Introduction to Recognition Technology for Self-Service Solutions:

Check Processing to Fraud Prevention: ATM/ITM Solutions in Focus

Presented by
Ati Azemoun

Agenda

1	Check21 and the rise in image ATM to ITMs
2	Rise in Check Fraud and the ATM/ITM channels
3	Recognition Technology and Solutions in the Market
4	Improved Customer Experience and Protection
5	Conclusion and Thank you!

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1 Overview

In this presentation we will

- Explore the incorporation of recognition technology into the Self-Service experience.

- Discuss the validation process for altered items and its impact on individual transacting members.

- Introduce recognition technology as a means to enhance client protection and institutional security.

- Consider innovative approaches to further enhance client engagements through ATM/ITM networks.

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Rise in Image ATM to ITM

- Check21 facilitated image transfer and check truncation at the point of capture.

- Convenience to the customers.

- Increase in the popularity and adoption of Image ATMs in the 2008 to 2010.

- Banks are strategically expanding their reach by deploying ATMs with a local presence.

- The evolution of ITMs is enhancing the virtual branch and teller experience.

- This trend is gaining momentum on a global scale.

Branches   ATM/ITMs   HQ

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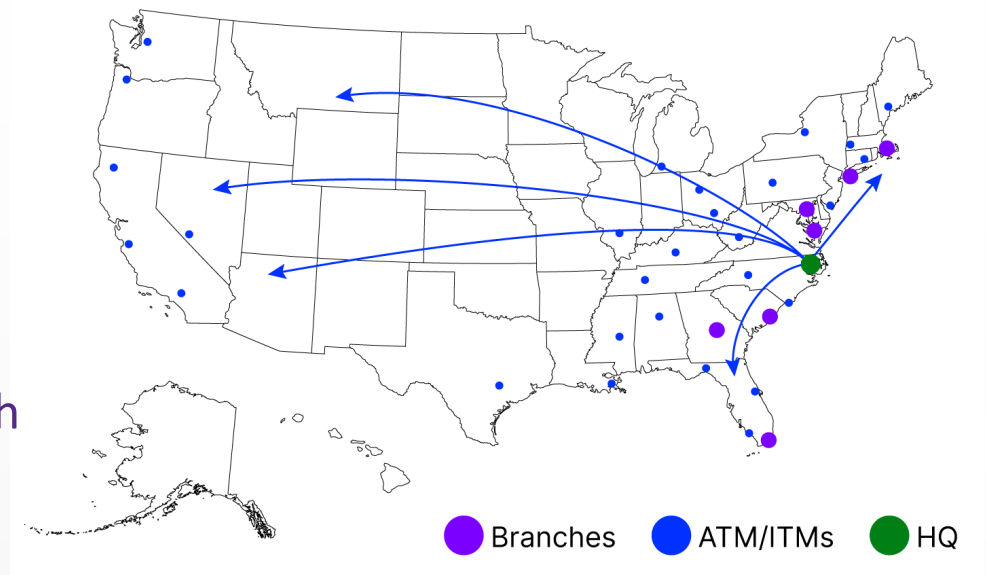
Rise in Check Fraud

Joyce Lee for The New York Times

We Can't Stop Writing Paper Checks. Thieves Love That.

Although check use has declined in the last couple of decades, check fraud has risen sharply, creating a problem for banks — and customers trying to pay their bills.

- Mail interception
- Check alteration
- Presentation of fake checks
- Utilization of mule accounts
- Coercion of compromised individuals into fraudulent activities

Fraud Statistics:

