Credit Card Fraud Detection

Reading the Train and Test Datasets

In [4]: 1 df_train.head()

Out[4]:

	Unnamed: 0	trans_date_trans_time	cc_num	merchant	category	amt	first	last	gender	street		
0	0	2019-01-01 00:00:18	2703186189652095	fraud_Rippin, Kub and Mann	misc_net	4.97	Jennifer	Banks	F	561 Perry Cove		3
1	1	2019-01-01 00:00:44	630423337322	fraud_Heller, Gutmann and Zieme	grocery_pos	107.23	Stephanie	Gill	F	43039 Riley Greens Suite 393	•••	4
2	2	2019-01-01 00:00:51	38859492057661	fraud_Lind- Buckridge	entertainment	220.11	Edward	Sanchez	М	594 White Dale Suite 530		4
3	3	2019-01-01 00:01:16	3534093764340240	fraud_Kutch, Hermiston and Farrell	gas_transport	45.00	Jeremy	White	М	9443 Cynthia Court Apt. 038		4
4	4	2019-01-01 00:03:06	375534208663984	fraud_Keeling- Crist	misc_pos	41.96	Tyler	Garcia	М	408 Bradley Rest		3

5 rows × 23 columns

In [5]:

1 df_test = pd.read_csv(r"C:\Users\HP\PGA 32\Machine Learning\CODSOFT\Credit Card Fraud Detection\fraudTest

In [6]: 1 df_test.head()

Out[6]:

	Unnamed: 0	trans_date_trans_time	cc_num	merchant	category	amt	first	last	gender	street	
0	0	2020-06-21 12:14:25	2291163933867244	fraud_Kirlin and Sons	personal_care	2.86	Jeff	Elliott	М	351 Darlene Green	
1	1	2020-06-21 12:14:33	3573030041201292	fraud_Sporer- Keebler	personal_care	29.84	Joanne	Williams	F	3638 Marsh Union	
2	2	2020-06-21 12:14:53	3598215285024754	fraud_Swaniawski, Nitzsche and Welch	health_fitness	41.28	Ashley	Lopez	F	9333 Valentine Point	
3	3	2020-06-21 12:15:15	3591919803438423	fraud_Haley Group	misc_pos	60.05	Brian	Williams	М	32941 Krystal Mill Apt. 552	
4	4	2020-06-21 12:15:17	3526826139003047	fraud_Johnston- Casper	travel	3.19	Nathan	Massey	М	5783 Evan Roads Apt. 465	

5 rows × 23 columns

In [7]: 1 df_train.shape

Out[7]: (1296675, 23)

In [8]: 1 df_test.shape

Out[8]: (555719, 23)

```
In [9]: 1 df_train.info()
```

<class 'pandas.core.frame.DataFrame'>
RangeIndex: 1296675 entries, 0 to 1296674
Data columns (total 23 columns):

Data	COTAINITS (COCAT 25 CO	Tulli13).							
#	Column	Non-Null Count	Dtype						
0	Unnamed: 0	1296675 non-null	int64						
1	trans_date_trans_tim								
2	cc num	1296675 non-null	int64						
3	merchant	1296675 non-null	object						
4	category	1296675 non-null	object						
5	amt	1296675 non-null	float64						
6	first	1296675 non-null	object						
7	last	1296675 non-null	object						
8	gender	1296675 non-null	object						
9	street	1296675 non-null	object						
10	city	1296675 non-null	object						
11	state	1296675 non-null	object						
12	zip	1296675 non-null	int64						
13	lat	1296675 non-null	float64						
14	long	1296675 non-null	float64						
15	city_pop	1296675 non-null	int64						
16	job	1296675 non-null	object						
17	dob	1296675 non-null	object						
18	trans_num	1296675 non-null	object						
19	unix_time	1296675 non-null	int64						
20	merch_lat	1296675 non-null	float64						
21	merch_long	1296675 non-null	float64						
22	is_fraud	1296675 non-null	int64						
d+vn4	as: float64(5) int64(6) object(12)								

dtypes: float64(5), int64(6), object(12)

