Summary

      In the AP News article, "How PayPal is using AI to combat fraud, and make it easier to pay" written by Ken Sweet, reports on PayPal implementing AI technologies to automate the payment process and to detect fraud. Artificial intelligence has been growing throughout the years and ChatGPT has popularized it in businesses, schools, and nonprofits. John Kim, chief product officer for PayPal stated that the company is using early proliferation of AI in its business, as well as PayPal's future payments when there's so much competition. Kim stated that there are more sophisticated security issues now because fraud is a big business that is growing and getting more complicated every day. There used to be emails sent to you with misspellings, but now there are voices over the phone trying to convince you to do something. PayPal is planning to launch three new products that utilize AI in the next 120 days. One of these products is a checkout feature that uses AI to keep track of all the permutations of your addresses and personal information that you might use and use AI to predict the right one to use with the right merchant. Another product is the use of AI to detect unusual patterns where fraudsters are trying to test stolen cards to see if it's good or not and then alert you through the PayPal wallet, so the user can get that card shut down with the bank quickly.

      Kim states that AI has captured the imaginations of many people and has made its way to boardrooms, into stores, and into every product conversation. However, some people are still skeptical because some AI technologies can be quite expensive to invest in when a human could do better. Kim states that PayPal was a one-of-a-kind company back in the early part of its life but now it's focusing on value proposition. Customers now choose how to pay for things, and the company just needs to provide security and fraud protection or assure people that they're fully protected.

Personal Opinion

Overall, I strongly agree with how PayPal is using AI technologies to automate the payment process and to detect fraud. Automating payment services can help reduce costs, process invoices faster, and prevent errors. Detecting fraud can show that the company is ethical as they take into account their customer's data. Fraud detection can safeguard their customers' transactions and accounts by detecting them before they happen. I believe that PayPal has grown a lot since its early years because it still makes great products while also taking into account its customers' data and safety.

While I believe that PayPal is positively using AI technologies to help its customers, I think another big issue is that more companies should also use AI technologies to combat fraud because AI optimizes the detection of fraud by automating repetitive tasks, such as reviewing transactions or verifying identities and triggering steps to stop or prevent fraud.

Citation

Sweet, K. "How PayPal is using AI to combat fraud, and make it easier to pay". AP NEWS. Associated Press, October 17, 2023. https://apnews.com/article/paypal-artificial-intelligence-payments-security-cybersecurity-96ce01 6ed5ac2aad76bda6b778e1fd0f