MaxMind Credit Card Fraud Detection
A success story

Client: Cache Services International
Industry: Payment Processing

Key Results:
- *Increased protection against fraud*
- *Decreased number of chargebacks by 85%*
- *Reduced bad transactions by more than 92%*

Background

Cache Services International is a payment processor that enables individuals and businesses to easily send and receive payments securely online. Cache Services needed a solution to combat the growing threat of online fraud after experiencing a high rate of credit card chargebacks.

Solution

Cal Smith, CEO of Cache Services, implemented MaxMind's Credit Card Fraud Detection (CCFD) service in April 2005. Smith liked the simplicity of the integration of CCFD. "The beauty of MaxMind," says Smith, "is that I really don't have to know anything about the system. I signed up for the service, added a simple piece of code to our website, and haven't thought about it since."

MaxMind's CCFD service checks credit card orders and returns a risk score on a 0-10 scale. The risk score criteria can be customized to better fit the needs of the business. Smith employs a simple system for Cache Services. Any order that returns a risk score above 7.5 is automatically blocked and staff members manually check out orders that have scores between 2.5 and 7.5.

Results

Within three months of using CCFD, the number of chargebacks have decreased by 85%. In addition, the number of bad transactions, which includes fraudulent purchases, stolen cards, and fraud schemes have been reduced by more than 92%. Since fraudsters often share information about the sites they have carded, they are less likely to go after well protected sites.

Smith is impressed by the results, cost-effective pricing, and ease of use of MaxMind's CCFD. He remarked, "I am billed a small amount automatically when I run out of credits so we don't even have to worry about it. In fact, MaxMind is so out of our face that I can never remember the name when I mention security to someone!"