

Bank of New Zealand partners with IBM to further advance its cross-channel fraud prevention

Auckland, New Zealand - 04 Oct 2018: Bank of New Zealand (BNZ), one of the country's leading banks, today announced it has selected IBM (NYSE: IBM) to deliver cross-channel fraud prevention to its customers. The multi-million dollar deal will support BNZ's aim to provide its customers the ability to bank securely while delivering a positive customer experience.

Many conveniences that customers enjoy as a result of modern banking carry an increased risk of fraud. Global card fraud losses are on the rise—from 2016 to 2025, they are projected to nearly double, climbing from US\$22.8 billion to nearly \$50 billion¹. Legacy systems were designed to see and stop easily recognisable fraud patterns, however modern anytime, anywhere banking on mobile devices has made fraud detection much more challenging. Banks' time to respond is also shrinking as real-time payments mean there are just milliseconds to detect and prevent theft before it's too late.

BNZ understands the importance of providing solutions that meet its customers' expectations for convenience while also ensuring that state-of-the-art security is in place, capable of withstanding increasingly sophisticated cyber-attacks and large-scale fraud breaches.

To do so, BNZ selected IBM Safer Payments, a modern transaction monitoring solution that allows banks to intercept fraudulent activity before it happens, while ensuring customers' genuine transactions are not stopped in error. IBM Safer Payments uses machine learning and artificial intelligence to analyse behaviour and fraud patterns, build and adapt models of emerging fraud threats, and recommend countermeasure responses.

"We are ruthlessly vigilant in protecting our customers' trust in us, and we put security front and centre so they can be sure their money and personal information is well-protected. With IBM Safer Payments, we are stepping up this protection, analysing every transaction in real time, but without sacrificing the customer experience," said Owen Loeffellechner, Chief Safety and Security Officer, BNZ. "Everything we do to protect our customers from fraud and cybercrime also helps us contribute to upholding New Zealand's excellent ecommerce and trading reputation globally."

IBM Safer Payments uses both financial and non-financial data together with a customer's transaction history, to perform rigorous authentication and profiling on each and every transaction. Fraudulent transactions are quickly identified – allowing them to be stopped, or put on hold pending further validation. The solution also complies with all credit card scheme rules.

"Banks are facing the challenge of needing to adapt to meet their customers' evolving expectations for a frictionless transaction, while also ensuring their security," said Mike Smith, Managing Director of IBM New Zealand. "With financial crime becoming increasingly sophisticated, BNZ partnered with IBM to address the rising threat of crime and fraud while still enabling top quality experiences for customers and allowing for future growth."

Implementation of the Safer Payments system is already underway and BNZ's 1.2 million customers will be enjoying heightened security within weeks.

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About IBM

For more information visit [IBM Safer Payments](#)

About BNZ

Bank of New Zealand (BNZ) was founded in 1861 and is committed to being an integral part of a high achieving New Zealanders, and helping its customers be good with money. To operate in New Zealand, BNZ employs more than 4,700 people to help its 1.2 million customers across the country. The bank has more than 150 retail stores and 33 Partners business centres across New Zealand, and works with personal, business, agri, charity and private wealth clients offering services in retail, small business, commercial, corporate, agribusiness, institutional and investment, and insurance. BNZ is one of New Zealand's largest carbon neutral companies and works to help make New Zealand's communities stronger. Bank of New Zealand is a subsidiary of the National Australia Bank Group of companies, and is governed locally by a fully empowered New Zealand Board of Directors.

1 *"Card Fraud Losses Reach \$22.80 Billion"; The Nilson Report; issue 1118, October 2017.*

Contact(s) information

Shannon Thomas

External Relations Manager, IBM 0278224760 shannont@nz1.ibm.com

Sam Durbin

External Communication Consultant, BNZ +64 27 529 4342 sam_durbin@bnz.co.nz
