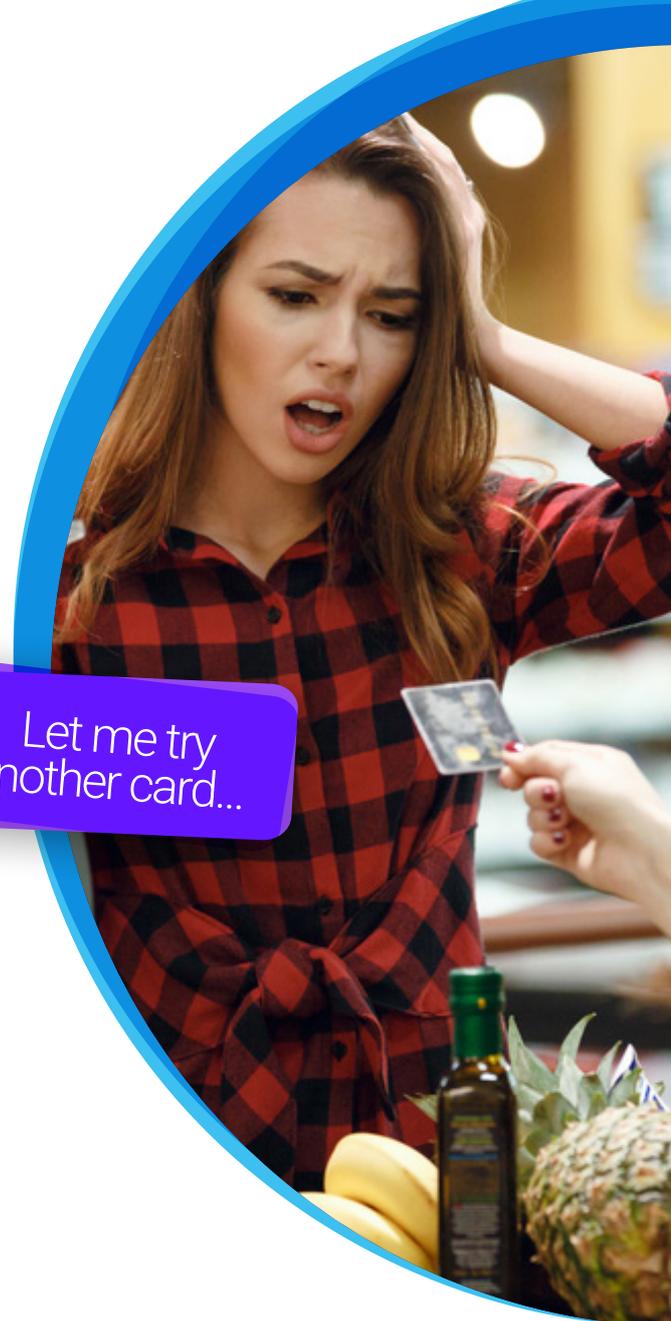


How False Positives Impact Cardholders Behavior and How to Fix it



USE CASE

ISSUER BANKS DECLINE REASONS

Issuer banks decline card payments for various reasons. Kenbi offers a new approach to enable the authorization of legitimate transactions associated with these use cases:

48%

36%

11%

5%

TRENDS

Frustrated cardholders are neglecting their cards

Shelly used her credit card on Amazon and got declined. Shelly uses her other card. This time the transaction is approved. She immediately called the bank that declined the transaction and was told the transaction was flagged as fraud. Shelly finished the call feeling frustrated and generally unhappy with the response.

What Shelly doesn't know is that the decline is the result of the issuer bank's attempt to protect her and her money. Issuer banks and merchants have these safeguards in place to stop fraudulent transactions and approve all legitimate transactions. However, with the limited data shared between merchants and banks today sometimes these split-second decisions result in false positives. But Shelly took that as a personal insult.

Shelly's story is one of many. Consumers worldwide are frustrated by their inability to buy what they want, when they want, due to the increasing rates of false positives. The ripple effect of this frustrating experience is massive.

So massive in fact that Fiserv, a provider of financial services technology, revealed that the **average monthly amount spent on a card after two or more false-positive denials is decreased by 15% on average in the 6 months after.**

Until today the current tools and payment model algorithms available to banks couldn't provide an alternative to Shelly's experience without taking on additional risk. To change this reality, banks must overcome one challenge.

CHALLENGE

Lack of rich, detailed real-time data

Every time Shelly and other cardholders "swipe their card," it triggers the usual payment model authorization process that analyses the chances of the transaction being fraudulent.

Based on Kenbi's clients' data, 36% of declines are related to fraud prevention. More than 80% of cardholders who experienced false decline said it was outright embarrassing. According to Sapio Research, 33% of falsely-declined new shoppers give up on the transaction and the retailer entirely and never try again.

However, there are (at least) two sides to each transaction: the merchant and the card issuer. Today's risk analyses are siloed. The moment the payment authorization is triggered merchants run in-depth analysis of the

transaction and consumer behavior, data, and device interaction (such as device ID, etc) to check the likelihood of fraud. Next, issuer banks run their own fraud analysis based on their internal data. But instead of sharing relevant real-time data, banks are left to rely on internal data and profiles that don't always accurately portray the risk assessment of a particular transaction.

