

Rules to Stop the 8 Types of

# Transfer Fraud Losses

Machine learning rules help banks efficiently block fraud. These rules work together and apply to each fraud scenario. It's critical to have a complete set of rules that work together to detect all fraud scenarios. Below are the strategies Feedzai uses to prevent each of these scenarios with clear examples of how rules can detect unusual card behavior.



## Authorized Push Payment

**Payment Fraud Type**  
(APP Fraud), Criminals trick victims into transferring money to their accounts, usually by impersonating legitimate people or organizations.

**Decline transaction if...**  
the number of instant payments in the last 24 hours is 3x greater than all the instant payments for the past 3 months.

**Trigger a rule if...**  
a customer sends money to 3 or more new recipients within 90 minutes.

**Raise an alert if...**  
a customer sends 3 or more transactions to a new recipient and each one is more than USD 5,000.

## Account Takeover

**Payment Fraud Type**  
(APP Fraud), Criminals trick victims into transferring money to their accounts, usually by impersonating legitimate people or organizations.

**Trigger a rule if...**  
there is a spike in account activity that is considerably greater than the daily average number of transactions for the past 3 months.

**Raise an alert if...**  
one or more wire transactions are made by an unknown sender.

The transaction amount is greater than or equal to USD 15,000.

## Phishing

**Payment Fraud Type**  
Criminals use deceptive emails, calls, and websites (often pretending to be from a legitimate source) to gain access to a person's finances.

**Decline transaction if...**  
a customer transacts with persons involved in criminal activities (e.g. blacklisted people).

**Raise an alert if...**  
a customer transacts with persons involved in criminal activities (e.g. blacklisted people).

## Money Mule

**Payment Fraud Type**  
Someone who, knowingly or unknowingly, transfers illegally acquired money on behalf of, or at the direction of, another. This is a common way to launder money.

**Decline transaction if...**  
a customer transacts with persons involved in criminal activities (e.g. blacklisted people).

**Raise an alert if...**  
dollar amounts over a defined threshold are sent to new recipients within a 90-minute timeframe.

## Fake Invoice Fraud

**Payment Fraud Type**  
A fake invoice that appears to be real.

**Decline transaction if...**  
five or more senders have the same contact information, such as an address, telephone, or email, without a reasonable explanation.

**Raise an alert if...**  
if there are four or more different types of currencies transferred to a specific recipient within the last month.

In the last 24 hours, a customer sends a payment that is three or more times larger than their daily average.

## Payroll Scheme

**Payment Fraud Type**  
This scenario may occur in three ways: employee time reporting fraud, payroll/ clerk redirects terminated employees pay to his or her own account(s), and deliberate misclassification of W2 employees as 1099.

**Decline transaction if...**  
in the last 3 months, the count of distinct senders to the same receiver is greater or equal to 9.

**Raise an alert if...**  
the sender and the recipient are in different geographic locations.

The number of payments made by a particular sender to new distinct recipients over the past six months is above a set threshold.

## Mandate Fraud

**Payment Fraud Type**  
(also known as invoice redirection fraud). An employee is tricked into changing a regular payment to a fraudster's account.

**Trigger a rule if...**  
the number of direct debits from a particular sender to new receivers within the last 3 months exceeds a set threshold.

**Raise an alert if...**  
there's a direct debit from a company on a high-risk list.

The number of direct debit payments made into an account that hasn't had any activity within the last three months exceeds a set threshold.

## CEO Fraud

**Payment Fraud Type**  
Scammers impersonate executives via email or deepfake in accounting or finance into executing unauthorized payments.

**Decline transaction if...**  
there are 25 or more direct deposits to new distinct receivers within the last 6 months.

**Trigger a rule if...**  
a particular sender makes transactions outside their usual business hours.

A rule identifies if a sender makes 3 or more transactions with amounts of USD 5,000 each to a new receiver.