

Fraud Check

2022

Novalnet AG

WhitePaper on Novalnet's Fraud Check

Content

INTRODUCTION

ECOMMECE FRAUD – AN
OVERVIEW

WHY ARE FRAUD CHECKS
ESSENTIAL

FRAUD MODULES AT
NOVALNET

ABOUT NOVALNET AG

BENEFITS



Ecommerce Fraud - An Overview

Digital banking evolved to eliminate the security issues of the physical banking system to make it more accurate, secure and reliable. This convenient banking type led to a massive growth of eCommerce platforms. However, online fraudsters also emerged to execute phishing activities, data breaches and identity theft to steal funds from online users.

Ecommerce frauds interrupted the payment process flow from payment senders to receivers participating in the banking chain. Increased online fraudulent activities curbs eCommerce revenue, vandalizes the business reputation and reduces customer experience.

This whitepaper describes how Novalnet's fraud modules help businesses perform secured transactions.

A Z Glossary

Fraud management - The technical approach deployed to control the banking frauds.

Online Fraudsters - customers or external frauds who try to commit payment frauds through internet.

BIN - Bank Identification Number

Bürgel / CRIF - Agencies who are specialists in providing business information

Why are Fraud checks essential



With a rapid increase in cyber-attacks, fraud management helps online businesses with smoother and risk-free checkouts. In addition, eCommerce banking fraud checks minimise abandoned cart rates.

Fraud prevention systems are enhanced with Artificial Intelligence that self-learns every malicious transaction. When integrated into the payment system, these systems prevent real-time frauds from checkout to payout.

Fraud Modules at Novalnet



Novalnet partners with the right system integrators to implement an inclusive approach to combat fraud. Based on the layers of risk, each integrator will play its part in detecting and preventing fraud. Novalnet's fraud modules work on the payment and customer data, comparing them to past fraudulent transactions.

Payers' countries play a vital role in detecting fraudulent payments and online fraudsters. Determined from those fraud checks, malicious or troublesome transactions are stopped, and the user is blocked from proceeding further.



Subscription check: Ensures if the customer already has an existing subscription by checking their details like email address and bank details.

acdc® Pool: Ensures payment credibility by looking for negative information on the specific bank account from a small data pool.

Bank Account Check SEPA: Checks the plausibility of the combination of bank details with the IBAN of the user.

Blacklist Check: Checks if the customer has any history of risky transactions in the database.

BIN Country Check: Checks if the country of the credit card issuing bank matches the address specified by the customer, using the BIN.

Bürgel ConCheck RealTime (DE, AT & CH): Verifies the identity of customers in real-time from various sources and returns a score to approve or reject a transaction. In addition, Bürgel ConCheck RealTime performs the location and address check provided by the customer. Collects data from the EOS Group (Otto Group) and the Euler Hermes Group (Allianz Group), and provides the integrated score for the selective assessment of payment default risks (Schober Direct Media).

Bürgel ConCheck RealTime Deltavista: Functions similar to the Bürgel ConCheck RealTime but also uses the data collected from the CRIF credit agency.

Bürgel ConCheck RealTime International (CH, SE, NO & FI): Functions similar to the Bürgel ConCheck RealTime to offer online B2C information as a Bürgel score, for users outside Germany. This helps retailers to run businesses across Finland, Norway, Sweden and Switzerland. Concheck International provides real-time information of customer specific to countries and customer support from countries on demand.

Bürgel ConCheck RealTime (B2B): Functions similar to the Bürgel ConCheck RealTime to offer online B2B information of users and companies as a Bürgel score, after assessment.

Double Booking Blockade: Prevents duplicate registrations and transactions made through double bookings, that would otherwise result in unnecessary chargebacks. Blockade duration can be set to avoid double booking until the given timeframe.

Email Validation: Verifies email addresses according to rfc822 for formal correctness and valid mail server existence. Valid email addresses from popular service providers can also be blocked if needed.

Claims Check: Checks if the customer has any debt collection in progress for unpaid dues.

IP-BIN Check: Compares the customer's country with customer's IP address and the BIN. The transaction will be rejected if the IP and the BIN country do not match.

IP Country Block: Checks if the IP address's country of origin matches the customer's address.

IP Lock: Approves or rejects a transaction based on the previous attempts of the customer from the same IP address. If the IP is blacklisted or locked, the user can no longer place orders until a specific period.

Limit Check: Checks the purchase amount limit across all orders within a specified time. Amount and time limit has to be defined while activating this check.

Luhn Check: Performs a credit card number validation using the Luhn algorithm. Orders are accepted only from payments made by valid credit card numbers.

PIN by Callback (landline or mobile, only DE):
Performs a second-factor authentication for customers using one-time passwords delivered through phone or mobile to authorize transactions. This feature is only available for German customers.

PIN by SMS: Performs a second-factor authentication for customers using one-time passwords delivered through SMS to authorize transactions.

SEPA Prenotification via SMS (DE, AT): Prenotifies customers on their SEPA direct debits and the date of debit. Prenotifications are sent both through SMS and email.

Session Check: Check if a purchase is successfully completed from the customer's session and prevents further purchases from the same session.

About Novalnet AG



Founded in 2007, Novalnet is a pioneer in all-in-one payment services. Our strength remains in the unrelenting pursuit for perfection, innovation and acceleration, supported by the best people in the industry. This constant drive to innovate and scale keeps our global payment solutions ahead of the game and gives you the business edge. Our belief in exceeding the best of expectations have made us one of the most popular payment service providers in Europe.

Thank You

Accept 200+ payment methods in 150+ currencies globally in a highly secure, state-of-the-art environment supported by AI-powered risk management for SMEs & large enterprises. Novalnet hosts multiple value-added features & services including recurring payments, debt collection, automated marketplace.



+49 899230683-20



sales@novalnet.de



www.novalnet.com

Germany

Novalnet AG,
Zahlungsinstitut (ZAG)
Feringastr 4,
85774, Unterföhring

United States

Novalnet Payment Corp.
302A W. 12th St. #318
New York, NY 10014
U.S.A.

United Kingdom

Novalnet Ltd.
Suite 1.11B easyHub,
22 Addiscombe Rd,
Croydon CR0 5PE

India

Novalnet e-Solutions Pvt. Ltd.
131 Lakeview St, East
Tambaram, Chennai Tamil
Nadu 600059, India