase and see what behaviors they have in common.

running a variety of eligibility criteria through RDC fraud model to see where we could find a balance between good customers and fraud.

I’m fairly new to this project.

If we’re will to absorb all losses and reputation risk

front line qualification

at this **point in time**

Fall on our ownership

Just wanted to give you a heads up to avoid a surprise

**I got a request from product team about store blocker, they wanna made some adjustment on the threshold based on recently month data, like to expand that thredholds on other retailer, so I support them and conduct some research and analysis on the retailer sales data, to evaluate impact on the transaction and find out the false positive rate**

<https://www.realtor.com/news/trends/will-the-coronavirus-infect-the-u-s-real-estate-market/>

**item(card) purchase block at store project**

For the 7-eleven, there’re total 50,000 transactions between 1/1/2010 to 3/1/2020, about 165 transactions will trigger the block with total estimated dollar amount $82,000.

To illustrate how the block logic work during the backtesting, e.g. storekey 10429\_null\_118, have 3 transactions within 1 hour, the first two transactions got posted, 500+500 =1000 , the 3rd one will trigger the $1000 block limit. The potential losses would be $500. Please see the attached for the excel spreadsheet data.

Question: how long will we block a store from processing eCash after store blocker is triggered?

Among the 680+ transactions in the list, the following 18 from store#36530 were the fraudulent loads.

The 165 affected transactions generates $651.75 (165\*$3.95) topline revenue, but 7-11 had to take about $9k loss for these 18 fraudulent transactions.

for the store block,  first trans is 300, 2n trans is 400, third trans is 500

1000 limit, total dollar amount will be 300+400+500=1200, then block any subsequent trans because Store Blocker can't include it in the total if the sale hasn't occurred yet.it's a batch process that checks total sales against the threshold amount

From linky/; Two or more cards purchased at the same store within a rolling 15 minutes and loaded with greater than or equal to $500 each, where the registered address upon card activation is 1) Not in the purchase state, and 2) Greater than 150 miles away from the store location.We can analyze the impact of lowering the threshold to $20  or adding additional conditions to target potential mule accounts similar to the GoBank sleeper accounts across all retailers for all products.

**mobile App check deposit** project

segment the population into no-return and 1 or more return, look at their behavioral difference:

count how many decline, transaction, dispute, the time dfiffernce between card activation and first deposit, sum total dollars amounr for each customer,

in salesforce, look the actual check image, to see any suspicious on the check

these two example, deposit the same check multiple times in 1-2 hour, decline multiple time, 1 approve, get returned

Insight

1.Some large negative balance caused by Trust checks, the check has been deposited more than 2 months e.g. bad 163625408 -- bad 190160196

2. these two example, deposit the same check multiple times in 1-2 hour, decline multiple time, 1 approve, get return

select customerkey ,\* FROM public.fraud\_mrdc\_transactions t

left join src.customer c on c.accountkey = accountidentifier

where accountidentifier = 187067547 -- customerkey = 189874701

--c.customerkey = 140233902

2 important feature

Challenge: lot of good customers be with us for years, they happen to have a bad check, not too much difference between the customer never has return check and the customer with return check. At least, I figure two useful indicator, 5 consecutive declines in 1 hour or 10 in 2 hour, other transactional features are very helpful, for example total transaction amount, current balance, account age

Model not good, coz some customer without return, they got check decline, doesn’t mean they’re good customers

Thinking to redefine what is a bad customer, not based on return, based on decline. Good customer

Decline/approve percentage is small, I got decline due to check mount too large

**analyze for third party**

|  |  |
| --- | --- |
| Problem Statement | Current CheckDEPO eligibility criteria is based on direct deposit enrollment and usage.  As per research performed by RobinHood, over 60% of the customer base is ineligible for direct deposit (e.g. employer does not offer direct deposit) – which prohibits expanded adoption of the CheckDEPO feature. |
| Goal | Set forth a set of eligibility criteria that allows at least 50% of the RobinHood customer base to use the CheckDEPO feature with the right balance to offset financial and reputational risk for both RobinHood and OurCompany. |
| Current Challenges for Expansion | Lack of historical data on customer behavior to create robust eligibility criteria model |
|  | We don’t know what combination of factors and behaviors would yield the highest return with the lowest risk |
| Recommended Approach | Run a 90-Day Test of ‘CheckDEPO for All’ – enable CheckDEPO for a randomly selected set of customers (up to XX%, is 25% statistically significant enough or do we need more), monitor adoption/behavior and perform post-test analysis to generate new eligibility criteria model |
| Conditions for Test Execution | RobinHood will provide OurCompany with list of customers that were randomly selected to assist in post-test analysis |
|  | Existing CheckDEPO funds availability criteria and limits remain applicable |
|  | RobinHood will be 100% liable for any loss associated with return/fraudulent checks |
|  | OurCompany reserves the right to terminate the test if … (do we want this?  if so - what do we want to put here – return rates exceeds a certain % or dollars?) |

Dispute write off repeat offernde

SELECT

CAST(submit\_date as date),

gd\_cardkey,

count(child\_casenumber),

sum(disputeamount),

LOWER(merch\_name),

d.state AS cust\_state,

LOWER(d.city) AS cust\_city,

d.zipcode AS cust\_zip,

a.countryname,

dispute\_reason,

resolution,

trans\_type,

bin,

mcc

FROM public.fraud\_cardholderdisputestransdtl a

LEFT JOIN gdot\_src\_dbo\_infa.customer d ON d.customerkey = a.customerkey

where submit\_date >= '2020/01/01'

AND resolution = 'W/O'

and merch\_name not in ( 'Monthly Maintenance Fee', 'ATM Withdrawal Fee','Atm Balance Inquiry Fee')

GROUP BY CAST(submit\_date as date),LOWER(merch\_name), d.state, LOWER(d.city), d.zipcode, a.countryname,

dispute\_reason, resolution,trans\_type,bin, mcc,gd\_cardkey