



Designing “Frictionless but Safe” Fraud Controls: Bespoke Controls for a High-Velocity Online Business

Presentation by:

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Our Online Business & Risk Landscape



Digital-only, high-velocity consumer platform offering a lottery-style game product



Long-dated, high-profile Victorian license



High transaction volume, low individual ticket value



Centralized Risk & Compliance function covering regulatory affairs, fraud, AML/CTF and Safer Gambling



Goal: protect customers & license without breaking CX

Why We Needed Bespoke Fraud Controls



Traditional bank-style controls didn't fully fit our game mechanics, payout profile or customer behavior



High transaction volumes, relatively low individual values, and always-on digital access



Distinct fraud vectors: stolen cards, account takeover, card testing, bonus/offer abuse, mule activity and social engineering



Regulator expectations: strong fraud prevention and customer protection for a high-profile state license

Centralized Risk & Real-Time Control Foundation

Centralized Accountability

Consolidate ownership of regulatory, fraud, AML/CTF, safer gambling, and customer conduct

Global Operating Model

Central leadership with 24/7 offshore capability

End-to-End Visibility

Enable a single, integrated view across the full customer lifecycle

Operational Benefits

Drive quicker decisions, standardized controls across products, and improved data leverage

Foundations: Automation & Real-Time Monitoring

3DS Authentication

Enforce 3DS on deposits to mitigate card testing and unauthorized transaction risk

Real-Time Monitoring

Continuously assess transactions and behavior using rules and risk scoring to detect and act on fraud instantly

Automated Decisioning

Auto-block high-confidence fraud while routing ambiguous cases to targeted review queues

Feedback Loops

Continuously optimize controls using fraud outcomes and false positives to refine rules, thresholds, and signals

Design Principles: Frictionless and Safe

Automation First

Leverage automation as the default, with human expertise focused on complex cases, edge scenarios, assurance, and continuous improvement.

'Customer First' Design

Customer experience and safety are built together from day one—not traded off later in delivery.

Interventions basis Risk Priority

Apply proportionate controls: more intervention for high-risk behavior, products, or channels; low-friction paths for trusted activity.

Embedded Controls

Integrate controls directly into key journeys (onboarding, deposit, withdrawal) rather than relying on manual, after-the-fact checks.



The Instant Withdrawals Challenge



Customers increasingly expected instant access to winnings; our product roadmap delivered instant withdrawals



Previously, fraud teams had a window to review and investigate withdrawals before releasing funds

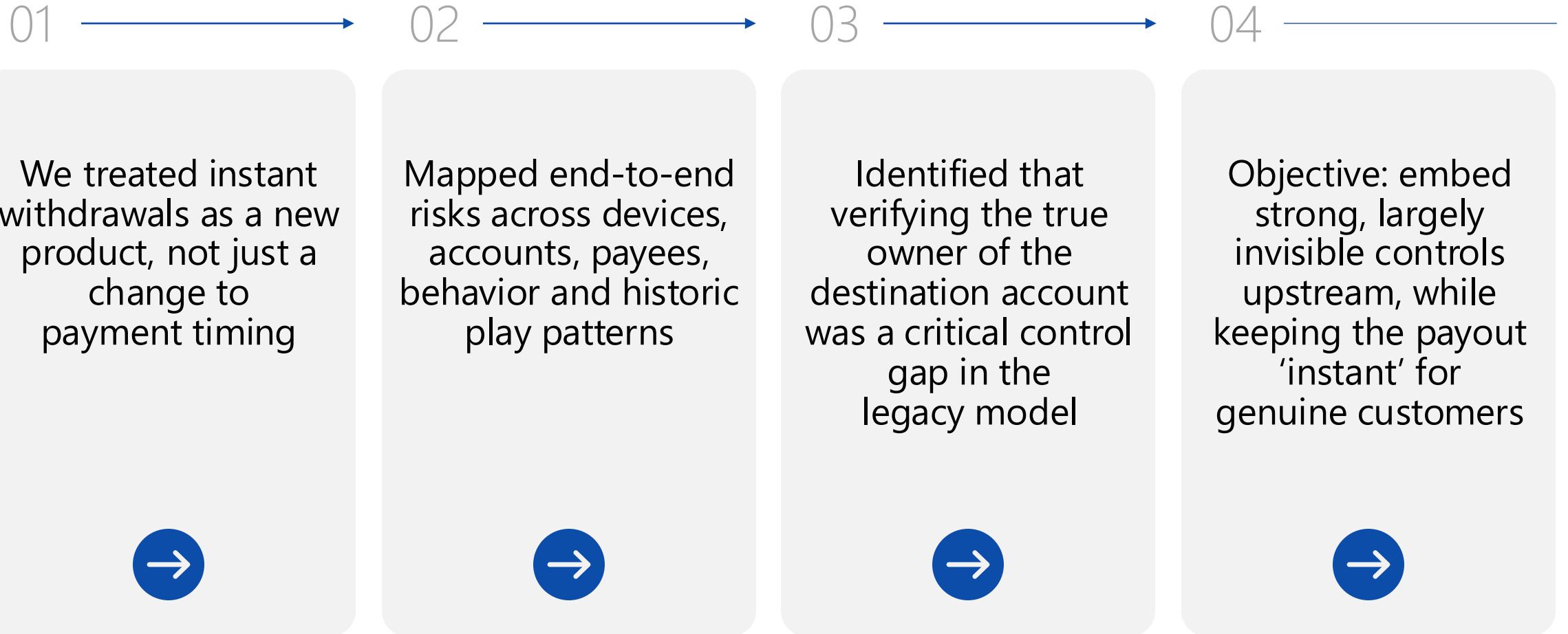


With instant withdrawals, manual pre-release checks were no longer feasible at scale or acceptable from a CX perspective



Fraudsters quickly targeted the instant payout feature, exploiting speed and limited manual review opportunities

Rethinking the Withdrawal Journey



Embedding Confirmation of Payee (CoP)



Working towards introducing 'Confirmation of Payee' as a core part of the withdrawal and payout journey



Matched customer identity and account profile against beneficiary account details before allowing funds to leave



Used CoP outcomes to drive automated decisions: approve, step-up verification (e.g. additional checks), or block and investigate



Reduced reliance on manual checks and enabled scalable, near real-time control without adding visible friction for most customers

Outcomes & Impact



Significant reduction in fraud losses on withdrawals following CoP implementation and rule tuning



Regulator confidence strengthened through clear, demonstrable controls



Sharper automated controls allowed fraud analysts to focus on complex cases and forward-looking trend analysis



Genuine customers still experience withdrawals as fast and seamless

Lessons for Other Online Businesses

Leverage Predictive Analytics



- Deeper use of behavioral analytics and anomaly detection across the full customer lifecycle

Real Time Decisioning



- Upgraded fraud tools and richer data integrations to improve real-time decisioning and reduce false positives

Signal Convergence



- Closer linkage between complaints, customer-service data, Safer Gambling indicators and fraud/AML signals

Ecosystem Collaboration



- Ongoing collaboration with our regulator and industry peers to stay ahead of emerging fraud and financial-crime threats

Q&A

Thank you for your time.

Happy to discuss specifics of non-silo 'ed customer monitoring, specialist compliance Captive, instant payouts, CoP implementation and balancing customer experience with strong controls.

