

# CAPSTONE PROJECT 2

## PROJECT PROPOSAL

### Title Of Project

Credit Card Fraud Detection

### Brief on the Project

The Credit Card Fraud Detection project aims to develop a machine learning system that can automatically identify fraudulent credit card transactions. By analyzing transaction data, including transaction amount, location, and user behavior, the system detects anomalies and patterns indicative of fraud. This project helps financial institutions protect customers from unauthorized transactions and minimize financial losses due to fraudulent activities.

### Deliverables of the Credit Card Fraud Detection project

The deliverables for the Credit Card Fraud Detection project are training a machine learning model capable of detecting fraudulent credit card transactions accurately

### References

Dataset Source: <https://www.kaggle.com/datasets/arshant4343/credit-card-cheating-detection-cccd/data>

Software used: Jupyter notebook(Python)

### Individual Details

Name: Nanda Kishore Sai C

Email id: nandakishoresai@gmail.com

Phone no: +91 9618208987

### CODE

```
In [1]: import pandas as pd
import numpy as np
from matplotlib import pyplot as plt
from sklearn.preprocessing import StandardScaler
from sklearn.model_selection import train_test_split, GridSearchCV
from sklearn.metrics import mean_squared_error, r2_score

In [2]: cc = pd.read_csv('creditcard.csv')

In [3]: cc.sample(10)

Out[3]:
```

	Time	V1	V2	V3	V4	V5	V6	V7	V8	V9	...	V21	V22	V23	V24	V25	V26	V27	V28	Amount	Class
188442	1.666228	-2.288973	0.358928	0.515133	-1.828018	-0.755922	-0.940787	-1.048807	0.427854	-0.759382	...	0.724005	0.062057	-0.922260	0.371978	-0.377529	-0.389773	0.015098	-0.428550	104.08	0
29992	357.018	1.009373	0.189989	-0.183059	-0.647756	-0.371161	-0.220551	-0.509061	-0.342928	-0.114577	...	-0.389455	-1.960786	0.037669	0.216880	0.125837	-0.993186	0.036176	1.48180	0	
67851	537.012	1.002559	0.171266	0.197771	0.989777	0.454494	0.464559	0.626994	-0.222928	0.231029	...	-0.143105	0.416567	-0.041146	0.709861	0.235710	-0.025517	0.034959	1.0473	0	
158456	117.511	1.913154	0.587333	1.592777	0.032177	0.564379	1.095034	0.421841	0.305310	2.231031	...	-0.200099	0.154654	0.189538	1.701616	0.390919	0.017072	-0.024028	0.062636	60.30	0
141339	842.816	1.259971	-0.708478	0.419557	-0.585820	-1.381149	0.707016	-1.103493	0.099308	0.346611	...	0.415563	1.123261	0.107912	0.234808	0.025113	0.048206	0.024751	29.99	0	
177825	132.511	1.141742	1.314594	0.593166	0.701743	0.023957	1.861587	1.069943	0.539894	0.122995	...	-0.494905	0.842300	-0.414165	1.028848	-0.706693	0.595623	0.081192	0.021287	97.84	0
46773	4759.01	-1.314087	-0.206476	1.827879	1.725664	-1.003906	-0.312185	-0.972617	0.862320	-1.020694	...	0.579729	1.297096	-1.493555	0.227098	-0.020399	-0.181202	0.227491	0.029201	24.99	0
88785	6229.00	-0.237403	-0.705568	0.341060	-0.368177	-2.736765	1.345044	-0.847679	0.279936	-0.422550	...	0.080126	0.829646	-0.676028	-0.269091	-0.023868	-0.263114	-0.956677	0.153483	835.00	0
174072	1321.51	1.216291	1.605107	-0.292134	-1.537820	-1.763966	-0.492119	-1.586829	0.058044	-1.090701	...	-0.338793	-0.629562	0.463724	0.077837	-0.707151	0.054246	0.027346	0.042797	35.99	0
269704	137088.0	-0.467776	1.022828	1.024089	0.139077	-0.204212	0.201866	0.010760	0.696401	0.087010	...	-0.362901	-0.925642	0.284259	0.996672	-0.866743	-1.050767	0.134449	0.160213	11.54	0

