



Swedbank Partners with ACI Worldwide to Combat Fraud and Comply with SCA

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- Leading issuer and acquirer in Nordic and Baltic regions enhances its fraud platform with ACI Fraud Management
- ACI's machine learning capabilities and consortium data underpin Swedbank's strong customer authentication (SCA) exemption strategy, contributing to a sizeable decrease in card fraud

MIAMI--(BUSINESS WIRE)--Jul. 6, 2021-- [ACI Worldwide](#), a leading global provider of [real-time payments and digital payment software solutions](#), today announced that its partnership with Swedbank, one of the leading issuing and acquiring banks in the Nordic and Baltic regions, has contributed to a 55 percent decrease in card fraud, helping to improve customer experience and business growth for the Swedish bank.

Swedbank, like many other financial institutions across Europe, had been under pressure to meet strong customer authentication (SCA) compliance mandates. SCA, a new regulatory mandate under PSD2, intends to protect consumers and businesses from fraud by making it more difficult for fraudsters to make payments from their accounts. Under the new regulations, consumers and businesses must verify their identity with at least two steps of authentication. SCA checks are mandated for every digital payment over €30 but can be exempted if the merchant has demonstrated low levels of fraud, for example.

The bank partnered with ACI to enhance its fraud platform with the help of [ACI Fraud Management](#) and has transitioned from a rules-based to a holistic fraud management approach – which now applies insights from machine learning and shared data in addition to rules – to exempt low-risk transactions from the SCA requirements. Utilizing ACI's model generator functionality allows Swedbank to create and maintain their own predictive machine learning models within minutes. The offering was recently enhanced with shared intelligence, empowering the bank to collaborate and build hybrid machine learning models.

"Utilizing [ACI Fraud Management](#) has allowed us to move from single transaction monitoring to customer behavior monitoring, a strategy that helps us to quickly identify low-risk transactions and exempt them from SCA's two-factor authentication requirements," said Tonu Ots, Head of Card Issuing, Swedbank. "This has led to a considerable decrease in card fraud and helped to enhance the customer experience, which is crucial to business growth in light of average high checkout abandonment rates."

"Swedbank has demonstrated that it is possible to turn the SCA challenge into an opportunity," said Jay Floyd, Senior Principal Financial Crime Consultant, ACI Worldwide. "In addition to delivering an innovative fraud management solution that maintains compliance, manages exemptions and enhances the customer experience, the bank has created a true market differentiator for themselves and their clients by deploying the latest ACI technology."

In March 2021, Swedbank was recognized for its innovative approach to SCA with the [Model Risk Manager Award for Legacy and Ecosystem Transformation](#) by Celent.

To learn more about SCA, please visit [ACI Fraud Management for SCA and Exemptions](#) and [Multi-Acquiring and the Benefits for Merchants](#).

About ACI Worldwide

[ACI Worldwide](#) is a global software company that provides mission-critical [real-time payment solutions](#) to corporations. Customers use our proven, scalable and secure solutions to process and manage [digital payments](#), enable [omni-commerce payments](#), present and process [bill payments](#), and manage [fraud and risk](#). We combine our global footprint with local presence to drive the real-time digital transformation of payments and commerce.

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Media

Katrin Boettger
katrin.boettger@aciworldwide.com
Phone: 0044 (0)7776 147 910

Dan Ring
dan_ring@aciworldwide.com
Phone: 781-370-3600

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