

NICE Actimize

Case Study

Large Retail Bank Uses AI to Reduce False Positives by **33%**

The Customer

The large retail financial services company based in the U.S. with checking and savings accounts and debit and credit cards turns to NICE Actimize to optimize their anti-money laundering (AML) operations.

Results

33%



Reduced false positive alert volumes by 33% with 100% true positive recall

5 FTEs

Freed 5 FTEs to focus on high-risk activities

11,769 Hours

Saved 11,769 investigation hours per year



Challenge

In response to escalating alert volumes, a notable surge in false positive alerts within their AML transaction monitoring (TM) systems, and overwhelmed investigative teams, a leading financial institution proactively sought a strategic solution to address these challenges. A primary concern revolved around the accumulating backlog of alerts, posing significant hurdles for their investigation teams.

Under heightened pressure, the institution was seeking a trusted partner with a proven track record in delivering innovative AML solutions capable of optimizing operational efficiency and elevating transparency within their AML operations.

Key Challenges:

- **Growing backlog of alerts posing operational challenges**
- **High incidence of false positive alerts within their AML TM systems**
- **Overwhelmed AML operations and investigative teams**



Solution

NICE Actimize was engaged as a trusted partner to conduct a thorough analysis of the customer's AML program. In collaboration, existing thresholds and lack of segmentation were identified as key factors contributing to high alert volumes and false positives.

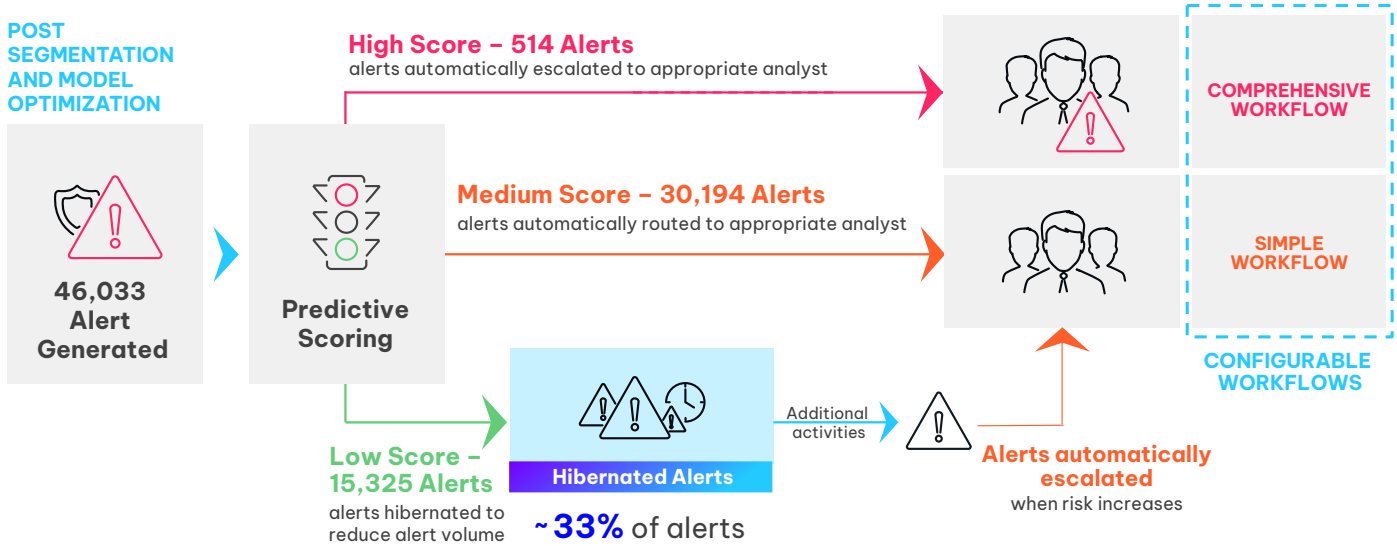
To alleviate these challenges for the financial institution, a range of advanced machine-learning techniques were leveraged within NICE Actimize's **Suspicious Activity Monitoring solution (SAM)**.

First, unsupervised machine learning was used to automatically segment the client population into 13 distinct groups across four regions.

Second, supervised ML was used to analyze and optimize models. Adhering to strict model governance controls, new thresholds were deployed for the updated segments.

This approach played a pivotal role in significantly reducing false positives.

Lastly, predictive analytics were leveraged to score alerts and determine the likelihood of a SAR filing. High-risk alerts were automatically escalated to available level two analysts while low-risk alerts were hibernated, thus saving precious time for the operations teams. Configurable workflows enabled the organization to tailor their investigation processes based on alert type and severity. Post-investigation, SAR forms were automatically drafted and ready for filing.



Summary

Overall, the AML investigations teams are far more efficient and able to focus on true suspicion, they were also able to remediate the significant backlog which was caused by high false positives.

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