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Data & AI

AI for Fraud Detection & Financial Crime Prevention Playbook

Catching fraud faster with AI, without freezing out legitimate customers in the process

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- Administrator
- 12 August 2022
- 3 minute(s)

Overview

A framework for AI-driven fraud detection and financial crime prevention — pattern-based anomaly detection, false-positive management, and adversarial robustness — that captures AI's genuine pattern-detection advantage while managing the customer experience cost of false positives and the risk of sophisticated fraud actors adapting to detection models.

Doesn't more aggressive AI fraud detection always mean better

fraud prevention? Not necessarily — overly aggressive detection thresholds catch more genuine fraud but also generate more false positives that inconvenience or alienate legitimate customers, a real business cost that needs to be balanced against fraud prevention value, not treated as a pure security optimization.

Why does adversarial robustness matter specifically for fraud

detection AI? Sophisticated fraud actors actively study and adapt to detection patterns, meaning a fraud detection model can become less effective over time as fraudsters learn to evade it — requiring ongoing model updating and adversarial awareness, not a one-time model deployment.

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