



Paymentez Doesn't Play Games When It Comes to Fraud Prevention



“Definitely, I would recommend Kount. The main things are the complete control you have within the platform, plus the reporting capabilities to perform deep analysis.

Patricio Walsh
Risk & Compliance Director
Paymentez

SITUATION

Paymentez, LLC, headquartered in Miami, Florida and with offices in Argentina, Brazil, Colombia, and Mexico, is the leading payments platform for digital goods and financial services in Latin America. With over four million registered users and processing 650 requests per second, Paymentez has the most experienced team in online and offline payments in Latin America. Its strategy is focused on offering consumers in Latin American alternative payment methods so they can actively participate in the global economy.

Around the time that Patricio Walsh joined Paymentez as Risk & Compliance Director, the company was incurring excessive chargeback fines from Visa and MasterCard. In addition, Friendly Fraud and Gold Farming were hurting revenues. With Friendly Fraud, consumers were making online purchases with legitimate credit cards, but then requesting chargebacks from their banks after receiving the purchased goods or services. With Gold Farming, fraudsters were using stolen credit cards to buy credits during gaming sessions so they could advance more quickly and earn higher-value characters and in-game rewards that they could then resell. To address these issues, Paymentez's card processor was looking at Kount for its fraud prevention solution. Patricio also started looking into Kount, but

as a direct relationship. “I'm from the telecom industry,” says Patricio. “I'm accustomed to SaaS fraud prevention tools, so having a direct relationship with Kount made sense to me.” After a trial deployment, Paymentez implemented Kount. “Implementation was quite simple,” recalls Patricio. “It was a two-week sprint for our Agile development team.”

SOLUTION

Upon implementing Kount, Paymentez quickly exited the Visa and MasterCard excessive chargeback programs. “The \$10,000 fines from Visa and MasterCard are gone,” reports Patricio. “In fact, we cut our chargeback rate 70%. A big reason for this is our ability to quickly customize rules and implement them. Kount's flexibility and large list of fields — combined with the information we get from raw transaction data and Kount's Data Mart — makes it easy to write rules not just about general situations like Velocity or Thresholds, but about very specific fraud attacks, even quirky situations.”

Another Kount feature helps simplify rule writing for Patricio: “We operate in multiple countries with multiple currencies. Kount uses US dollars as a base currency, so if we want to set threshold limits, for example, we only need to write one rule instead of multiple rules for multiple currencies. This saves a lot of time and effort.”

CONTINUED ON NEXT PAGE





Kount also makes it possible for Paymentez to generate additional income by accepting payments during game play without disrupting user experience. Since manual reviews are not feasible for online gaming scenarios, Paymentez uses the combined capabilities of the Kount Score and Dynamic Scoring to automate in-game approvals, yet still protect against chargebacks caused by Gold Farming.

Here's how it works: "We automatically approve in-game purchases when the user's Kount Score indicates the transaction is legitimate," says Patricio. "Then, Kount's Dynamic Scoring follows that credit card account for a number of days after the transaction, looking for any post-transaction activity that might indicate the possibility of fraud. If so, we get an alert and follow up with the cardholder to conduct a manual review. Should it turn out the in-game charge was fraudulent, we can refund the transaction to

the customer's account before it becomes a chargeback and avoid chargeback costs and fees."

OUTCOME

- Eliminate \$10,000 in monthly excessive chargeback fines from Visa and MasterCard.
- Detect Gold Farming and Friendly Fraud that was hurting revenue growth.
- Automate approval/decline and review process without slowing transactions.

Patricio sums up his experience: "Kount is quite a complete solution. It's not only a fraud engine with rules, it's also the reporting, the flexibility, the support. Even though I'm in a different time zone in Buenos Aires, I can contact my support person at Kount via Skype or email anytime and get answers right away. And Kount is easy to use. You do not have to spend a bunch of time to train an analyst. Definitely, I would recommend Kount."



BOOST SALES, BEAT FRAUD

Kount helps online businesses boost sales by reducing fraud and allowing them to accept more orders. Kount's all-in-one, SaaS platform is designed for merchants operating in card-not-present environments and the payment service providers that support them, simplifying fraud detection and dramatically improving bottom line profitability. Companies using

Kount can accept more orders from more people in more places than ever before. Kount is a turnkey fraud solution that is easy-to-implement and easy-to-use. Kount's proprietary technology has reviewed billions of transactions and provides maximum protection for some of the world's best-known brands. For more information about Kount, please visit www.kount.com