memory usage: 227.5+ MB

```
1 df_test.info()
In [10]:
         <class 'pandas.core.frame.DataFrame'>
         RangeIndex: 555719 entries, 0 to 555718
         Data columns (total 23 columns):
             Column
                                    Non-Null Count
                                                     Dtype
             ____
                                    _____
                                                     ----
          0
              Unnamed: 0
                                    555719 non-null int64
             trans_date_trans_time 555719 non-null object
          1
                                    555719 non-null int64
          2
              cc_num
          3
              merchant
                                    555719 non-null object
                                    555719 non-null object
              category
                                    555719 non-null float64
          5
              amt
                                    555719 non-null object
             first
                                    555719 non-null object
          7
              last
              gender
                                    555719 non-null object
              street
                                    555719 non-null object
          10 city
                                    555719 non-null object
          11 state
                                    555719 non-null object
          12 zip
                                    555719 non-null int64
          13 lat
                                    555719 non-null float64
          14 long
                                    555719 non-null float64
                                    555719 non-null int64
          15 city_pop
          16 job
                                    555719 non-null object
          17 dob
                                    555719 non-null object
                                    555719 non-null object
          18 trans_num
          19 unix time
                                    555719 non-null int64
          20 merch lat
                                    555719 non-null float64
          21 merch_long
                                    555719 non-null float64
          22 is fraud
                                    555719 non-null int64
         dtypes: float64(5), int64(6), object(12)
         memory usage: 97.5+ MB
          1 # df_train.drop(columns=['Unnamed: 0'],inplace=True)
In [11]:
          2 # df_train.head()
```

In [13]: 1 df_train.describe()

Out[13]:

	Unnamed: 0	cc_num	amt	zip	lat	long	city_pop	unix_time	merch_la
count	1.296675e+06	1.296675e+06	1.296675e+06	1.296675e+06	1.296675e+06	1.296675e+06	1.296675e+06	1.296675e+06	1.296675e+C
mean	6.483370e+05	4.171920e+17	7.035104e+01	4.880067e+04	3.853762e+01	-9.022634e+01	8.882444e+04	1.349244e+09	3.853734e+C
std	3.743180e+05	1.308806e+18	1.603160e+02	2.689322e+04	5.075808e+00	1.375908e+01	3.019564e+05	1.284128e+07	5.109788e+C
min	0.000000e+00	6.041621e+10	1.000000e+00	1.257000e+03	2.002710e+01	-1.656723e+02	2.300000e+01	1.325376e+09	1.902779e+C
25%	3.241685e+05	1.800429e+14	9.650000e+00	2.623700e+04	3.462050e+01	-9.679800e+01	7.430000e+02	1.338751e+09	3.473357e+C
50%	6.483370e+05	3.521417e+15	4.752000e+01	4.817400e+04	3.935430e+01	-8.747690e+01	2.456000e+03	1.349250e+09	3.936568e+C
75%	9.725055e+05	4.642255e+15	8.314000e+01	7.204200e+04	4.194040e+01	-8.015800e+01	2.032800e+04	1.359385e+09	4.195716e+C
max	1.296674e+06	4.992346e+18	2.894890e+04	9.978300e+04	6.669330e+01	-6.795030e+01	2.906700e+06	1.371817e+09	6.751027e+C

In [14]:

1 df_test.describe()

Out[14]:

	Unnamed: 0	cc_num	amt	zip	lat	long	city_pop	unix_time	mε
coun	555719.000000	5.557190e+05	555719.000000	555719.000000	555719.000000	555719.000000	5.557190e+05	5.557190e+05	555719
mear	277859.000000	4.178387e+17	69.392810	48842.628015	38.543253	-90.231325	8.822189e+04	1.380679e+09	38
sto	160422.401459	1.309837e+18	156.745941	26855.283328	5.061336	13.721780	3.003909e+05	5.201104e+06	5
mir	0.000000	6.041621e+10	1.000000	1257.000000	20.027100	-165.672300	2.300000e+01	1.371817e+09	19
25%	138929.500000	1.800429e+14	9.630000	26292.000000	34.668900	-96.798000	7.410000e+02	1.376029e+09	34
50%	277859.000000	3.521417e+15	47.290000	48174.000000	39.371600	-87.476900	2.408000e+03	1.380762e+09	39
75%	416788.500000	4.635331e+15	83.010000	72011.000000	41.894800	-80.175200	1.968500e+04	1.385867e+09	41
max	555718.000000	4.992346e+18	22768.110000	99921.000000	65.689900	-67.950300	2.906700e+06	1.388534e+09	66
4									

Duplicate Values

```
In [15]: 1 df_train.duplicated().sum()
Out[15]: 0
In [16]: 1 df_test.duplicated().sum()
Out[16]: 0
```

