

AI Fraud Detection using IBM Watson Studio

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Introduction & Need

- **Fraud includes credit card fraud, identity theft, insurance scams.**
- **Traditional rule-based detection is**
- **insufficient.**

AI enables real-time, accurate, and adaptive fraud detection.

IBM Watson Studio

Overview

- **Cloud-based platform for building and deploying AI models.**
- **Key Features: AutoAI, data cleaning,**
- **visualization, easy deployment.**
- **Supports multiple languages (Python, R, etc.).**

Fraud Detection Workflow in watson studio

- 1. Data Collection & Preparation
- 2. Model Training (AutoAI/ML algorithms)
- 3. Model Evaluation (Precision, Recall)
- 4. Deployment (API for real-time use)
- **5. Continuous Monitoring & Retraining**

Benefits & **Applications**

- Benefits:
 - Reduces false positives
 - Scalable & automated detection
 - Real-time analysis
- Applications:
 - Banking & credit card fraud
 - E-commerce transaction monitoring
 - Insurance claim verification