

## Global Hunter scoring - applying analytics to a rules-based system

Hunter, Experian's application fraud prevention tool, is utilised by more than 100 clients worldwide and has saved them a combined total in excess of £1 billion. Using a rules-based methodology to aid fraud prevention, Hunter operates by automatically checking new applications against themselves, any previous applications, suspect information and known fraudulent data.

Checking is performed with the use of sophisticated algorithms that are under the control of the end users. For every match that is triggered, a risk rule code is returned, which referral teams are then able to use as a guide in their decision-making process. A natural progression from the rule-based trigger approach is to prioritise the matches by the use of scoring. The use of scoring within application fraud prevention is tried and tested; Detect, another existing Experian fraud prevention tool, has used scoring effectively for over a decade.

Now, Experian has developed innovative scoring that enables Hunter users to both optimise their referral work lists and automatically accept low risk applicants. The scoring approach, which is compatible with global Hunter 2 configurations, utilises each client's bespoke rule set, thus enabling country specific variables to fit into the scoring methodology.

The methodology incorporates the risk grading of rules into ten coarse groups, each rule ranked and allocated in relation to its false positive rate. The count of the number of rule hits in each coarse group then moves forward into a regression model. The resulting predictive score can then help to:

- **Sort work queues by the risk of fraud** - enabling the work queue structures to be more logical.
- **Work high-risk cases first that have the largest loss potential** - especially useful for users that are currently unable to work all matches.
- **Automate decisions for lowest probability of fraud scorers** - quick response online decisioning on low-risk cases

If the score was used to reduce referrals by 15%, then 97% of the total fraud population would still be identified. This automated decisioning enables the optimisation or justification of resources to work matches. If X% of matches are worked, then Y% of fraud will be identified.

The score is scheduled to be integrated into the Hunter 2 system in Q3 2008 and we are currently liaising with a number of Beta clients.

For further information, please [contact us](#) and we'll put you in touch with a member of our Fraud team.