

WEBINAR

FOR REGISTRANTS ONLY
> DO NOT FORWARD

Payment Best Practices: Leveraging Technology to Mitigate Fraud

flywire





Simon Read

VP, Education, EMEA, Flywire

- More than 20 years management and sales experience at service-based organisations, ranging from large multinationals to start ups
- Specialisation in payment services for the international education sector over the last decade



Jamie Prudhomme

Global Compliance Director, Flywire

- More than a decade of experience working to protect clients from financial crime with a consultant background in anti-money laundering and fraud analysis
- CAMS certified and a graduate of Northeastern University

EXPERIENCE THE DIFFERENCE

DELIVERING ON LIFE'S MOST IMPORTANT MOMENTS

- Leading global payment provider with 12 offices and 550+ FlyMates worldwide
- Industry-specific payment solutions for education, healthcare, travel and more
- Backed by powerful global payment network and 24x7 multilingual support



1.6M
STUDENTS

2000+
INSTITUTIONS

MILLIONS
OF TRANSACTIONS

BILLIONS
IN PAYMENTS

240
COUNTRIES
& TERRITORIES

150
CURRENCIES



POWERFUL GLOBAL PAYMENT NETWORK



Agenda

Fraud Overview

Fraud Examples

Flywire's Fraud Defense Approach

Six Steps to Mitigating Fraud

Q&A

Fraud Overview

¥ \$ ₯ £ € R ₹ ¥ \$ ₯ £ € R ₯

80%

More than **80 percent** of financial professionals report that their organizations were **targeted by fraudsters** in 2018.

Fraud Examples

¥ \$ ~~≠~~ £ € R ₹ ¥ \$ ~~≠~~ £ € R ₣

FAKE SCHOOLS



Fake schools reach out to students and take them through an enrollment process, promising them a degree or certificate, along with student visa. Once the student pays, they steal the student's money and disappear.

PAYMENT PROVIDER SCAMS



Fraudsters, often posing as educational agents or fellow students, tell students they will make tuition payments on their behalf at a discounted rate, and then steal the money.

POSING AS GOVERNMENT



Fraudsters also pose as government agents, contacting international students to tell them additional fees or taxes must be paid before they can study.

RECENT EXAMPLE: *The U.S. Department of Homeland Security Officer of Inspector General issued a fraud alert warning citizens that its hotline had been used as part of a telephone scam targeting individuals throughout the country.*

REFUNDS



Fraudsters steal credit cards and make payments to institutions, then ask for refunds paid directly to their bank account vs. back to the original card.

The student is unaware their information has been stolen and the school is unaware of the fraudulent student account.

STUDENT VISAS



Fraudsters take advantage of the student visa system by making a payment to gain visa documentation, but never enrolling in school. In addition, they often come back and ask for a refund.

Flywire's Fraud Defense Approach

¥ \$ ≠ £ € R ₹ ¥ \$ ≠ £ € R ₣

STANDARD FINANCIAL CONTROLS

Flywire first level of fraud prevention begins with processes designed to prevent financial crime. These controls include:

- Data validation
- Payments can only be processed to Flywire clients
- Refunds processed to the original source of funds



PROCESSOR LEVEL CONTROLS

Flywire sets fundamental rules at the processor level, to block egregious attempts at credit card fraud. This prevents risky behavior such as:



- Use of known lost or stolen cards
- Use of cards without accurate CVV and expiration date information
- Excessive attempts from the same card

MACHINE LEARNING FRAUD DETECTION

All Flywire payments are processed through a machine learning platform, designed to identify potentially fraudulent transactions:



- Constantly evolving model of low and high-risk payments
- Utilizes a variety of information to compare each payment against that model
- Higher risk payments are reviewed manually prior to being released

3D SECURE (3DS)

Flywire applies 3DS dynamically:

- Market is moving to a more dynamic approach
- Today there are varying levels of adoption internationally lead to challenges in many markets



Six Steps to Mitigating Fraud

¥ \$ ≠ £ € R ₹ ¥ \$ ≠ £ € R ₣

PAYMENT BEST PRACTICES

1

TAKE ONLINE SECURITY PRECAUTIONS

- Make sure the website is secure
- Avoid using public or unsecured WiFi
 - Especially when sharing sensitive information
- Never click hyperlinks on suspicious emails

PAYMENT BEST PRACTICES

2

DON'T SHARE PERSONAL INFORMATION

- Never disclose information without verification
 - Name
 - Address
 - Date of birth
 - Credit card details
 - Banking details

PAYMENT BEST PRACTICES

3

ALWAYS VERIFY THE REQUESTOR

- Scammers often pose as agents
 - Government representatives
 - Institution associates
- Research to ensure requests are valid
- Never disclose information without verification

PAYMENT BEST PRACTICES

4

BE WARY OF SUSPICIOUS CHARACTERS

- If the offer or promise seems too good to be true, it probably is
- Scammers may contact in multiple ways
 - Digitally (online, email)
 - Telephone (call, text)
 - Live (on campus, visa application queue, events)
- Avoid becoming a “money mule”

PAYMENT BEST PRACTICES

5

ALWAYS REPORT SUSPICIOUS ACTIVITY

- Note what the scammer is attempting to obtain
- Immediately stop communication
- Report all fraudulent activity to the institution and the police

PAYMENT BEST PRACTICES

6

USE TRUSTED PAYMENT PROVIDERS

- Only work with institution-approved providers
- Flywire is the trusted payment provider for 2,000+ institutions around the world
 - Millions in transactions, billions in payments securely processed

SIX STEPS TO AVOID PAYMENT SCAMS

1 Take online security precautions

2 Don't share personal information

3 Always verify the requestor

4 Be wary of aggressive characters

5 Always report suspicious activity

6 Use trusted payment providers



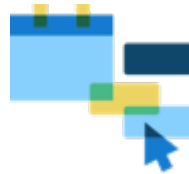
[Download Best Practices Guide](#)

COMPREHENSIVE RECEIVABLES SOLUTION

MIX & MATCH OUR EDUCATION PRODUCTS TO BUILD YOUR IDEAL SOLUTION



Education Payments



Payment Plans



A/R Collect



Billing



Refunds



Virtual Terminal



Secure Checkout



Third-Party Tools

The availability of our products or services and our product or service descriptions will vary subject to applicable law and geographic location.



POWERFUL GLOBAL PAYMENT NETWORK



FORBES MOST INNOVATIVE
FINTECH COMPANIES 2019

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Nasdaq

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POWERFUL GLOBAL PAYMENT NETWORK

€ R ₹ ¥ ₿



flywire



Education payments solved

QUESTIONS?

contact

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