Ensuring risk-free banking with DSK

Top Bulgarian bank modernises its operations and make them safer with SmartVista.

DSK Bank, part of the OTP Group and one of the largest and most significant banking players in Bulgaria, wanted to replace its processing systems for card management while ensuring a risk-free experience for its customers.

Challenge

Established in 1951 as a state savings institution, DSK Bank has changed radically over the years. When the bank was privatised in 2003, its Hungarian owner OTP instigated a modernisation programme, turning it from a state-owned organisation into a highly efficient private bank with the largest branch network in Bulgaria. It became part of a strong and dynamic financial group, modern and flexible, offering pension and insurance services, asset management, security, cash collection and transportation as well as recreation-related services.

By 2013, its legacy card management system, which was no longer supported by its supplier, had reached the end of its lifespan. It was time to update and upgrade. After SmartVista was introduced in DSK, the number of cards and accounts started to grow. With a modern solution, it was easy for the bank to expand its operations using services backed by SmartVista Card Management. With such high volumes of card transactions, DSK wanted a comprehensive fraud prevention system to ensure the safety of its customers and their accounts and cards. They decided to adopt BPC's SmartVista Fraud Solution in early 2018.

The acquiring monitoring in near-online mode was launched in 2018, while emitter traffic monitoring was launched in the spring of 2019. The online mode was launched in August 2019.

Solution

Initially, DSK Bank planned to use SmartVista to replace only their card management system. However, after experiencing the system's outstanding performance, the bank decided to replace the rest of their banking operations with the SmartVista suite with a particular emphasis on risk management. Making customers' accounts and card transactions safe was seen not only as a cost-savings opportunity but also as a drive for more efficiency, operational excellence and further business growth led by customers' trust sentiment.

The migration took place over two phases. Initially, SmartVista replaced the card management system and took over card and account issuance and maintenance using a 'big bang' approach. The payment engine was replaced in several stages, starting with issuing and followed by device migration. Pilot BINs were migrated, and then, after successful completion, the remaining BINs. Terminal migration took place over several weeks.

The second step was replacing the bank's existing Risk Management system with SmartVista, starting with issuing and then acquiring, providing the full support and tracking of fraudulent activities within the bank's system.

The Universal Fraud Management system was configured using 26 rules, which tracked different fraud scenarios and helped DSK to prevent money loss and identify risky merchants. BPC was able to use the existing interfaces within their legacy system as a platform for integration with SmartVista, using conversion scripts for data migration.

Result

Since using the SmartVista Risk Management system, DSK has prevented a large number of attacks, protecting both customers' accounts and the bank's reputation. The SmartVista Fraud Prevention solution applied 26 different rules, helping the bank reject more than 4,000 identified fraudulent transactions. With 99.9999% accuracy, the system blocked fraudulent operations, with savings to the bank of over 200,000 euros.

The flexibility of the system, powered by machine-learning algorithms, increased the accuracy of detection and improved the bank's safety fourfold within six months.

	August 2019	October 2019	Jan 2020
Prevented Attacks	300+	400+	1300+
BGN Value	6000+	15000+	200000+
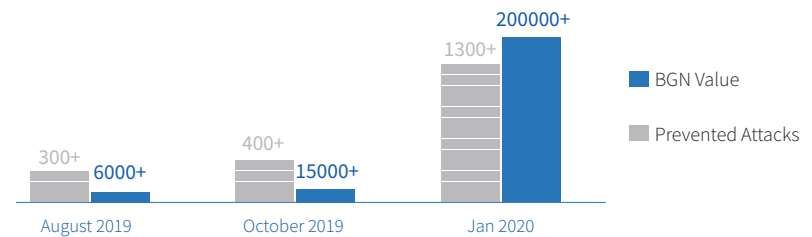
Moreover, the SmartVista Risk Management module uncovered more than 600 fraudulent merchants who were disrupting financial activities. Since the discovery, the bank has reported an average savings of 3 million euros of open-to-buy limit in total.

Keyfacts

2,800,000 debit cards

over **200,000** transactions per day

over **€3 mln** transactions per day

ATM Management
POS Driving
E-commerce
Fraud Management
Disputes

SmartVista modules installed

Switch
Credit Cards
Debit Cards
Card Personalization
Merchant Management

1,200 ATMs

8,000 POS

700 fraudulent merchants banned in first 6 months

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