



PegaWorld*iN*spire

# Clean Up In Aisle 10: Dispute, Exception, Fraud, and Sanctions Management in a Disruptive Payments World

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# THE WORLD IS CHANGING



## World Bank's stock at all-time high

World Bank's stock price reached a record high of \$100 per share on Monday, up from \$95 on Friday. The bank's stock has risen 15% since the start of the year, reflecting investor confidence in the bank's financial performance and its commitment to global development.

Analysts predict that the bank's stock price will continue to rise as it expands its operations in emerging markets and invests in infrastructure projects. The bank's strong financial position and commitment to sustainable development are key factors driving its success.

The bank's stock price is expected to reach \$110 by the end of the year, as it continues to attract new investors and expand its global footprint. The bank's commitment to transparency and accountability is also a major factor in its success.

## UK rate rise chances recede as jobs growth

The Bank of England's decision to raise interest rates has been widely expected, but the market has reacted with surprise. The rate rise has led to a sharp decline in the pound's value, which has raised concerns about the UK's economic future.

However, the Bank of England has signaled that it is committed to maintaining low inflation and stable economic growth. The rate rise is seen as a necessary step to achieve these goals, and the market is expected to stabilize in the coming weeks.

The rate rise has also led to a decline in the value of the pound, which has raised concerns about the UK's economic future. However, the Bank of England has signaled that it is committed to maintaining low inflation and stable economic growth.

# Drivers of Change

Payment disrupters in the market

1

## Proliferation

of payment types  
& mechanisms

Resolution pathways  
and liability undefined  
and / or evolving

2

## Convergence

of products across  
lines of business

Accelerated by ISO  
20022 adoption

3

## Re-emergence

of embedded  
finance at POS

Expanding credit and  
dispute processing  
considerations



# Four Internal Challenges Managing Payment Disputes, Exceptions, Fraud, and Sanctions

1

Operational  
Efficiency

2

Regulatory  
Compliance

3

Fraud & Loss  
Liability

4

Customer Experience & Satisfaction



# Smart Investigate

- Delivers broadest solution on the market with richest **out-of-the-box** functionality
- Provides comprehensive **Swift** exception handling, including new **ISO 20022** MX with MT message interoperability
- Enables **straight-through processing (STP) for 70%+ of message volume**
- Sends, receives, interprets and manages **ISO, gCase, Fed & MT messages, CBPR+, integrations with SWIFT gpi**
- Close partnership with **Swift**



