

Root Cause Analysis for Credit Card Fraud Detection

Q1.) Why is Finex facing a revenue and profitability crisis?

Finex's revenue and profitability are in crisis due to numerous unauthorized transactions causing substantial losses for the bank.

Q2.) Why are there so many unauthorized transactions in Finex?

Fraudsters utilize stolen or lost cards and hack private systems to obtain personal and sensitive data from numerous cardholders, resulting in many unauthorized transactions in Finex. Additionally, they conduct ATM skimming at POS terminals without alert systems or OTP through banks.

Q3.) Why are customers being unaware of these unauthorized transactions?

Most customers remain unaware of fraudulent activities since they do not closely monitor their bank account activities, and usually, they learn about unauthorized card transactions long after they occur.

Q4.) Why is Finex not equipped with the latest financial technologies?

Due to a lack of investment or keeping up with the changing technology landscape, Finex lacks the necessary financial technologies to track data breaches promptly, which is essential to prevent additional losses.

Q5.) Why is educating all customers on various fraudulent techniques a challenging task?

Keeping up with education and awareness programs is challenging due to the constantly evolving techniques and methods employed by fraudsters, compounded by the large customers.

Q6.) Why is implementing a fraud detection system the most suitable option?

A fraud detection system that analyzes past transactions between customers and merchants is an ideal solution for Finex. It's practical, avoids additional OTP checks, and resolves a longstanding issue permanently.