

A NEOBANK FUELING GROWTH WITH FRAML PREVENTION

Dated 2025.



a Cy4gate company

client

- Neobank with retail focus
- \$80 million revenue
- 200 employees
- 100+ k end-users
- 150+ k devices

need

- Scalable fraud prevention
- Onboarding Protection
- Stronger AML compliance
- Fraud & AML team collaboration

main use cases

- New Account Fraud
- Money Mule
- Account Takeover
- Payment Fraud

solution

XTN implemented its Cognitive Security Platform®, focusing on the convergence of Fraud and AML (FRAML), along with Smart Fraud Protection and Smart App Protection. This solution empowered the Neobank to achieve real-time fraud detection, enhanced compliance, and a secure, scalable foundation for future growth.

results

SMART TCO

Reduced costs by addressing Fraud and AML with one solution

650+ k

Events evaluated per month

90+%

Genuine end-users reached

90+%

Reduction of fake profiles during onboarding

WHEN DIGITAL CONVENIENCE BECOMES A FRAUD GATEWAY

A fast-growing and dynamic **Neobank with \$80 million in revenue** and 200 employees, catering to a young, tech-savvy audience, aimed to revolutionize retail banking with a seamless, fully-digital onboarding process. However, as their user base expanded quickly, the bank faced rising security risks. Their fraud prevention tools could no longer keep up with the increasing complexity of fraud challenges such as **New Account Fraud**, **Money Mule** accounts, and **Payment Fraud**. While the fully digital onboarding process offered convenience, it also left the door wide open for fraudsters to exploit stolen identities and engage in money laundering activities. With the need to protect their users and comply with regulations, the Client urgently required a smarter, scalable solution that could evolve with these growing threats.

THE FRAUD STRUGGLES OF A FULLY MOBILE BANK

As a fully mobile Bank, the Client's seamless onboarding process, while user-friendly, left them highly vulnerable to fraud. New Account Fraud became a major issue, as **fraudsters easily created accounts** using stolen or synthetic identities, bypassing traditional verification measures. These accounts were often used as Money Mules, facilitating the **laundering of illicit funds**. Criminals also exploited Account Takeovers (ATO), hijacking legitimate user accounts to perform unauthorized transactions resulting in Payment Fraud. The Neobank's internal fraud prevention tools, unable to scale with the rapidly evolving fraud tactics, could no longer protect them against these growing risks.

BREAKING SILOS TO FIGHT FRAUD SMARTER

The XTN Cognitive Security Platform® (CSP) was a game-changer for the Neobank. The smartest solution was fostering convergence between their fraud and AML teams. Adopting a **FRAML** (Fraud and AML) approach enabled them to **collaborate seamlessly through a single platform**, while maintaining tailored views for each team. This improved real-time fraud detection and ensured AML compliance. Additionally, we integrated data from AML platforms, adding intelligence to block illicit activities, all while ensuring GDPR compliance. With FRAML at the core, our Smart Fraud Protection enabled **advanced transaction monitoring**, while Smart App Protection ensured **mobile security**. This secured onboarding and protected both new and existing accounts, addressing key fraud risks like New Account Fraud and Money Mule activity. The result was **reduced fraud, faster threat detection, streamlined operations**, and a secure environment for growth, all while **ensuring regulatory compliance** and a seamless user experience.

RESULTS THAT SPEAK VOLUMES

The results of implementing the XTN Cognitive Security Platform® were immediate and impactful. By addressing both Fraud and AML with a single solution, the bank was able to **optimize its TCO**, leading to significant reductions in operational costs. In addition, the bank quickly expanded its user base, thanks to an improved user experience that streamlined access to services and increased retention of active customers. With over 650,000 events evaluated each month, the CSP platform successfully flagged fraudulent activities, helping the bank achieve a **90% reduction in fake profiles** during onboarding. The system also boosted confidence in the authenticity of users, with **90% of accounts identified** as genuine. Fraud levels plummeted, and user trust soared.

A GROWING PARTNERSHIP FOR STRONGER SECURITY

With the solution now in place, the Neobank is poised to continue its evolution. The future holds even greater opportunities for strengthening team collaboration through the ongoing convergence of FRAML, **enhancing the synergy between fraud and AML efforts**. The bank is also set to expand the platform's capabilities by integrating new components, ensuring they stay ahead of emerging threats and continue to provide secure, seamless banking experiences for their growing user base.

Since 2014 XTN Cognitive Security® develops Behavioral-based Threat and Omnichannel Fraud Protection solutions made unique by breakthrough Behavioral Biometrics technology. Through the award-winning Cognitive Security Platform®, XTN helps digital businesses, such as Banks, Fintech, e-commerce, and Automotive, to quickly identify transactional anomalies using proprietary AI algorithms, Machine Learning, and Behavioral Analysis. In 2024, XTN joins the Cy4Gate Group, which operates across the cyber market.

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