Numerical Columns

```
1 df_train.dtypes[df_train.dtypes!="object"]
In [17]:
Out[17]: Unnamed: 0
                          int64
         cc_num
                          int64
         amt
                       float64
         zip
                          int64
         lat
                       float64
         long
                       float64
         city_pop
                          int64
         unix time
                          int64
         merch_lat
                       float64
                       float64
         merch_long
         is_fraud
                          int64
         dtype: object
```

```
1 df_test.dtypes[df_test.dtypes!="object"]
In [18]:
Out[18]: Unnamed: 0
                          int64
         cc_num
                          int64
                       float64
         amt
                          int64
         zip
         lat
                        float64
                       float64
         long
                          int64
         city_pop
         unix_time
                          int64
         merch_lat
                       float64
         merch_long
                       float64
         is_fraud
                          int64
         dtype: object
```

Categorical Columns

```
In [19]:
           1 df_train.dtypes[df_train.dtypes=="object"]
Out[19]: trans_date_trans_time
                                   object
         merchant
                                   object
                                   object
         category
                                   object
         first
         last
                                   object
                                   object
         gender
         street
                                   object
                                   object
         city
                                   object
         state
         job
                                  object
         dob
                                  object
         trans_num
                                   object
         dtype: object
```

```
1 df_test.dtypes[df_test.dtypes=="object"]
In [20]:
Out[20]: trans_date_trans_time
                                  object
         merchant
                                  object
                                  object
         category
                                  object
         first
         last
                                  object
                                  object
         gender
                                  object
         street
                                  object
         city
         state
                                  object
         job
                                  object
         dob
                                  object
                                  object
         trans_num
         dtype: object
```

Missing Value Treatment

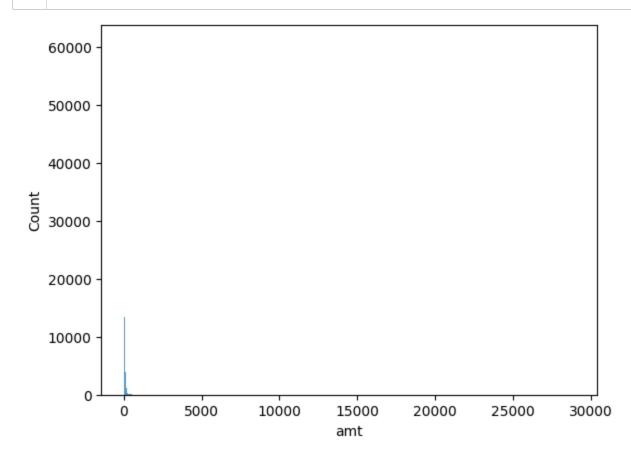
```
In [21]:
           1 df_train.isnull().sum()
Out[21]: Unnamed: 0
                                    0
          trans_date_trans_time
                                    0
          cc_num
                                    0
          merchant
                                    0
                                    0
          category
          amt
                                    0
          first
                                    0
          last
                                    0
          gender
                                    0
          street
                                    0
          city
                                    0
          state
                                    0
          zip
                                    0
          lat
                                    0
          long
                                    0
          city_pop
                                    0
          job
                                    0
          dob
                                    0
          trans_num
                                    0
          unix_time
                                    0
          merch_lat
                                    0
          merch_long
                                    0
          is_fraud
                                    0
          dtype: int64
```

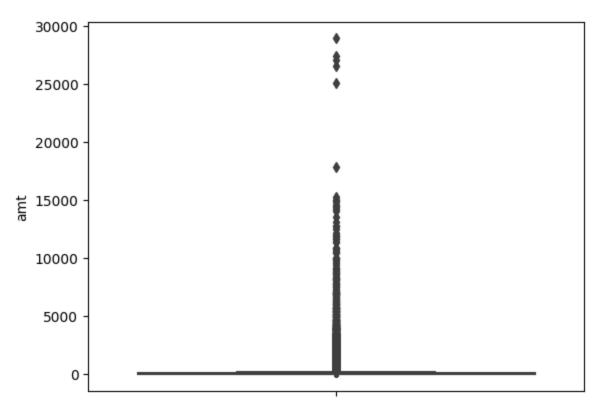
```
1 df_test.isna().sum()
In [22]:
Out[22]: Unnamed: 0
                                    0
          trans_date_trans_time
                                    0
          cc_num
                                     0
          merchant
                                     0
                                     0
          category
          amt
                                     0
          first
                                     0
          last
                                     0
          gender
                                     0
          street
                                     0
          city
                                     0
          state
                                     0
          zip
                                     0
          lat
                                     0
          long
                                     0
          city_pop
                                     0
          job
                                     0
          dob
                                     0
          trans_num
                                     0
          unix_time
                                     0
          merch_lat
                                     0
          merch_long
                                     0
          is_fraud
                                     0
          dtype: int64
```