10 rows × 31 columns

```
In [4]: cc.info()

Out[4]:
```

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 284887 entries, 0 to 284886
Data columns (total 31 columns):
 #   Column      Non-Null Count  Dtype
---  --
 0   Time        284887 non-null    float64
 1   V1          284887 non-null    float64
 2   V2          284887 non-null    float64
 3   V3          284887 non-null    float64
 4   V4          284887 non-null    float64
 5   V5          284887 non-null    float64
 6   V6          284887 non-null    float64
 7   V7          284887 non-null    float64
 8   V8          284887 non-null    float64
 9   V9          284887 non-null    float64
10  V10         284887 non-null    float64
11  V11         284887 non-null    float64
12  V12         284887 non-null    float64
13  V13         284887 non-null    float64
14  V14         284887 non-null    float64
15  V15         284887 non-null    float64
16  V16         284887 non-null    float64
17  V17         284887 non-null    float64
18  V18         284887 non-null    float64
19  V19         284887 non-null    float64
20  V20         284887 non-null    float64
21  V21         284887 non-null    float64
22  V22         284887 non-null    float64
23  V23         284887 non-null    float64
24  V24         284887 non-null    float64
25  V25         284887 non-null    float64
26  V26         284887 non-null    float64
27  V27         284887 non-null    float64
28  V28         284887 non-null    float64
29  Amount      284887 non-null    float64
30  Class       284887 non-null    int64
dtypes: float64(30), int64(1)
memory usage: 67.4 MB
```

```
In [5]: cc.isnull().sum()

Out[5]:
```

```
Time      0
V1         0
V2         0
V3         0
V4         0
V5         0
V6         0
V7         0
V8         0
V9         0
V10        0
V11        0
V12        0
V13        0
V14        0
V15        0
V16        0
V17        0
V18        0
V19        0
V20        0
V21        0
V22        0
V23        0
V24        0
V25        0
V26        0
V27        0
V28        0
Amount     0
Class      0
dtype: int64
```

```
In [6]: #distribution of legitimate transactions and fraudulent transactions
cc['Class'].value_counts()