- In 2022, there was an 84% increase in check fraud.
- $815 million USD in losses were reported in 2022 related to check washing.
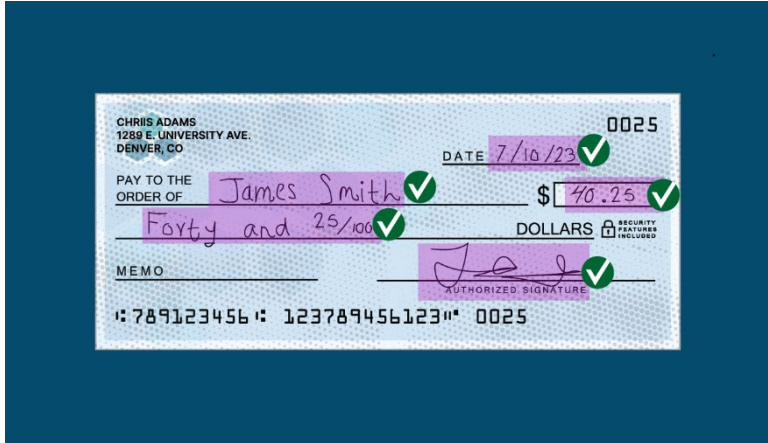- Estimated check fraud activity for 2023 is $24 billion USD.

Source: Bank Info Security - Check Fraud, First-Party Fraud to Rise in 2023, Suparna Goswami, Jan 2023

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Recognition Technology & Solutions to Combat Check Fraud

Signature Verification	Cheque/Check Validity	Detection of Altered Cheque/Check
Is the signer known?	Is it a real payment document?	Is the amount tampered?
Can it be verified?	Are all elements visible?	What is the $ amount you will accept in full?
	Are all fields filled out?	Can you catch alterations?
	Is it negotiable?	

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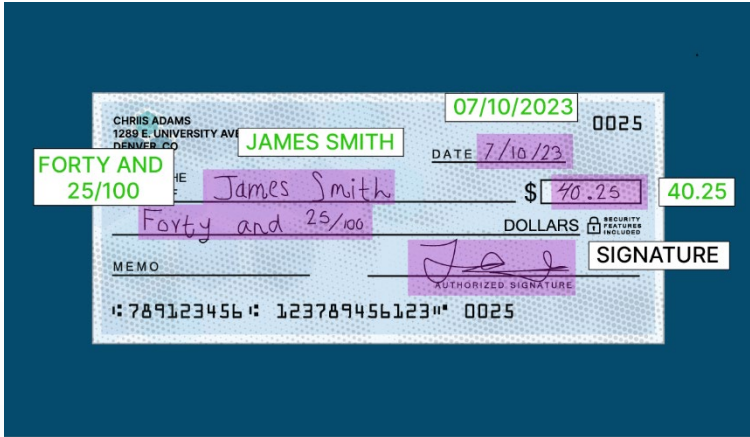
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Check Negotiability and Accuracy

