



Real-time transaction security at the core of the French payment network improves Cartes Bancaires security

IRIS[®] transaction scoring system combats fraudulent attacks that bypass traditional fraud prevention systems.

Frankfurt, 7 January 2015. IRIS Analytics and Société d'Exploitation de Réseaux et de Services Sécurisés (SER2S), a subsidiary of Groupe Cartes Bancaires CB, are announcing today the deployment of a crucial network-based transaction scoring system that tightens security for more than 75% of French payment cards. The product has been supplied and configured by IRIS Analytics for SER2S to address new fraud patterns and schemes that are difficult to detect with the deployment of traditional fraud prevention measures.

The Director of Operations at Cartes Bancaires, Antoine Sautereau, played a leading role in selecting IRIS and implementing new fraud models. He says: "Although EMV by itself is successful in verifying payment cards, an authentic card says nothing about the legitimacy of the parties requesting and accepting the payment. We elected to move ahead of current best practices for payment security by putting transaction profiling right at the core of the French national payment network."

French card issuers were early adopters of chip cards, predating and then adopting the worldwide EMV standard in 2003. For a while, the move to EMV succeeded in driving fraudsters off to less secure card portfolios. While run-of-the-mill fraudulent transactions are being successfully detected and dealt with by card issuers, increasingly sophisticated fraud schemes and the rapid rise in card-not-present transactions are now requiring additional measures. The resurgent threat convinced French payment industry executives that national payment security needed an additional line of defence.

Operating from the core of France's payment switching infrastructure, IRIS now examines all cardholder and merchant behaviour in real-time, processing 4.7 billion transactions annually. "With an average response time of less than 5 milliseconds per transaction even during peak periods, IRIS does not add any notable overhead to our service," states Pierre Juhen, CEO of SER2S, "in essence, we increase security while maintaining a smooth payment experience for our customers."

The adoption of IRIS comes as accelerating card transaction rates in the French economy — led by purchases from the Internet — make room for novel and rapidly evolving fraud attacks. Accordingly, millisecond throughput is only half the story. The constant pressure of fraudster creativity demands a tightly integrated platform, unique to IRIS, giving fraud experts the capacity to constantly supervise and revise decision models, and to stay on top of current fraud trends. In the newly deployed system, French fraud experts interact with IRIS' built-in machine intelligence, "speaking" the same modelling language in a seamless, cooperative framework.

Constantin von Altrock, Managing Director of IRIS Analytics notes, "Fortunately, many years of hard experience in automated fraud profiling convinced us to implement a clean sheet design that embodies the cat-and-mouse game at the heart of fraud and countermeasure. This allows us to



future-proof critical environments like the centralised French switch that views nearly all transactions across this market."

The IRIS system has been operational since April 2014. Initial results indicate that it is already detecting a very significant amount of fraud, especially on card-not-present transactions.

Note to editors

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About Groupement des Cartes Bancaires CB

Groupement des Cartes Bancaires CB is a non-profit organization acting as the governing body of the CB payment scheme to provide a universal and interoperable card payment and ATM cash withdrawal scheme in Europe. End 2013, CB has 126 members, comprising both banks and payment institutions worldwide. CB is responsible for the system's overall architecture, inter-member rules & procedures and risk management. CB also defines technical and security standards, and ensures that manufacturers and vendors whose products and services are used in the CB system comply with these standards.

Furthermore, CB operates an information system, providing its members with high performance data mining tools and countermeasures in the fight against fraud.

CB is one of the largest card payment schemes in the European Union with 61 million cards, more than 58,500 ATMs, 1.8 million merchants and a very significant activity comprising 10 billion card transactions in 2013.

<http://www.cartes-bancaires.com>

About IRIS Analytics

IRIS Analytics provides technology and consultancy services to the payments industry to beat electronic payment fraud. It develops and markets the IRIS off-the-shelf fraud prevention platform which powers real-time fraud scoring across the full range of electronic payment channels, including credit, debit, prepaid, online and mobile.

IRIS enables payment processors, switches, payment service providers, wallets and issuers across the world to analyse and respond to complex fraud patterns in real time, staying one step ahead of evolving, unanticipated fraud threats.

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