**Building a credit card fraud detection project involves several steps, including loading and preprocessing the dataset.**

**STEP 1:**

**Import Libraries:**

Start by importing the necessary Python libraries. You will typically need libraries like pandas for data manipulation, numpy for numerical operations, and sklearn for machine learning.

**import pandas as pd**

**import numpy as np**

**from sklearn.model\_selection import train\_test\_split**

**from sklearn.preprocessing import StandardScaler**

**STEP 2:**

**Load the Dataset:**

You need a dataset containing credit card transactions, where each transaction is labeled as fraudulent or not. You can obtain such a dataset from various sources, such as Kaggle or your organization's data. For this example, we'll assume you have a CSV file named credit\_card\_data.csv.

# Load the dataset

**data = pd.read\_csv('credit\_card\_data.csv')**

**STEP 3:**

**Explore the Data:**

Before preprocessing, it's important to understand the structure of the data and get a sense of its contents. Use functions like **data.head(),** **data.info(),** and **data.describe()** to inspect the dataset.

**Data Preprocessing**

**Handling Missing Values:**

Check for missing values and decide how to handle them. You can either remove rows with missing data or impute missing values.

STEP 4:

**Feature Selection:**

Select relevant features or columns that will be used for modeling. Exclude unnecessary columns.

**selected\_features = data[['feature1', 'feature2', ...]]**

**STEP 5:**

**Split the Data:**

Split the dataset into training and testing sets. The testing set is used to evaluate your model's performance.

**X = selected\_ features**

**y = data['fraudulent\_ label']**

**X\_ train, X\_ test, y\_ train, y\_ test = train\_ test\_ split(X, y, test \_size=0.2, random\_ state=42)**

**STEP:6**

**Feature Scaling:**

Standardize or normalize the features to have a mean of 0 and standard deviation of 1. This is especially important for algorithms like Support Vector Machines (SVM) and k-Nearest Neighbors (KNN).

**scaler = StandardScaler()**

**X\_ train = scaler. fit\_ transform (X\_ train)**

**X\_ test = scaler. transform (X\_ test)**

**STEP:7**

**Save Pre- processed Data:**

It's a good practice to save the preprocessed data so you can easily use it in the subsequent stages of your project.

**preprocessed\_data.to\_csv('preprocessed\_credit\_card\_data.csv', index=False)**

**CONCLUSION**

Now We have successfully loaded and pre-processed the dataset. The next steps in your credit card fraud detection project would involve selecting an appropriate machine learning model, training the model, and evaluating its performance. Additionally, you will need to handle class imbalance and consider various evaluation metrics, such as precision, recall, and F1-score, given the nature of fraud detection problems.

import numpy as np

import pandas as pd

import matplotlib.pyplot as plt

import seaborn as sns

from matplotlib import gridspec

data = pd.read\_csv("creditcard.csv")

data.head()

Time V1 V2 V3 V4 V5 V6 V7 V8 V9 ... V21 V22 V23 V24 V25 V26 V27 V28 Amount Class

0 0 -1.359807 -0.072781 2.536347 1.378155 -0.338321 0.462388 0.239599 0.098698 0.363787 ... -0.018307 0.277838 -0.110474 0.066928 0.128539 -0.189115 0.133558 -0.021053 149.62 0.0

1 0 1.191857 0.266151 0.166480 0.448154 0.060018 -0.082361 -0.078803 0.085102 -0.255425 ... -0.225775 -0.638672 0.101288 -0.339846 0.167170 0.125895 -0.008983 0.014724 2.69 0.0

2 1 -1.358354 -1.340163 1.773209 0.379780 -0.503198 1.800499 0.791461 0.247676 -1.514654 ... 0.247998 0.771679 0.909412 -0.689281 -0.327642 -0.139097 -0.055353 -0.059752 378.66 0.0

3 1 -0.966272 -0.185226 1.792993 -0.863291 -0.010309 1.247203 0.237609 0.377436 -1.387024 ... -0.108300 0.005274 -0.190321 -1.175575 0.647376 -0.221929 0.062723 0.061458 123.50 0.0

4 2 -1.158233 0.877737 1.548718 0.403034 -0.407193 0.095921 0.592941 -0.270533 0.817739 ... -0.009431 0.798278 -0.137458 0.141267 -0.206010 0.502292 0.219422 0.215153 69.99 0.0

5 rows × 31 columns

print(data.shape)

print(data.describe())

(7973, 31)

Time V1 V2 V3 V4 \

count 7973.000000 7973.000000 7973.000000 7973.000000 7973.000000

mean 4257.151261 -0.299740 0.295226 0.899355 0.215736

std 3198.964299 1.498341 1.283914 1.090297 1.447057

min 0.000000 -23.066842 -25.640527 -12.389545 -4.657545

25% 1531.000000 -1.046362 -0.237359 0.372435 -0.687521

50% 3635.000000 -0.416341 0.335446 0.948695 0.223379

75% 6662.000000 1.122758 0.950582 1.597949 1.131542

max 10981.000000 1.685314 8.261750 4.101716 7.380245

V5 V6 V7 V8 V9 ... \

count 7973.000000 7973.000000 7973.000000 7973.000000 7973.000000 ...

mean -0.025285 0.157286 -0.026445 -0.070525 0.655244 ...

std 1.167218 1.325015 1.063709 1.332568 1.156618 ...

min -32.092129 -7.574798 -12.968670 -23.632502 -3.878658 ...

25% -0.630525 -0.655399 -0.517733 -0.199794 -0.085635 ...

50% -0.107337 -0.148669 0.004732 0.016128 0.613170 ...

75% 0.405082 0.555200 0.527353 0.307111 1.294087 ...

max 11.974269 21.393069 34.303177 3.877662 10.392889 ...

V21 V22 V23 V24 V25 \

count 7972.000000 7972.000000 7972.000000 7972.000000 7972.000000

mean -0.053715 -0.165799 -0.035174 0.025977 0.088893

std 0.953498 0.654858 0.488322 0.601760 0.427505

min -11.468435 -8.527145 -15.144340 -2.512377 -2.577363

25% -0.271837 -0.581473 -0.182989 -0.340419 -0.161009

50% -0.130344 -0.167048 -0.046107 0.089606 0.115418

75% 0.044823 0.250886 0.086806 0.421015 0.361249

max 22.588989 4.534454 13.876221 3.200201 5.525093

V26 V27 V28 Amount Class

count 7972.000000 7972.000000 7972.000000 7972.000000 7972.000000

mean 0.020256 0.016150 0.001161 65.413540 0.003136

std 0.517409 0.403570 0.275976 194.911169 0.055915

min -1.338556 -7.976100 -3.054085 0.000000 0.000000

25% -0.363180 -0.063198 -0.019081 4.617500 0.000000

50% -0.015260 0.007101 0.018443 15.950000 0.000000

75% 0.329322 0.144700 0.080563 54.910000 0.000000

max 3.517346 4.173387 4.860769 7712.430000 1.000000

[8 rows x 31 columns]

fraud = data[data['Class'] == 1]

valid = data[data['Class'] == 0]

outlierFraction = len(fraud)/float(len(valid))

print(outlierFraction)

print('Fraud Cases: {}'.format(len(data[data['Class'] == 1])))

print('Valid Transactions: {}'.format(len(data[data['Class'] == 0])))

0.0031458411979363283

Fraud Cases: 25

Valid Transactions: 7947

corrmat = data.corr()

fig = plt.figure(figsize = (12, 9))

sns.heatmap(corrmat, vmax = .8, square = True)

plt.show()