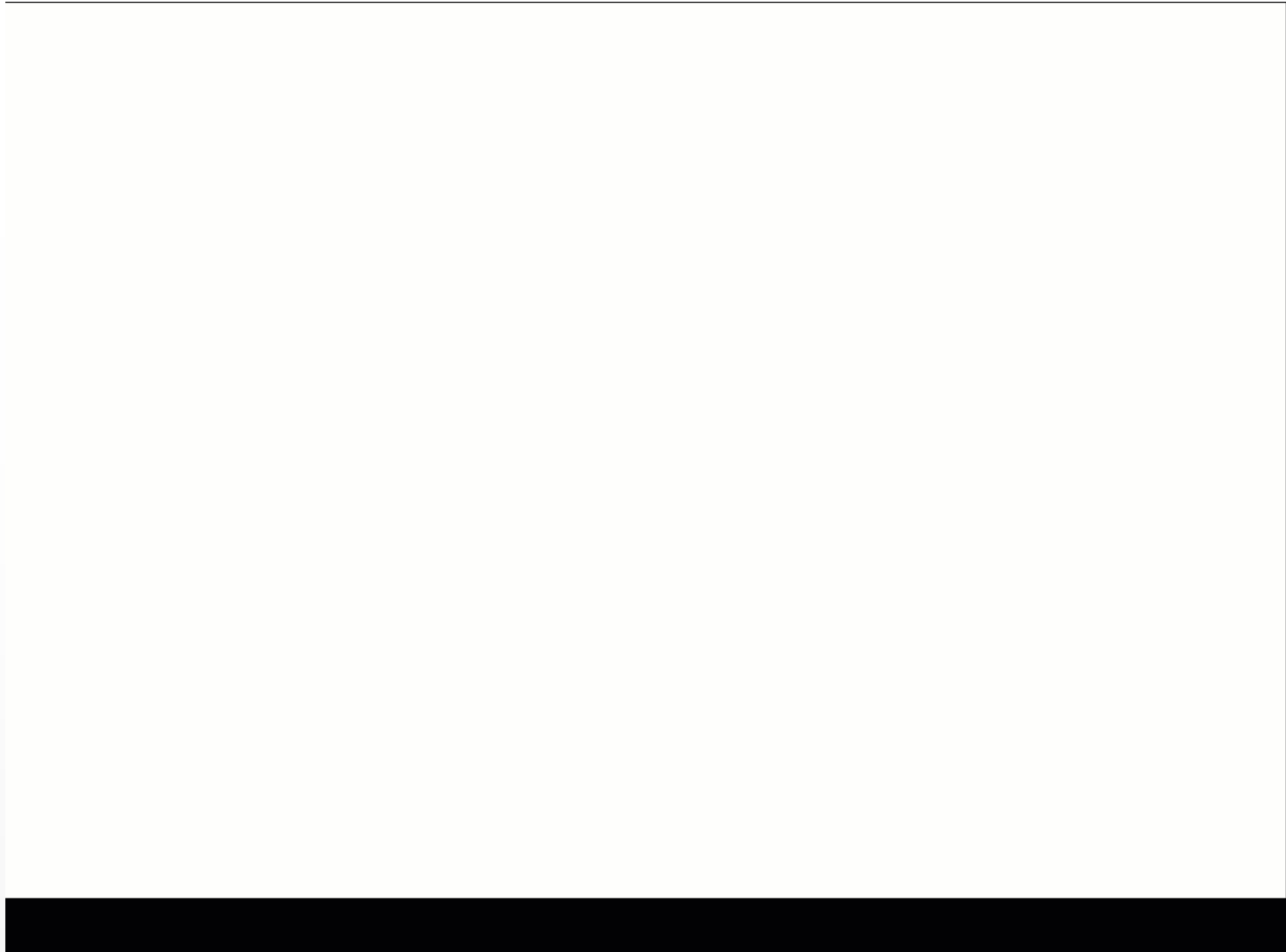Presence detection images.. Blank checks and such... Accurate output

