

# MaxMind Credit Card Fraud Detection

## A success story

**Client:** Mecca Hosting  
**Industry:** Web Hosting

**Key Results:**

- *Eliminated chargebacks by adding CCFD*
- *Integrated, tested, and implemented CCFD in one day*



### Background

Mecca Hosting is a web hosting company based in Colorado Springs, Colorado. Online fraud is a problem for businesses in the hosting industry. Aside from the various bank costs associated with fraud, hosting companies often have to deal with retribution from fraudsters. William Howell, President/CEO of Mecca Hosting, explains, “fraudsters invest a lot of effort into their fraudulent websites and do not like being shutdown. Thousands of our clients have been affected in the past by ongoing Denial of Service (DoS) attacks from fraudsters whose accounts we had closed.” To prevent future DoS attacks, William wanted to improve and complement Mecca Hosting’s in-house fraud detection system, which blocked 98% of fraudulent orders.



### Solution

William implemented Credit Card Fraud Detection (CCFD) service in March 2005. Integration of CCFD was a simple process. William adds, “Unlike more complicated technologies that other companies use, MaxMind uses an HTTP POST protocol which made CCFD extremely easy to integrate into our system. It was the first time that we integrated and tested an interface to an external system in just one day.”

The CCFD service screens orders that have passed the in-house fraud detection system. Mecca Hosting employees use the information provided by CCFD to judge the legitimacy of the orders. If an order looks suspicious, then it is placed on hold until telephone verification can be made.

### Results

Since integrating CCFD into the fraud detection system, Mecca Hosting has not received a single chargeback. CCFD catches all of the fraudulent orders that slip through the in-house fraud detection system. On average, twelve to fifteen fraudulent orders pass through the in-house checks each month. William elaborates, “over the last 5 months, we would have had to deal with at least 60 chargebacks. The associated costs of dealing with those fraudulent accounts would have been approximately \$6,000, which does not include damages to our reputation caused by server downtime from DoS attacks.” Mecca Hosting has not received a single DoS attack since implementing CCFD.

Mecca Hosting’s bank reduced Mecca Hosting’s Internet processing rate by 11.8% as a reward for maintaining an account with a zero chargeback rate. With the combination of CCFD and the in-house fraud detection system, William worries less about fraud and focuses more on his business. “The cost of just one fraudulent transaction that slips through can easily cost our company hundreds of dollars. I can’t tell you what a relief it is to not have to worry about fraudulent orders any more!”