Visualizing minimum value, maximum value, variance, standard deviation, 1st, 10th, 25th, 50th, 75th, 90th, 99th Histogram and Barplot graphs of percentiles, interquartile range (IQR) of train data

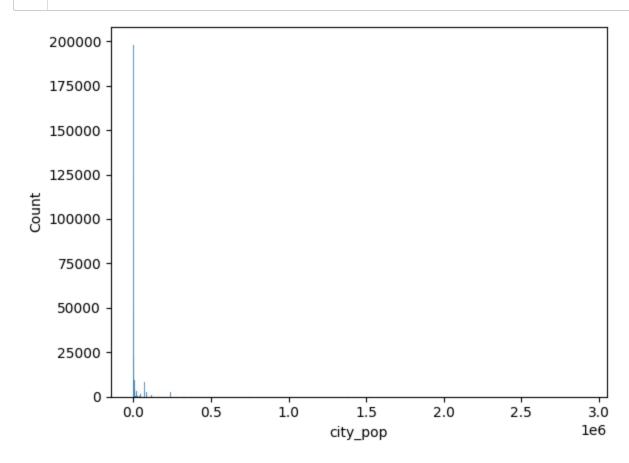
```
In [23]:
           1 def numerical(data, var, graph_plot=True):
           2
                  min_n=data[var].min()
                  max_n=data[var].max()
           3
                  var_n=data[var].var()
           4
           5
                  std_n=data[var].std()
                  p1=data[var].quantile(.01)
           6
           7
                  p10=data[var].quantile(.1)
           8
                  p25=data[var].quantile(.25)
                  p50=data[var].quantile(.5)
           9
                  p75=data[var].quantile(.75)
          10
                  p90=data[var].quantile(.9)
          11
          12
                  p99=data[var].quantile(.99)
                  iqr=p75-p25
          13
          14
          15
                  if graph plot==True:
                      sns.histplot(data[var])
          16
          17
                      plt.show()
                      sns.boxplot(y=data[var])
          18
                      plt.show()
          19
          20
                  results={"min":min_n,"max":max_n,"var":var_n,"std":std_n,
          21
          22
                          "p1":p1,"p10":p10,"p25":p25,"p50":p50,"p75":p75,"p90":p90,"p99":p99}
          23
                  return results
```

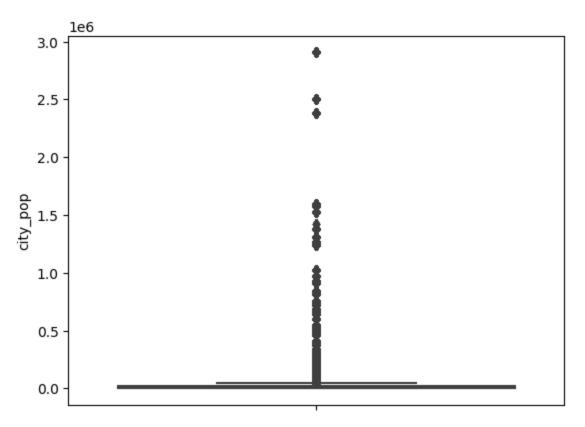
In [24]: 1 numerical(data=df_train, var="amt")