Out[6]:
```

```
0    284315
1      492
Name: Class, dtype: int64

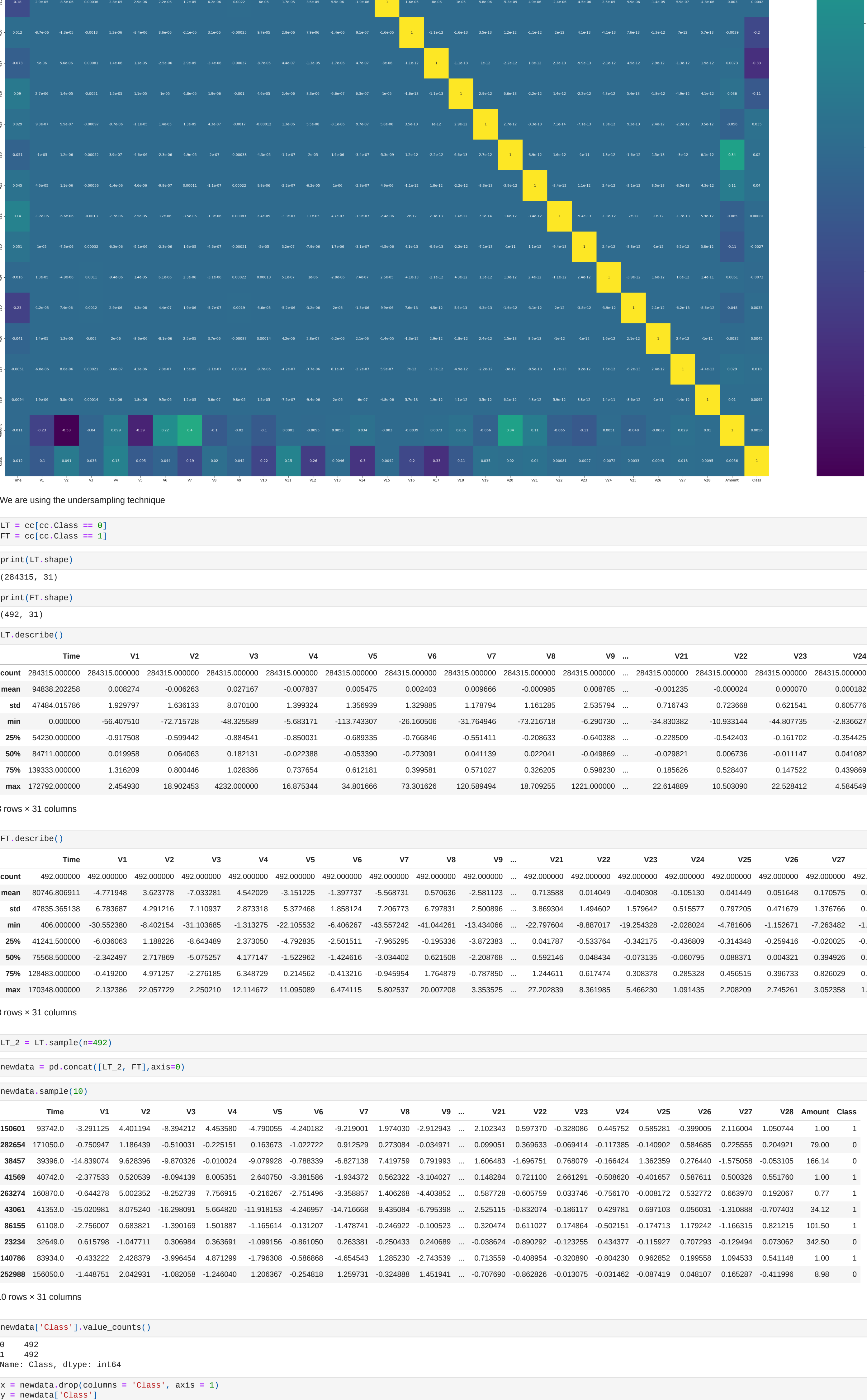
We can see that the data is imbalanced

0 is legitimate transaction
1 is fraudulent transaction
```

### Exploratory data analysis

```
In [7]: plt.figure(figsize=(50,50))
sns.heatmap(cc.corr(),annot=True,cmap='viridis')

Out[7]:
```



We are using the undersampling technique

```
In [8]: LT = cc[cc.Class == 0]
FT = cc[cc.Class == 1]

In [9]: LT.shape

Out[9]: (284315, 31)
```

```
In [10]: print(FT.shape)

Out[10]: (492, 31)
```

```
In [11]: FT.describe()

Out[11]:
```

	Time	V1	V2	V3	V4	V5	V6	V7	V8	V9	...	V21	V22	V23	V24	V25	V26	V27	V28	Amount	Class	
count	284315.000000	284315.000000	284315.000000	284315.000000	284315.000000	284315.000000	284315.000000	284315.000000	284315.000000	284315.000000	...	284315.000000	284315.000000	284315.000000	284315.000000	284315.000000	284315.000000	284315.000000	284315.000000	284315.000000	284315.000000	2
mean	54838.202258	-0.008274	-0.006233	0.027167	-0.007837	0.005475	0.002403	0.009666	-0.009895	0.008785	...	-0.001235	-0.000024	-0.000024	0.000070	0.000182	0.000182	0.000182	0.000182	0.000182	0.000182	0.000182
std	47484.051796	1.929787	1.636133	0.870170	1.063673	1.356939	1.187874	1.161285	2.535794	0.716743	...	0.716743	0.723668	0.723668	0.621541	0.605776	0.605776	0.605776	0.605776	0.605776	0.605776	0.605776
min	0.000000	-56.407510	-72.715728	-48.355989	-5.683311	-113.743307	-2.166596	-31.764064	-73.216718	-6.260730	...	-34.833082	-0.229024	-0.933144	-44.807735	-1.376766	-0.544203	-0.544203	-0.544203	-0.544203	-0.544203	-0.544203
max	542431.500000	-30.552880	-0.917598	-0.598442	-0.884441	-0.689335	-0.766846	-0.554141	-0.298633	-0.640388	...	-0.298633	-0.640388	-0.298633	-0.640388	-0.298633	-0.640388	-0.298633	-0.640388	-0.298633	-0.640388	
50%	64711.000000	0.019958	0.004063	0.182131	-0.022388	-0.053390	-0.273981	0.041139	0.022041	-0.048689	...	-0.029821	0.007636	-0.011477	0.0041082	0.0041082	0.0041082	0.0041082	0.0041082	0.0041082	0.0041082	
75%	129353.000000	1.116209	0.800446	1.028386	0.737564	0.612181	0.399581	0.571027	0.326205	0.596230	...	0.185626	0.528407	0.147522	0.043969	0.439699	0.439699	0.439699	0.439699	0.439699	0.439699	
max	177920.000000	2.152388	2.052729	2.292021	1.211672	1.109099	0.474115	0.802537	2.007708	3.353525	...	2.272039	8.361985	5.466230	1.091425	2.208209	2.745261	3.052259	4.584549	4.584549	4.584549	

8 rows × 31 columns

```
In [12]: FT.describe()

