



Hitachi Solutions Significantly Reduces Deposit Fraud with Microsoft Power Platform Technology Stack

Hitachi Solutions partnered with a leading credit union based in the United States to help them mitigate the risks associated with mobile deposit fraud. While the use of checks is declining, deposit fraud has seen a measurable increase across remote, branch and ATM deposits with remote deposits currently the leading cause of fraud cases and costs. The credit union's fraud team lacked the resources and capacity required to review its mobile deposit transactions within the requisite 72-hour window, and to manually audit mobile deposits made below the \$2,000 threshold. This was leading to significant losses from mobile deposits that exceeded \$720,000 a year.

The credit union required a solution that would allow for comprehensive fraud detection and mobile deposit management to reduce the cost to the company and improve its monitoring of mobile deposits. The company wanted to leverage its existing Microsoft ecosystem to create an automated and intelligent solution capable of reducing fraud, reducing admin time spent on monitoring fraud, and improving operational efficiencies. Thanks to an existing relationship with Hitachi Solutions, the credit union asked Hitachi Solutions to come up with a solution that fit their ecosystem and expectations.

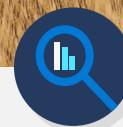
"We collaborated closely with the credit union to create a Proof of Concept that aligned with their requirements and which we then extended for production" says Peter Garadis, Senior Director, Financial Services Strategy at Hitachi Solutions. "They recognized that, with the sheer volume of transactions they needed to assess within a tight period of time, it was critical they implement an automated system that aligned with their ecosystem and expectations. We were selected based on our proven expertise and understanding of these challenges within the industry."



Automatic deposit monitoring and fraud detection leveraging Microsoft Power Automate Desktop



Immediate holds placed on deposits and accounts if fraud detected, reducing risk for the credit union and its members



Mobile deposits evaluated to identify suspicious checks, reducing losses from fraudulent deposits significantly and delivering return on investment in just three months

INDUSTRY:

Financial Services

VERTICAL:

Credit Union

INDUSTRY SCENARIO:

A leading credit union lacked the resources required to audit and manage transactions within the required 72-hour window, which led to annual mobile deposit losses that exceeded \$720,000.



Automated and intelligent

"We chose to use the Microsoft Power Platform, specifically Microsoft Power Automate Desktop, and Microsoft Business Applications. These Microsoft products fit smoothly into the company's existing architecture and allowed for us to effectively automate very specific processes, taking into account security, workflow, and communication requirements. We created an intelligent solution capable of mitigating fraud and reducing both operational inefficiencies and direct financial losses," explains Garadis.

The Robotic Process automation (RPA) flows within Power Automate were used to automate essential manual and repetitive tasks within the system, and to validate the details of a check against a known database of fraudulent information. This process was entirely automated and lifted the manual burden off the already time-strapped fraud team. Now, if the system suspects fraud, an immediate seven-day hold is placed on the account and the deposit and the customer and the fraud team are notified as verification protocols move into place. The solution also generates a daily report of any suspicious checks that were identified on a daily basis.

This protects both the credit union members and the financial institution from potential loss while allowing time for the team to assess and validate the transaction. In addition to Power Automate, Hitachi Solutions used Power BI and Power Apps, alongside several services within Microsoft 365, to align with the customer's Azure and Microsoft 365 infrastructure and create a cohesive solution that worked seamlessly throughout the system.

A seamless solution with impressive ROI

The credit union has experienced a measurable reduction in losses from fraudulent mobile deposits, with return on investment (ROI) realized within three months of implementation. The system is now capable of automatically detecting potential fraud within deposits that were traditionally not monitored and has increased operational efficiencies for the short-staffed fraud and item processing teams.

The automated intelligence now embedded within the company's ecosystem allows for clearer case management, reduced item recirculation, and measurable time savings for the fraud team. The latter have saved up to a quarter of the time spent on managing these deposits in the past.

"The company is now saving the money originally lost to fraud - an amount in excess of \$60,000 a month - while enjoying optimized fraud detection and customer service. Achieving ROI in such a short period of time is a huge win and really emphasizes the value of process automation as an effective way to address vulnerabilities that can arise as client interactions move to digital channels," concludes Garadis.



About Hitachi Solutions

Hitachi Solutions is a global systems integrator with leading capabilities in Microsoft applications and technologies. Powered by nearly two decades of experience, our skilled professionals deliver end-to-end business transformation through advisory services, industry and technology expertise, and implementation excellence. Our #1 goal is to support and accelerate our customers' data and business system modernization initiatives and drive outcome-based value throughout their entire company. As part of Hitachi, Ltd. — one of the largest organizations in the world — Hitachi Solutions is well-positioned to support customers at global scale and forge strategic relationships for life.

For more information visit
global.hitachi-solutions.com