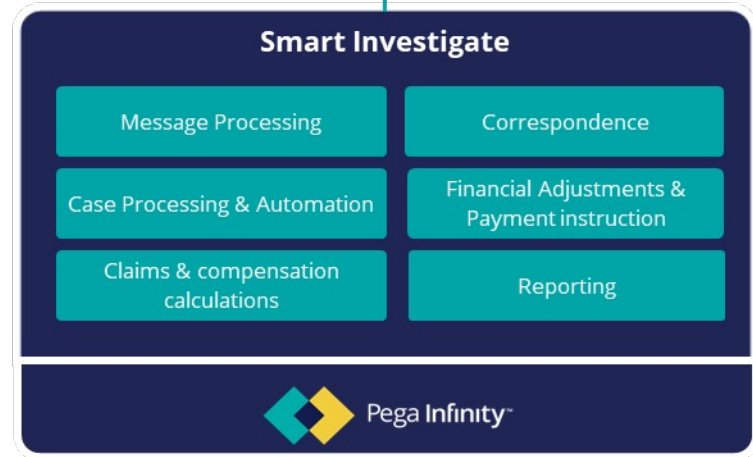
Self-Service



Service Teams



Back Office



**Out-of-the-box SWIFT Support**



FIN / MT



SWIFTNet  
E&I



gpi

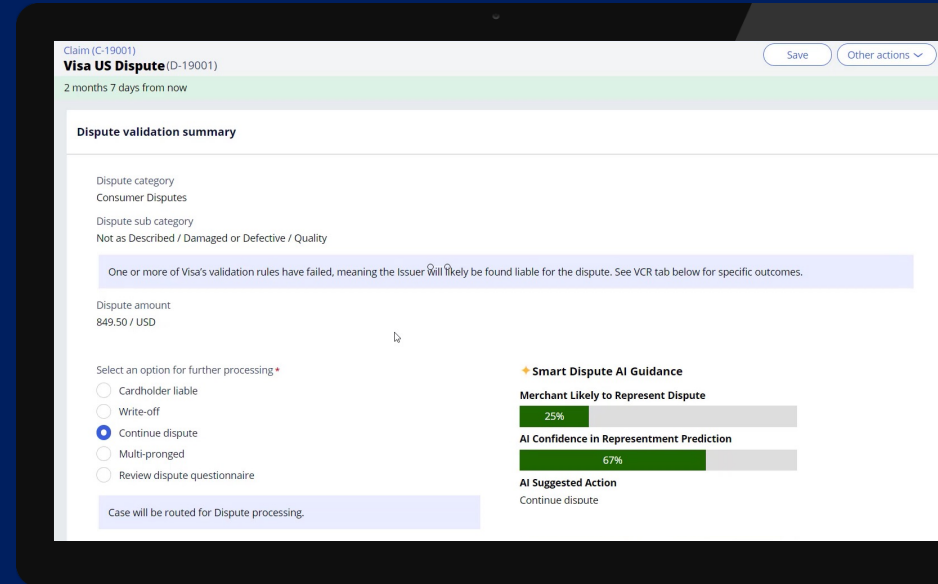


ISO 20022

# Smart Dispute

- Cradle-to-grave, **guided processing**
- Straight-through-processing (**STP**) or step automation on non-STP cases
- Consumer protection law **compliance** (e.g., Regs E & Z, Section 75, C-86)
- Bi-annual updates to **Visa, Mastercard & Amex** rules with VROL & MCOM
- **Consolidated processing for all payment types with a low-code template**

Using Pega's industry-leading AI & workflow automation platform



# Handle Change Required Today AND Tomorrow

## Cross-border



Swift, Ripple, VisaDirect, MC and a growing body of "challenger" payment providers

## Legacy



Credit Cards, Debit Cards, Visa, Mastercard, AMEX, Union Pay, ACH, CHAPS, Checks

## Alternative / real time



P2P, A2A, Faster Payments, APP, FedNOW, RTR, Pay-by-Bank, Apple Pay, Google Wallet, wearables, implantables

## Blockchain



Cryptocurrency (Bitcoin, Dogecoin), CBDC, Liink, Trade finance solutions, Tokenization

## Embedded finance



Open banking, BNPL, Affirm, Klarna, Afterpay, PayPal, Revolut

You can't stop the rate  
of change

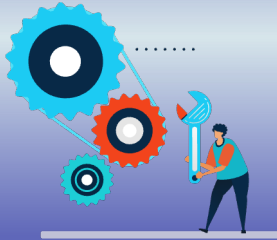
**You can only  
build for it**





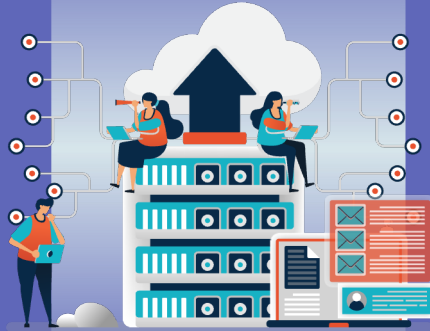
# Why a Platform Approach for Payment DEFS?

Pure custom build



A holistic solution  
that aligns to your  
business

Platform for agile delivery



The value this drives



Reduced time to value  
while maintaining  
flexibility

Packaged applications

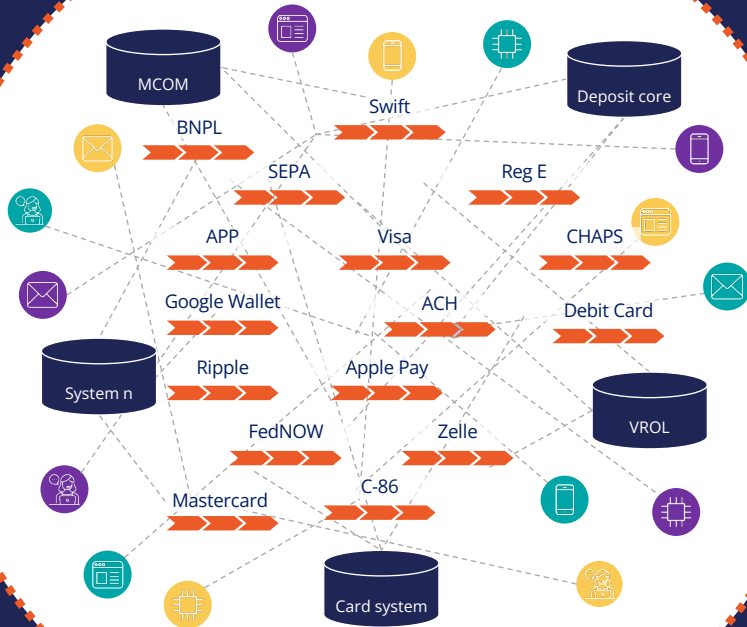


Improved collaboration  
between business & IT  
with less "coding"