Out[12]:
```

	Time	V1	V2	V3	V4	V5	V6	V7	V8	V9	...	V21	V22	V23	V24	V25	V26	V27	V28	Amount	Class
count	492.000000	492.000000	492.000000	492.000000	492.000000	492.000000	492.000000	492.000000	492.000000	492.000000	...	492.000000	492.000000	492.000000	492.000000	492.000000	492.000000	492.000000	492.000000	492.000000	492.000000
mean	47855.365138	-0.771948	-0.623778	0.429216	-0.171097	0.273318	0.537246	1.858124	1.206773	6.797613	...	3.969304	1.494602	1.578642	0.571977	0.797205	0.717679	0.717679	0.717679	0.717679	0.717679
std	47484.051796	1.929787	1.636133	0.870170	1.063673	1.356939	1.187874	1.161285	2.535794	0.716743	...	0.716743	0.723668	0.723668	0.621541	0.605776	0.605776	0.605776	0.605776	0.605776	0.605776
min	404.000000	-30.552880	-8.402154	-31.103655	-1.313775	-22.105632	-4.406267	-43.042461	-13.434066	-22.797604	...	-34.833082	-0.229024	-0.933144	-44.807735	-1.376766	-0.544203	-0.544203	-0.544203	-0.544203	-0.544203
25%	41241.500000	-0.630963	1.188226	-0.643489	-2.739505	-4.790395	-2.501511	-7.965296	-0.195336	-0.554141	...	-0.041787	0.533764	-0.342175	-0.298633	-0.542403	-0.161702	-0.298633	-0.542403	-0.161702	-0.298633
50%	75558.500000	-2.342487	0.717869	-0.572855	0.471747	-1.522962	-0.148616	-0.304402	0.621508	-0.208768	...	0.524611	0.611744	0.308378	0.285238	0.456515	0.396743	0.285238	0.456515	0.396743	0.285238
75%	129353.000000	-0.418200	0.871257	-0.279185	0.634729	0.214562	-0.412126	-0.849564	0.764719	-0.787890	...	0.126205	0.596230	0.185626	0.528407	0.147522	0.043969	0.439699	0.439699	0.439699	0.439699
max	177920.000000	2.152388	2.052729	2.292021	1.211672	1.109099	0.474115	0.802537	2.007708	3.353525	...	2.272039	8.361985	5.466230	1.091425	2.208209	2.745261	3.052259	4.584549	4.584549	4.584549

8 rows × 31 columns

```
In [13]: LT_2 = LT.sample(n=492)

In [14]: newdata = pd.concat([LT_2, FT],axis=0)

In [15]: newdata.sample(10)

Out[15]:
```

	Time	V1	V2	V3	V4	V5	V6	V7	V8	V9	...	V21	V22	V23	V24	V25	V26	V27	V28	Amount	Class
150601	937.740	-3.291125	4.401194	-0.394212	4.453580	-4.790555	-0.420182	-9.219001	1.974030	-2.912943	...	2.102343	0.597370	-0.328886	0.444752	0.588281	-0.399005	2.116004	1.050744	1.00	1
282654	1710.00	-0.759947	1.188439	-0.510031	-0.225151	0.106373	-1.220722	0.912529	0.273084	-0.034971	...	0.099051	0.369633	-0.068414	-0.117385	-0.149082	0.598805	0.225555	0.204921	79.00	0
38467	39396.0	-1.453074	9.625996	-0.502339	-0.010024	-0.079928	-0.788339	-6.872138	7.419759	0.701993	...	1.605483	-1.696751	0.768079	-1.064264	1.362359	0.276440	-1.575580	-0.531035	166.14	0
41569	4877.00	-2.377533	0.502592	-0.984139	8.005931	-2.647070	-3.81596	1.934572	1.062322	-3.104202	...	0.148284	0.721100	0.661291	-0.509620	-0.401687	0.587611	0.500235	0.551760	1.00	1
263274	10670.0	-0.644278	5.002539	-0.252739	7.769151	-0.212067	-2.751496	-3.388857	1.406288	-4.403882	...	0.587729	-0.607579	0.033746	-0.750170	-0.401687	0.587611	0.500235	0.551760	1.00	1
43961	4135.0	-15.000931	8.075540	-16.280891	5.664820	-1.191913	-4.246957	14.716688	9.458984	-6.795386	...	2.525115	-0.825074	-0.186117	0.429791	0.697103	0.059633	-1.310888	-0.707403	34.12	0
855	6118.0	-2.760077	0.882821	-3.900189	1.938887	-1.896164	-0.123207	-1.47474	0.246822	0.180623	...	0.200474	0.014077	-0.177473	1.179742	1.179742	1.179742	1			