

# ETHOCA CORPORATE OVERVIEW

Get to know the world's leading merchant-issuer collaboration network



# FIGHTING FRAUD THROUGH COLLABORATION

Ethoca recognized a significant gap in the ecommerce fraud prevention market and created a new class of solutions based on a simple, yet highly effective way for card issuers and merchants to collaborate. Card issuers and merchants each make decisions about which ecommerce transactions to accept or decline due to suspicion of fraud. The problem is that they do so in isolation and often make incorrect decisions because they have only one side of the story. This communication gap results in both parties finding out about fraud too late, and forces them to rely on the outdated and costly chargeback process to resolve disputes with customers and recover associated losses.

To add insult to injury, this vicious cycle also leads to good customers being wrongly declined. This happens because higher fraud losses force both merchants and issuers to decline more transactions – a damaging experience that drives down acceptance across the board.

Ethoca Alerts is the first service built on Ethoca's unique collaboration network and tackles these problems head on. Every day, the world's largest banks send confirmed fraud and customer dispute data to Ethoca. Ethoca then sends this data to thousands of merchants globally in the form of near real-time alerts that arrive within hours – not weeks later through the inefficient chargeback process.

Because Ethoca Alerts provide an early warning on fraud and disputes that have already been confirmed by cardholders, Ethoca's merchant customers have the opportunity to stop fraud, halt the delivery of goods and services, and issue a refund to avoid the impending chargeback. Card issuers benefit by avoiding chargeback processing costs and recovering fraud losses – including 3D Secure and low-value transaction write-offs – faster and with a fraction of the cost and effort.

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**Ethoca is the largest network enabling collaboration between card issuing banks and merchants to stop fraud, recover unnecessary costs and enable greater transaction acceptance.**



## ETHOCA ALERTS – OUR FLAGSHIP PRODUCT

Ethoca's award-winning flagship service – Ethoca Alerts – provides card-not-present merchants with an unparalleled source of cardholder confirmed fraud and customer dispute information that arrives in hours or days, not weeks later through the slow and inefficient chargeback process. This gives merchants a critical window to stop the fulfillment of fraudulently purchased goods and issue a refund to avoid the chargeback altogether.

For card issuers that provide this unparalleled data

to Ethoca, there is now no need to leverage the costly, archaic chargeback process to recover losses on merchant-liable transactions. What's more, for the first time participating card issuers have the opportunity to recover issuer-liable losses like low value and 3DS transactions.

It's equally easy for both merchants and card issuers to participate in Ethoca's network through a variety of options, including simple API integrations as well as web portal.



### ISSUER BENEFITS

- ✓ Improve customer experience, reduce complaints
- ✓ Reduce chargeback processing expenses
- ✓ Reduce write-off losses on low value transactions
- ✓ Reduce 3D Secure losses
- ✓ Drive higher acceptance and interchange revenue

### MERCHANT BENEFITS

- ✓ Stop fulfillment of fraudulent orders
- ✓ Eliminate more chargebacks
- ✓ Use link analysis to eliminate related fraudulent orders
- ✓ Bolster fraud screening to identify future fraud and prevent spikes