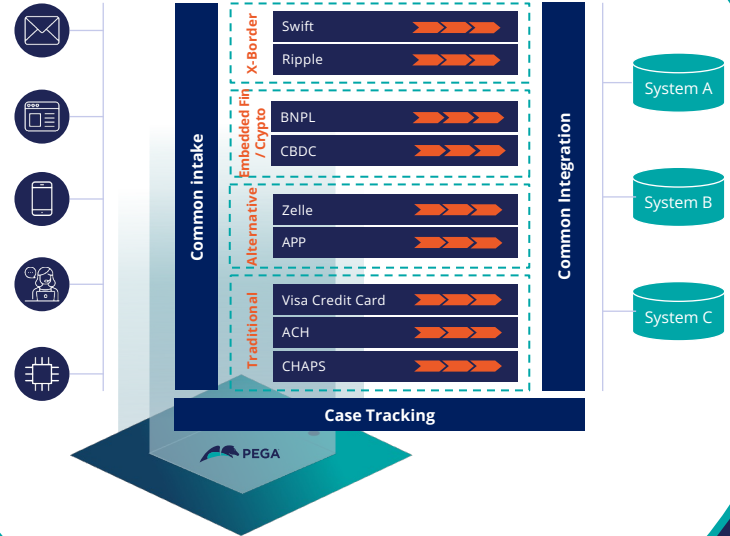
# Simplify with a Unified "Exceptions Backbone"

Workflow automation agnostic of channel and system of record

## Independent automation



## Exceptions backbone



Process Orchestration | SLA Management  
Transparency | Audibility

# Payments Exception Event Manager

Data maintenance

Repair & monitoring

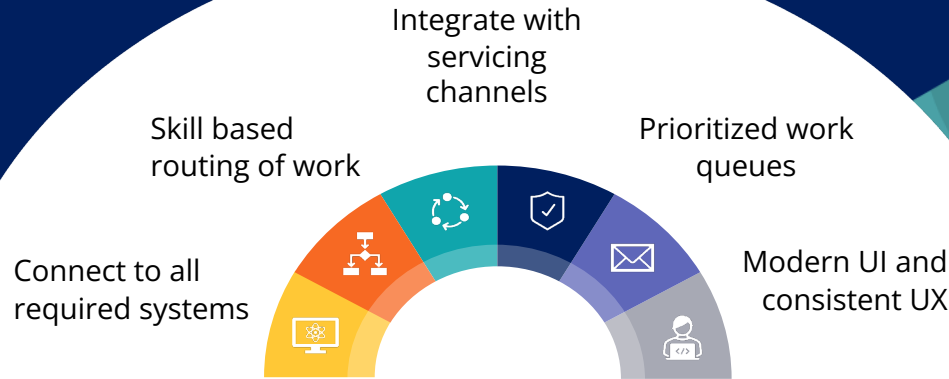
Sanctions

Exceptions & investigations

Fraud & disputes







Adjustments & compensation

Central hub for payment events built on Pega



# Extending with Pega Process AI

Workflows that learn from case history

	Outcome	Prediction	Action
	<b>Improve efficiency</b>	Case outcome	Straight-through-processing work & guiding triage
	<b>Improve SLA adherence</b>	SLA miss	Escalating work which is likely to miss its SLA
	<b>Reduce cycle time</b>	Time-to-resolve	Routing work to the person/team who will do it the fastest
	<b>Reduce operating cost</b>	Cost to complete	Routing work to the person/team who will do it in the most cost effective manner
	<b>Optimize decision making - improve effectiveness</b>	Custom value (e.g., Fraud, Risk, Revenue opportunity)	Guiding agents, automating decisions, & guiding workflows based on key business KPI's
	<b>Maximize total impact of workforce</b>	Best person/team for given assignment	Optimizing routing to ensure everyone is working on most impactful work



# Optimize Processes with Machine Learning and AI



Dispute amount  
849.50 / USD

Select an option for further processing\*

- Cardholder liable
- Write-off
- Continue dispute
- Multi-pronged
- Review dispute questionnaire

Case will be routed for Dispute processing.

**Smart Dispute AI Guidance**

**Merchant Likely to Represent Dispute**

25%

**AI Confidence in Representation Prediction**

67%

**AI Suggested Action**

Continue dispute

# Client Service with Email Natural Language Processing

Read emails, create appropriate cases, and route to specific operations teams

✓ Resolve → Transfer

ET - 73263

## Trade Cancellation

1 New EMAIL

ST Connor, sarah to EmailIVA on Jul 05, 2022, 08:19 AM

**Subject:** Trade Cancellation

Hello,

We've just realised that trade WX457443/1 dated 04/07 was booked in error. Please cancel and confirm ASAP

Many thanks,  
Sarah Connor  
Lead Treasurer, Able Banking

Reply templates



Hide list ^

View analysis Details Pulse Create case

### Text analysis

Collection of all information extracted from this email and attachments

All content

- Entities
- Intent
- Task
- Trade ID
- Trade Date
- Other
- Topics
- Email header info

Trade Cancellation

cancel

WX457443/1

04/07/22

Sarah Connor

Restart

# Build for Change in Payments

The only low code platform built for the Enterprise needs



Unify payment  
workflows



Build layers  
of reuse



Unlock AI & ML

Achieve

Increase  
STP to **70%+**

Reduce  
systems  
from **15 to 2**

Decrease  
service time **85%+**



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