

ETHOCA ALERTS FOR MERCHANTS

Reduce CNP fraud and chargebacks through merchant-issuer collaboration



ethoca™



TODAY'S CHARGEBACK SYSTEM IS BROKEN

Although card issuers and card not present merchants deploy an arsenal of tools and identify thousands of fraudulent transactions a day, they do so in isolation – they have no effective way to communicate and collaborate with each other. That means a valuable source of mutual intelligence remains untapped and issuers are forced to communicate cardholder-confirmed fraud and customer disputes through the costly, slow and inefficient chargeback process.

By the time merchants get a chargeback, weeks or months have passed and it's too late to stop the fraud or resolve the dispute with the customer. As a result, costs skyrocket and the brand/customer relationship is damaged.

THANKFULLY, THERE'S A BETTER WAY

Ethoca Alerts' direct-from-source issuer data reduces the time it takes for merchants to be alerted of confirmed fraud and disputes from the current three to six weeks, to days, hours or even minutes. This gives you a unique window of opportunity to stop the fulfillment of goods and services and stop chargebacks before they happen.

We achieved this by building a global collaboration network that replaces the chargeback process altogether.

Here's how it works: Issuers send Ethoca confirmed fraud transactions in near real-time, and we package up that intelligence in the form of an actionable 'Ethoca Alert' that is immediately sent to merchants. When merchants receive an alert, they simply mark an outcome based on their ability to stop a fraudulent order – there is no guesswork because alerts are cardholder confirmed fraud. If they are leveraging Ethoca Alerts through API (rather than our portal) much of the process can be automated and is even quicker and easier – with virtually no manual effort required.

Physical goods merchants can stop fraud in up to 40% of cases. For merchants selling digital goods/services, alerts are used to avoid chargebacks as well as shut down compromised accounts and suspend services – stopping future fraud losses and preventing ongoing abuse.

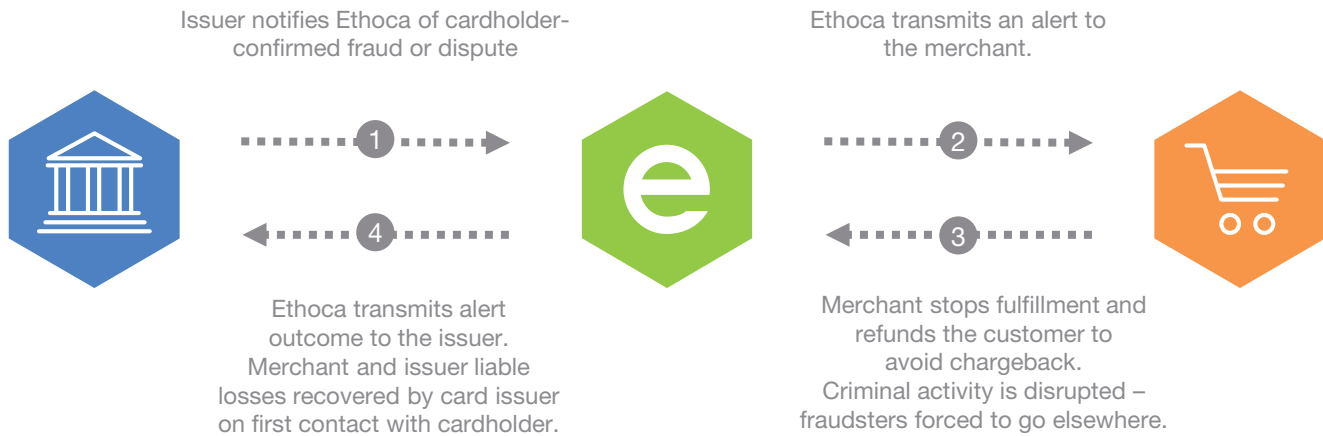
INTEGRATES SEAMLESSLY WITH LEADING FRAUD PLATFORMS

Accertify

Kount®

HOW IT WORKS

Confirmed cases of card fraud from issuing banks on the Ethoca network are rapidly sent to merchants, enabling both to significantly reduce their fraud and chargeback costs.



When a merchant receives an alert they do four things:

1. Stop the order/suspend the service.
2. Attempt to identify more fraudulent transactions through link analysis.
3. Update fraud rules to prevent more future fraud.
4. Process a refund or credit back to customer (eliminating the need for a chargeback)

BENEFITS

- ✓ **STOP FRAUD:** Take action to stop the fulfillment of fraudulent orders
- ✓ **STOP CHARGEBACKS:** Eliminate more chargebacks and control chargeback ratios
- ✓ **HIGHER ACCEPTANCE:** Issuing more refunds promotes higher issuer acceptance and improves the customer experience
- ✓ **LESS FUTURE FRAUD:** Bolster fraud screening to identify future fraud and prevent spikes.
- ✓ **LINK ANALYSIS:** Use link analysis to eliminate related fraudulent orders.