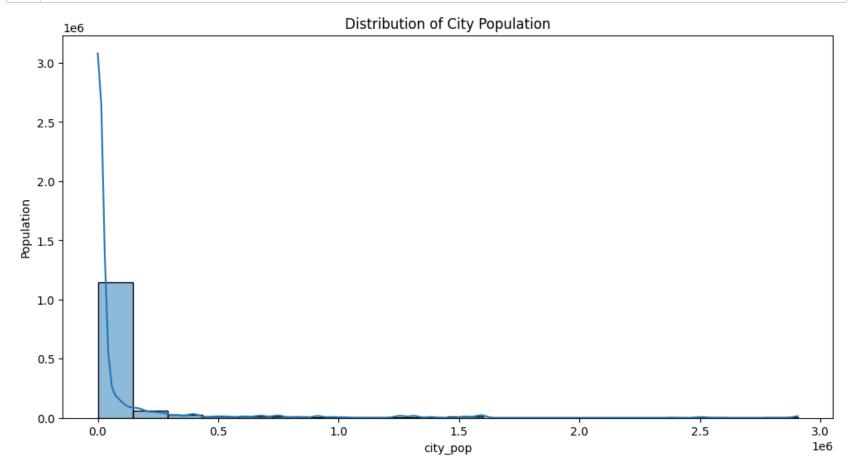


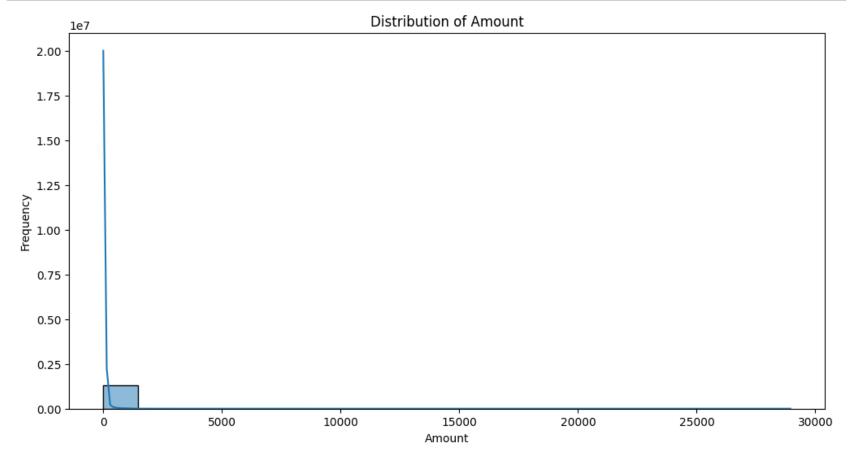


In [25]: 1 numerical(data=df_train, var="city_pop")

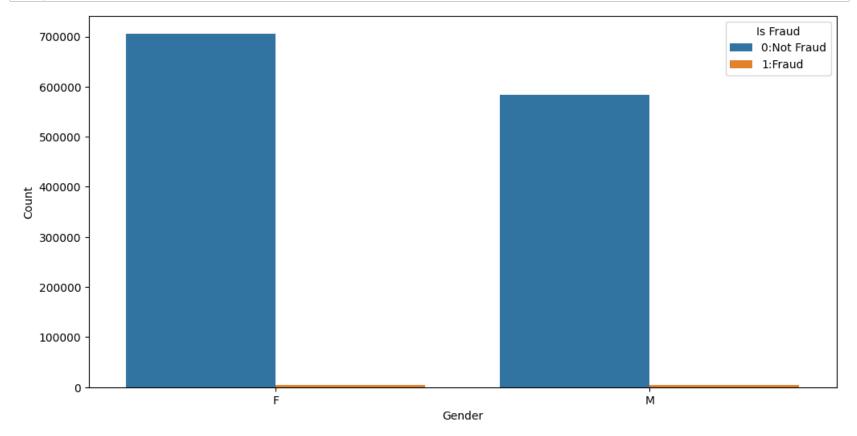






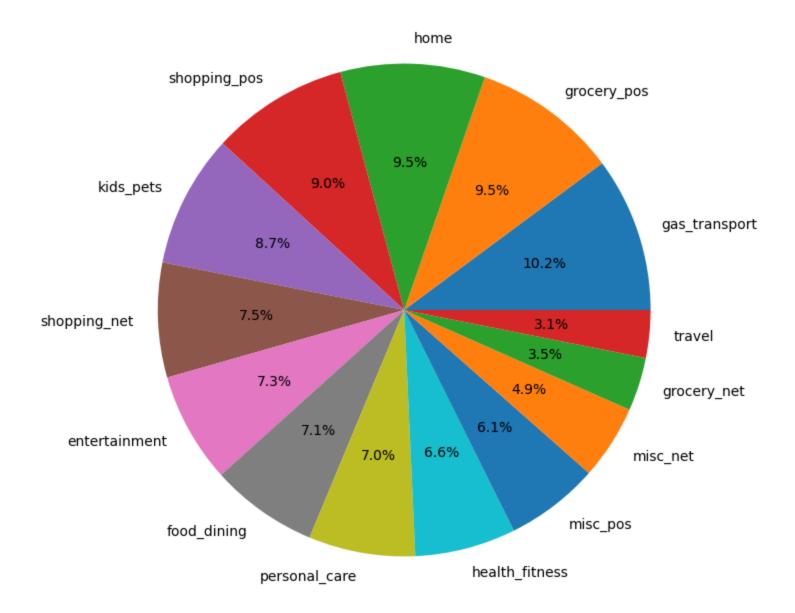


The resulting plot shows the count of fraudulent and non-fraudulent transactions for each gender.



