

HOME BANK

Taking a Proactive Approach against Card Fraud



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Melissa Fisher, Home Bank
Director of Deposit Operations

Managing card fraud is a high-stakes game for any financial institution. In addition to ensuring customer confidence, a bank's ability to mitigate fraud also reduces unnecessary financial losses. While every bank works tirelessly to prevent fraudulent transactions, Home Bank (Martinsville, Indiana) has adopted a proactive approach, including such strategies as real-time denials and customer education, that's resulted in fraud losses 65 percent lower than the industry average¹.

According to Melissa Fisher, Home Bank's director of deposit operations, the bank's partnership with Card Sentry, CSI's 24/7 card-monitoring service, along with its dedicated staff, creates a highly effective fraud-mitigation program: "Without the coordinated efforts of Card Sentry and our staff, we would be much less successful in keeping our losses to a minimum."

CHALLENGE

Home Bank previously used a card-mitigation service that required it to implement its own rules and monitor its own transactions. Despite the service, the bank was still spending significant time mitigating card fraud and managing fraud resolution.

SOLUTION

The bank partnered with CSI's Card Sentry for a more robust fraud-monitoring program. Now, the bank relies on Card Sentry to deploy real-time denials, monitor transactions, contact customers in the event of suspicious card activity and coordinate its dispute-resolution process.

RESULT

Home Bank maintains a proactive program that's produced significant results: its fraud losses are 65% lower than the industry average and its loss-per-card is 59% lower. The bank's team also leverages other CSI solutions, like Card On/Off and card alerts, to further reduce its card-fraud risk.

USING REAL-TIME DENIALS

An essential part of Home Bank's strategy is using real-time denials to stop fraud at the point-of-sale. Deployed through Card Sentry, these "rules" allow the bank to put various restrictions on customers' cards, so that suspicious transactions can be prevented. For instance, if the bank identifies fraud occurring in a specific region, it can use real-time denials to restrict transactions in that area. And the bank relies on Card Sentry staff to both implement these rules and monitor all transactions.

"We have used card-monitoring services in the past; however, we were responsible for implementing all of our own rules," Fisher said. "Since this is only one piece of our business, identifying trends and researching transactions

became very difficult. As a result, Card Sentry frees us up to work on more strategic projects.”

Fisher attributes real-time denials with helping the bank identify common points of compromise and create rules that minimize fraud damages. In fact, the bank’s loss-per-card is 59 percent lower than the industry average.

WORKING TOGETHER TO BETTER SERVE CUSTOMERS

For Fisher, Card Sentry works as an extension of her team, empowering a more proactive approach to fraud mitigation. Card Sentry not only implements rules and monitors transactions for Home Bank, but also reaches out to its customers when suspicious transactions occur.

“Card Sentry can block cards much more quickly and then initiate customer contact on our behalf,” Fisher said. “Plus, we immediately get an email explaining why the card is being restricted. These ‘proactive risk alerts’ allow us to closely monitor where fraud trends are occurring.”

The bank’s team, along with Card Sentry, studies these proactive alerts to create rules that help stave off additional fraudulent transactions. And its efforts are working. In 2015, Home Bank decreased its actual fraud losses by 7 percent using proactive risk alerts.

And should fraud occur, Home Bank partners with Card Sentry for its debit-card disputes as well. According to Fisher, the bank has developed a plan that incorporates requirements from both Reg E and MasterCard, and allows it to put into practice the requirement that is most beneficial to the customer.

BEING PROACTIVE AGAINST CARD FRAUD

Home Bank, like any financial institution, takes card-fraud prevention seriously. Fisher notes that Card Sentry positions the bank for greater success by being its “eyes and ears” around the clock. The services provided by Card Sentry, including the real-time denials and proactive risk alerts, help the bank prevent fraud from occurring, as well as provide higher levels of customer support.

And beyond Card Sentry, Home Bank uses such mitigation tools as Card On/Off and transaction alerts that are available within CSI Mobile Banking. The bank also provides security information on its website and sends a weekly email to educate customers on how to better protect themselves.

“With CSI, we have a partner that supports both our bank and our customers 24/7,” Fisher said. “We feel this is an invaluable partnership that enhances our ability to better serve our customers and gives us card-fraud strategies that mitigate our financial and reputational risk.”

ABOUT CSI

Computer Services, Inc. (CSI) delivers core processing, managed services, mobile and Internet solutions, payments processing, print and electronic distribution, and regulatory compliance solutions to financial institutions and corporate customers across the nation. Exceptional service, dynamic solutions and superior results are the foundation of CSI’s reputation and have resulted in the company’s inclusion in such top industry-wide rankings as the FinTech 100, Talkin’ Cloud 100 and MSPmentor Top 501 Global Managed Service Providers List. CSI’s stock is traded on OTCQX under the symbol CSVI. For more information about CSI, visit www.csiweb.com

BANK PROFILE



**Melissa Fisher, Vice President/
Director of Deposit Operations**
Assets: \$247M
Customer since 2013

¹CSI uses an average fraud rate of 12 basis points, which is based off information from the Federal Reserve, MasterCard and Visa.