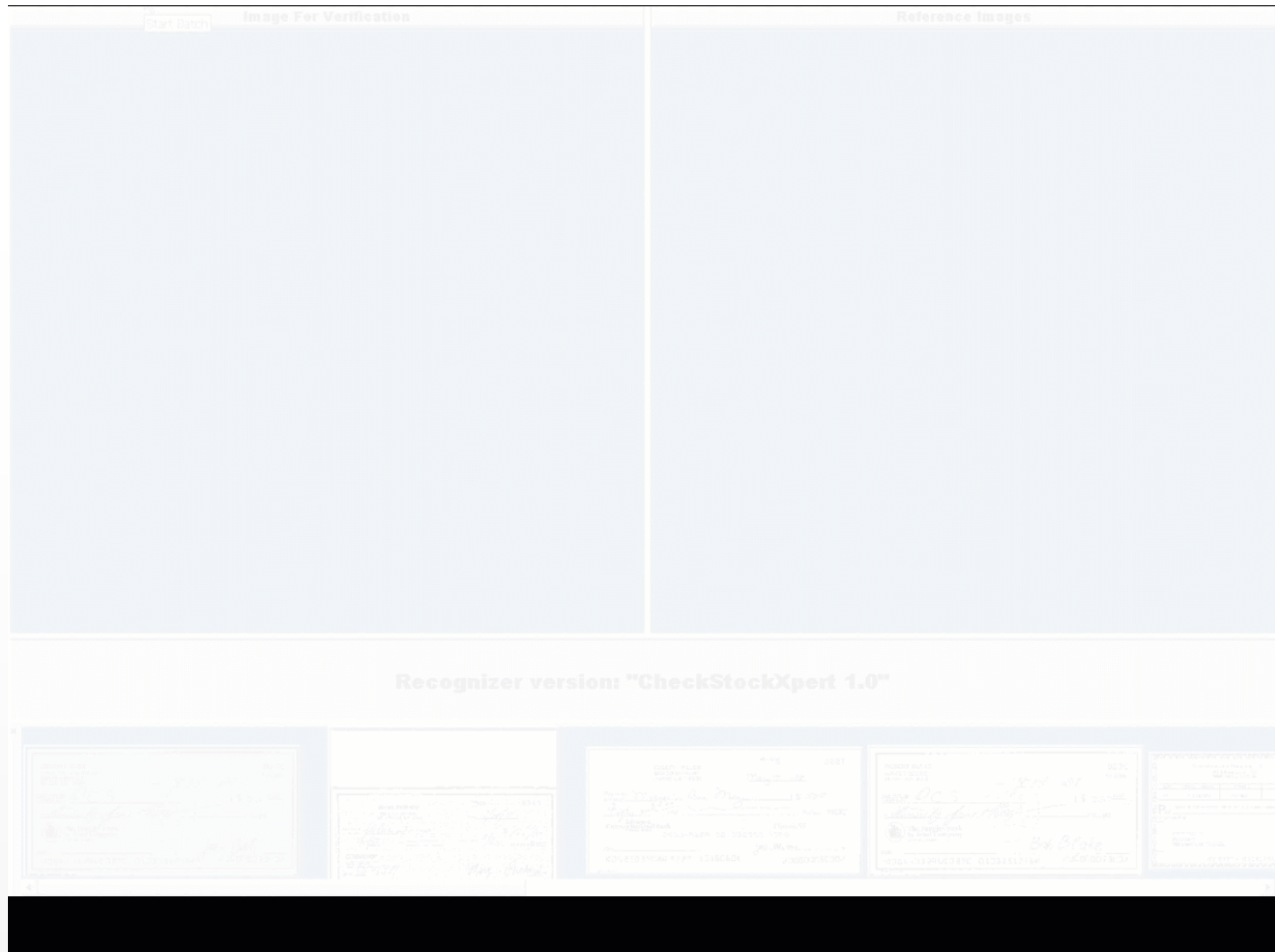**NO BLANK FIELDS PRESENT**

BLANK FIELDS PRESENT

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Signature Verification

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Detection of Altered Check Stock

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Check Wash Alteration Detection

Unaltered check   Altered check

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Check Fraud Prevention Currently

Centralized Review & Control	Chasing The Transaction	*Opportunity to Improve Point of Capture and Customer Satisfaction*
Many of the recognition processes are centralized, using multiple data points for review	Post transaction analysis, the incident of Fraud may be captured	Front-end capture and recognizes issues early
Many recognition engines and processes are involved	Follow-up measures are taken to recover the losses. This process is slow, expensive, and stressful.	Minimize loss and deliver better customer service
Centralized Hub and review processing		
Fraud Department/Back Office		ATM/ITM

Share Data to Prevent Fraud

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Strategy for ATM/ITM Channels

Point of Capture Convenience and Security

ATM/ITM deployed to the field

Data is collected on all transactions

Check Washing Detection

Point of Capture detection:
- Check Negotiability
- Amount recognition
- Alteration Scores

Centralized Review and Fraud Prevention

Signature Verification

Check Stock Analysis

Check Alteration analysis including Check Washing Detection

Location of ATM/ITM use and activity monitoring

Other Channel review/Duplicate detection

Other institution transaction analysis

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Improve Customer Experience and Protection

- Point of Capture recognition with high accuracy.

- AI-based construction ensures the highest recognition accuracy for the best customer experience.

- Intercepted checks and alterations at the point of capture can be flagged early.

- The decision on how to handle the client or transacting party by connecting data points remains the financial institution's choice.

Require signatures at time of deposit, giving machine new data point to compare to signature of the user to the account.

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Summary

- Consider the Self-Service Point of Capture and Fraud Prevention tools available to you today.

- Explore how the new recognition technology can help you connect the dots, improve customer service, and reduce losses.

- Establish a connection between the point of capture experience and back-office analysis.

Thank you!

Ati Azemoun

VP Business Development - Parascript

Visit us at booth 104

info@parascript.com