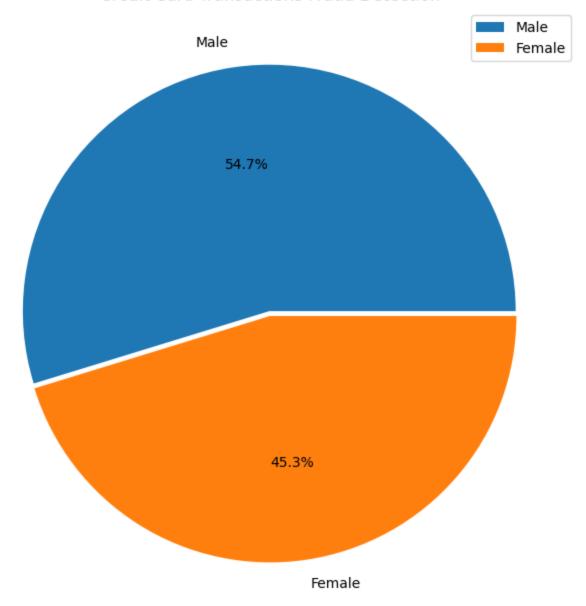
The resulting pie chart clearly shows the distribution of credit card transactions across different categories, helping to identify the proportion of transactions in each category.

Credit Card Transactions Fraud Detection

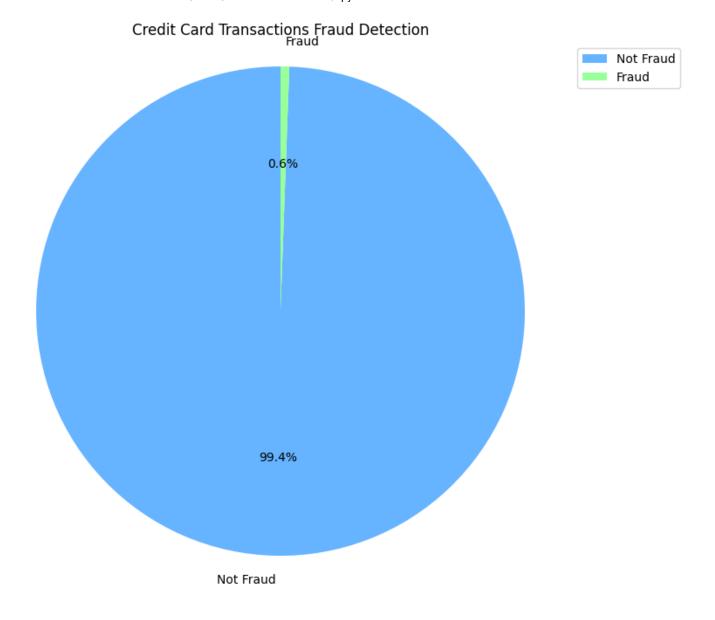


The resulting pie chart visualizes the distribution of credit card transactions between male and

Credit Card Transactions Fraud Detection



The resulting pie chart provides a visual representation of the distribution of fraud and non-



Convert to Datetime, and Extract Hour, Day of Week, and Month

Dropping Unnecessary Columns, One-Hot Encoding and Mapping Gender to Numeric Values 3

```
1 df_train = df_train.drop(['Unnamed: 0', 'trans_date_trans_time', 'merchant', 'first', 'last', 'street',
In [36]:
              df train = pd.get dummies(df train, columns=['category'], drop first=True)
            5 df train['gender'] = df train['gender'].map({'M': 0, 'F': 1})
              df_test = df_test.drop(['Unnamed: 0', 'trans_date_trans_time', 'merchant', 'first', 'last', 'street', 'c
In [37]:
              df test = pd.get dummies(df test, columns=['category'], drop first=True)
            3
             df_test['gender'] = df_test['gender'].map({'M': 0, 'F': 1})
            1 df train.head()
In [38]:
Out[38]:
                      cc_num
                                amt gender
                                                lat
                                                        long city_pop
                                                                       unix_time merch_lat merch_long is_fraud ... category_grocery
                                                                                                           0 ...
           0 2703186189652095
                                4.97
                                         1 36.0788
                                                    -81.1781
                                                                3495
                                                                     1325376018 36.011293
                                                                                           -82.048315
           1
                 630423337322 107.23
                                         1 48.8878 -118.2105
                                                                     1325376044 49.159047 -118.186462
                                                                                                           0 ...
               38859492057661 220.11
                                         0 42.1808 -112.2620
                                                                4154 1325376051 43.150704 -112.154481
           3 3534093764340240
                               45.00
                                         0 46.2306 -112.1138
                                                                1939
                                                                     1325376076 47.034331 -112.561071
                                                                                                           0 ...
              375534208663984
                               41.96
                                         0 38.4207
                                                    -79.4629
                                                                     1325376186 38.674999
                                                                                           -78.632459
                                                                                                           0 ...
          5 rows × 26 columns
```

```
for column in df_train.columns:
In [39]:
                   if df_train[column].dtype == bool:
            2
                       df train[column] = df train[column].astype(int)
            3
            4
            1 # corr = df_train.corr()
In [40]:
            2 # sns.heatmap(df_train,cmap='coolwarm',annot=True)
            3 # plt.show()
            1 df_test.head()
In [41]:
Out[41]:
                      cc_num
                               amt gender
                                                lat
                                                       long city_pop
                                                                       unix_time merch_lat merch_long is_fraud ... category_grocery_
           0 2291163933867244
                                         0 33.9659
                                                    -80.9355
                                                                                                                               F
                               2.86
                                                              333497
                                                                     1371816865
                                                                                33.986391
                                                                                           -81.200714
           1 3573030041201292 29.84
                                         1 40.3207 -110.4360
                                                                    1371816873 39.450498
                                                                                          -109.960431
                                                                                                                               F
           2 3598215285024754 41.28
                                         1 40.6729
                                                    -73.5365
                                                               34496
                                                                     1371816893 40.495810
                                                                                           -74.196111
                                                                                                                               F
           3 3591919803438423 60.05
                                         0 28.5697
                                                    -80.8191
                                                               54767 1371816915 28.812398
                                                                                           -80.883061
                                                                                                                               F
                                                                                                           0 ...
           4 3526826139003047
                               3.19
                                         0 44.2529
                                                    -85.0170
                                                                1126 1371816917 44.959148
                                                                                           -85.884734
                                                                                                                               F
          5 rows × 26 columns
In [42]:
               for column in df test.columns:
                   if df test[column].dtype == bool:
            2
                       df test[column] = df test[column].astype(int)
            3
            4
            1 # corr = df_test.corr()
In [43]:
            2 # sns.heatmap(df_test,cmap='coolwarm',annot=True)
            3 # plt.show()
```

