

The Data Flow Diagram below describes how to identify a fraudulent credit card transaction. When a credit card is used for a transaction, the bank will receive a transaction transmission from the point-of-sale system. The transaction details are then analyzed and a fraud prediction model (trained using client's past transaction history and patterns) will be applied. If a transaction doesn't have the same characteristics as client's past purchases or transaction patterns (such as location, merchant, amount, etc.), the model will classify the transaction as fraudulent and the client will be notified.

