

## **Guarding transactions with AI powered credit card fraud detection and prevention.**

### **Source code**

```
import pandas as pd
import numpy as np
from flask import Flask, request, jsonify
from sklearn.ensemble import RandomForestClassifier
from sklearn.preprocessing import StandardScaler
from sklearn.model_selection import train_test_split
from sklearn.metrics import classification_report, confusion_matrix
import joblib
import os

# Load and preprocess dataset
print("Loading and preprocessing data...")
data = pd.read_csv("creditcard.csv")

# Feature engineering
scaler = StandardScaler()
data['normalizedAmount'] = scaler.fit_transform(data['Amount'].values.reshape(-1, 1))

data = data.drop(['Time', 'Amount'], axis=1)

# Prepare features and labels
X = data.drop('Class', axis=1)
y = data['Class']

# Split into training/testing
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.2, random_state=42)

# Train model
print("Training model...")
model = RandomForestClassifier(n_estimators=100, random_state=42)
model.fit(X_train, y_train)

# Save model and scaler
joblib.dump(model, 'fraud_model.pkl')
joblib.dump(scaler, 'scaler.pkl')

# Evaluate
print("Model evaluation:")
y_pred = model.predict(X_test)
print(confusion_matrix(y_test, y_pred))
```

```

print(classification_report(y_test, y_pred)) # Set up Flask
API app = Flask(__name__) model =
joblib.load('fraud_model.pkl') scaler =
joblib.load('scaler.pkl') @app.route('/predict',
methods=['POST']) def predict(): try: data =
request.get_json() features = pd.DataFrame([data]) if
'Amount' in features: features['normalizedAmount'] =
scaler.transform([[features['Amount'][0]]) features =
features.drop(['Amount'], axis=1) if 'Time' in features:
features = features.drop(['Time'], axis=1) prediction =
model.predict(features)[0] result = "Fraudulent" if
prediction == 1 else "Legitimate" return
jsonify({"prediction": result}) except Exception as e: return
jsonify({"error": str(e)}) if __name__ == 'main':
print("Starting API on http://localhost:5000 ...")
app.run(debug=True)

```

## OUTPUT

```

➡ Loading and preprocessing data...
Training model...
Model evaluation:
[[56862    2]
 [   23   75]]

```

		precision	recall	f1-score	support
	0	1.00	1.00	1.00	56864
	1	0.97	0.77	0.86	98
	accuracy			1.00	56962
	macro avg	0.99	0.88	0.93	56962
	weighted avg	1.00	1.00	1.00	56962

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