Feature selection

Let's use X as our feature matrix and Y as our target variable to train and test a machine learning model for fraud detection.

```
In [44]: 1
2  X = df_train.drop(['is_fraud'], axis=1)
3  y = df_train['is_fraud']

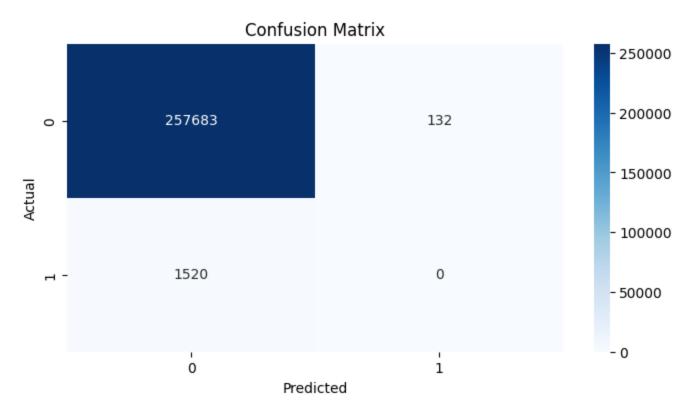
In [45]: 1
2  X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.2, random_state=42)
```

Standardize the features (important for Logistic Regression)

Logistic Regression

```
1 # Calculate the Accuracy score and Classification Report
In [49]:
           2 accuracy = accuracy_score(y_test, logistic_predictions)
          3 report = classification_report(y_test, logistic_predictions)
          4 conf matrix = confusion matrix(y test, logistic predictions)
           6 # Print the Accuracy score, Confusion Matrix, Classification Report
          7 print(f"Logistic Regression Accuracy Score: {accuracy*100:.2f}")
           8 print(f'Confusion Matrix:\n{conf matrix}')
          9 print(f'Classification Report:\n{report}')
          10
          11 # Data Visualization
          12 plt.figure(figsize=(8, 4))
          13 sns.heatmap(conf_matrix, annot=True, fmt="d", cmap="Blues")
          14 plt.xlabel('Predicted')
          15 plt.ylabel('Actual')
          16 plt.title('Confusion Matrix')
          17 plt.show()
```

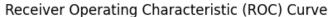
```
Logistic Regression Accuracy Score: 99.36
Confusion Matrix:
[[257683
            132]
[ 1520
              0]]
Classification Report:
              precision
                           recall f1-score
                                              support
           0
                   0.99
                             1.00
                                       1.00
                                               257815
           1
                   0.00
                             0.00
                                       0.00
                                                 1520
                                       0.99
                                               259335
    accuracy
                                       0.50
                                               259335
   macro avg
                   0.50
                             0.50
weighted avg
                   0.99
                             0.99
                                       0.99
                                               259335
```