While this automatic process takes seconds, it doesn't account for richer data elements and communication with the merchants. The bank's clients are the merchants' clients too. Merchants can provide additional data that can enrich the bank's payment model to make smarter, more accurate decisions; Decisions that keep their cardholders satisfied, happy and loyal.



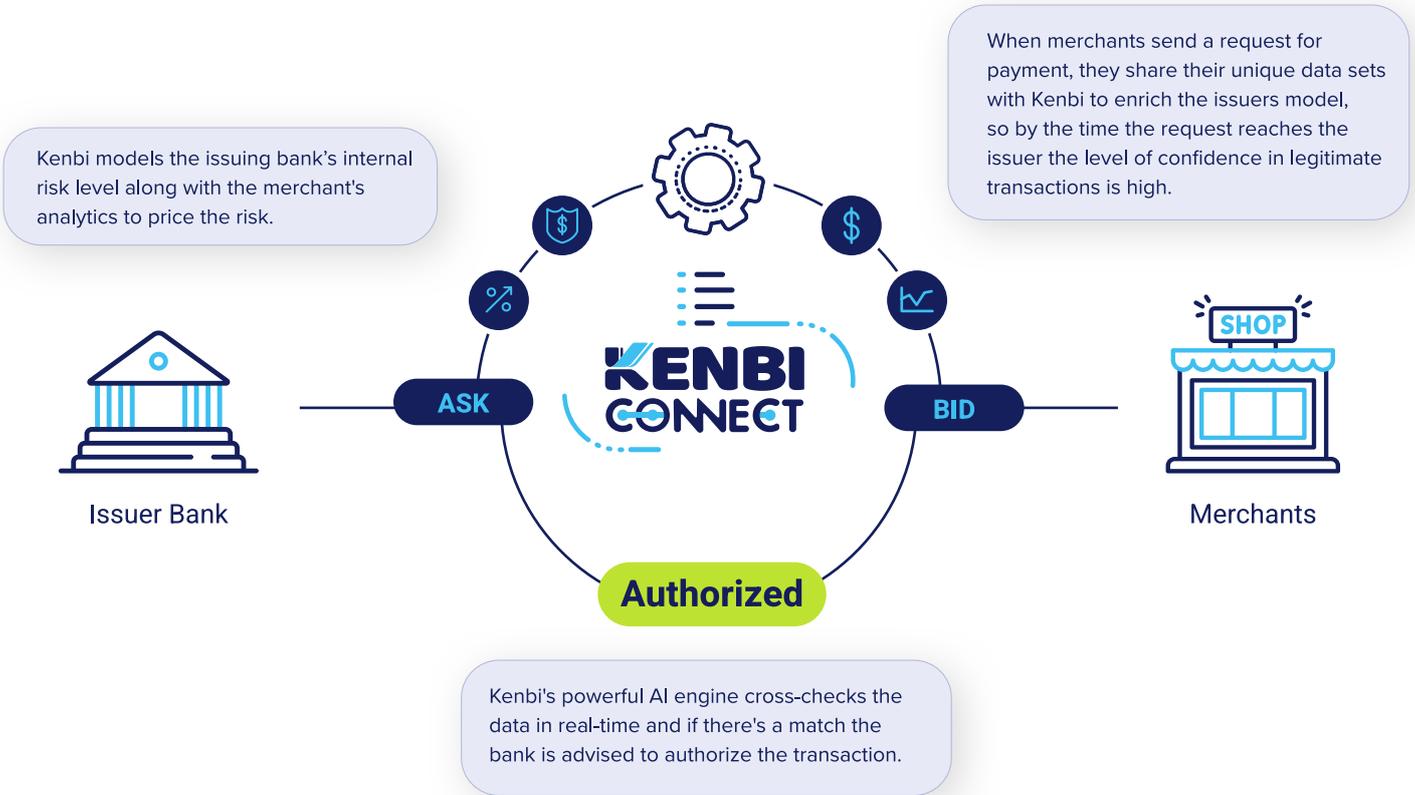
SOLUTION

Improved fraud assessment to authorize more legitimate transactions

Real-time communication and data sharing between card issuers and merchants are the keys to approving more legitimate transactions. The way we see it, sharing specific data elements between the parties associated with every transaction is the most accurate way to combat the rising wave of the false-positive.

Kenbi's AI-based solution relies on the shared interest of merchants and issuer banks to approve more payments. Kenbi leverages the merchants' willingness to authorize the transaction by sharing rich data and the cost of risk with the issuer in real-time.

Here's how it works.



BENEFITS

Decrease false positives and increase customer satisfaction

Make card holders like Shelly feel confident to rely on their credit card for their shopping needs without worrying so much about false declines.

Kenbi's solution is the response to the rising trend of false positives that result in abandoning credit cards and opting for other payment solutions.

If you want more happy, satisfied, and loyal cardholders Kenbi can help you provide the shopping experience they expect and deserve.

Want to learn more about this innovative approach to fraud assessment? [Contact Us](#).

ABOUT



Kenbi is a Global Fintech innovator enabling Issuer Banks and Merchants win together legitimate transactions that are currently declined. Kenbi's AI-driven technology optimizes the traditional payment model for increased revenue, customer satisfaction, and loyalty.

The company's solution leverages the aligned interests of issuing banks and merchants to authorize more legitimate transactions by providing a seamless system to split the risk costs in real-time based on predefined risk profiles. Kenbi's founders and team are fintech veterans and payment optimization professionals.