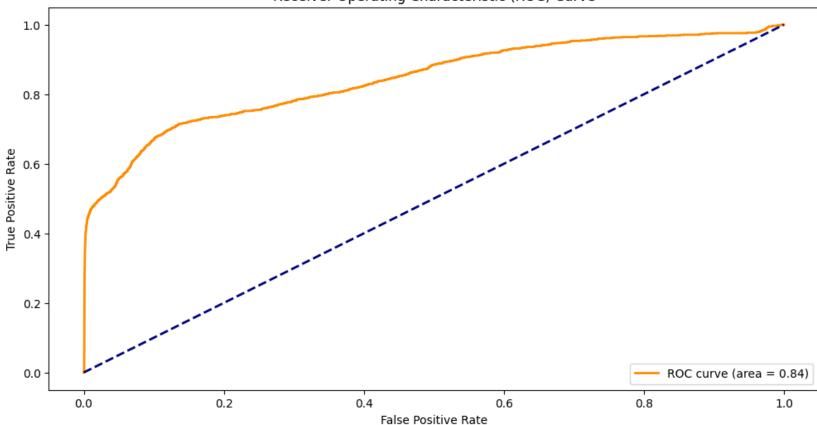


```
In [50]: 1 print(f'The Train_accuracy: {logistic_model.score(X_train_scaled, y_train)*100:.2f}')
2 print(f'The Test_accuracy: {logistic_model.score(X_test_scaled, y_test)*100:.2f}')
```

The Train_accuracy: 99.37
The Test_accuracy: 99.36

```
In [51]:
          1 # Get predicted probabilities for the positive class
           2 y_probs = logistic_model.predict_proba(X_test_scaled)[:, 1]
          4 # Compute ROC curve and AUC
          5 fpr, tpr, thresholds = roc_curve(y_test, y_probs)
          6 roc_auc_lr = auc(fpr, tpr)
          7
           8 # PLot ROC curve
          9 plt.figure(figsize=(12, 6))
          10 plt.plot(fpr, tpr, color='darkorange', lw=2, label='ROC curve (area = {:.2f})'.format(roc_auc_lr))
          11 plt.plot([0, 1], [0, 1], color='navy', lw=2, linestyle='--')
          12 plt.xlabel('False Positive Rate')
          13 plt.ylabel('True Positive Rate')
          14 plt.title('Receiver Operating Characteristic (ROC) Curve')
          15 plt.legend(loc='lower right')
          16 plt.show()
          17
          18 print(f'AUC: {roc_auc_lr*100:.2f}')
```





AUC: 84.35

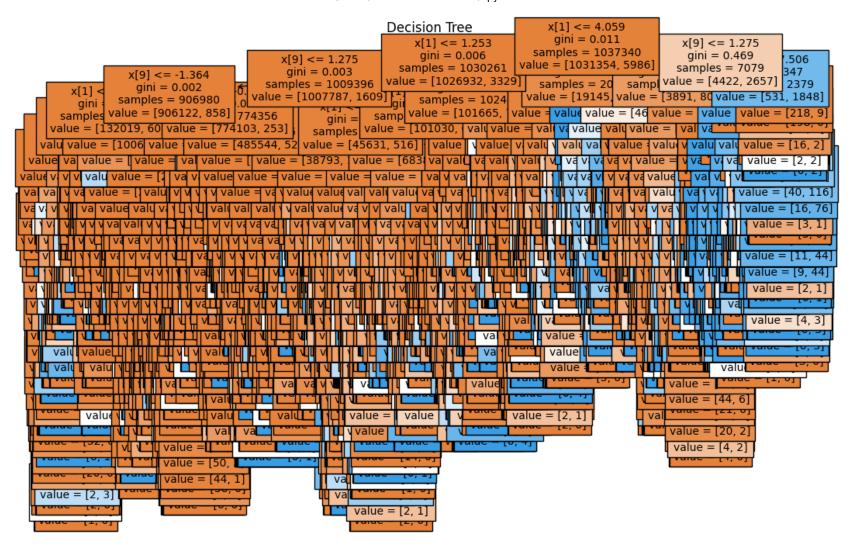
Decision Tree

```
In [53]: 1 dt_predictions_test = dt_model.predict(X_test_scaled)

In [54]: 1 print(f'The Train_accuracy: {dt_model.score(X_train_scaled, y_train)*100:.2f}')
2 print(f'The Test_accuracy: {dt_model.score(X_test_scaled, y_test)*100:.2f}')
```

The Train_accuracy: 100.00 The Test_accuracy: 99.70

Plot Tree



Random Forest Classifier