

More efficient,
more effective



Key Benefits

- High scalability to deal with cross-border and domestic payments.
- Filters structured and unstructured messages.
- Scanning of international character sets (Unicode).
- Industry leading accuracy – rated as excellent for false positive reduction by Celent.
- Self Learning – advanced functionality to reduce future matches by learning from compliance users' previous actions.
- Support for central hub deployment – including multiple host connections, choice of watch lists and workflow.

THE CHALLENGE

Money laundering and terrorist payments are all threats to which financial institutions must act against. Checking for sanctioned entities is a resource intensive operation. Currently, most financial institutions are using some form of electronic process to check transactions against watch lists. However, with transaction volumes growing and new regulations being launched all the time, many solutions are now becoming costly and inefficient to manage. The only practical answer for most institutions is either to increase the thresholds, risking the possibility that some transactions will be missed, or to increase the size of the physical teams managing the work queues. Neither are palatable options.

OUR ANSWER

We take financial crime seriously at Logica. That is why we created HotScan Plus, our automated transaction filtering and customer scanning software.

HotScan Plus scrutinises cross-border and domestic transactions in real-time and alerts the institution to matches against watch lists. By providing online enquiry and batch filtering of names, addresses and other biographical details, HotScan Plus also supports you with account opening and Know Your Customer (KYC) procedures. This means you can carry out risk assessments against terrorist lists, sanctioned entities, politically exposed people and other risk groups.

Minimising the risk

HotScan Plus reduces risk by thoroughly checking every field of every transaction against the configured watch lists. This reduces risks by;

- Automatically scanning all types of payment and administrative messages, including SWIFT, Fedwire, CHIPS, CHAPS and Telex.
- Searching all data to highlight deliberate attempts to disguise matches using finely tuned algorithms.
- Ignoring insignificant common words when assessing a match, thereby improving accuracy and reducing false-positives.
- Easily integrating with different host systems, meaning minimal interruption to message flow while performing effective scanning. It is a certified plugin to SWIFT Alliance Access, has Web Services, MQ and C programming interfaces and interfaces with industry standard banking systems.
- Providing added security with a complete audit trail on each message, together with 4-eye verification and supervisory approvals.

Increasing Productivity & Delivering Flexibility

HotScan Plus increases productivity by reducing manual intervention and eliminating processing interruptions.

Suspect transactions are held for operator review and processed via the HotScan Plus user interface. Names similar to those on the watch lists, but verified as safe against given risk entities can be added to the HotScan Plus 'Good Guy' list to facilitate faster processing in the future by disregarding these false-positives.

With the growing burden of regulation impeding efficiency and pushing up costs, the sophisticated scanning capabilities of HotScan Plus minimises the amount of manual review. Utilising the advanced self learning capability HotScan Plus can outperform any other scanning solution on the market and produce as little as one half of one per cent of the daily message volume for further investigation.

Hotscan is supported on?

HotScan Plus is supported on AIX, Solaris and Linux with connectivity to host systems on all industry standard platforms. The HotScan Plus software has been certified by SWIFT as a SWIFTAlliance Access Plug-in since 2005 and is supported on SAA Windows and Unix servers.

HotScan Plus delivers flexibility. Users can reach a balance between checking blocked accounts and maintaining continual transaction processing through the capability to configure:

- parameters for passing and failing transactions – ranging from an exact to a partial match.
- weightings on individual fields to determine matching sensitivity.
- rules to accommodate local regulations to stop messages according to currency, source country and destination country.
- regional scanning requirements against particular lists to combine central deployment with locally relevant scanning.
- The Intelligent Self Learning Module makes HotScan Plus a learning filter rather than a static filter. This module can be used to significantly improve efficiency, whilst providing full transparency and without increasing risk.
- HotScan Plus includes algorithms to handle: word transposition, misspellings and alternative spellings, special characters, concatenated words, embedded words, broken words, synonyms, foreign translations, first names and first name initials, abbreviations, embedded numbers and associated items. This depth and sophistication of scanning capability ensures that HotScan Plus finds the true positives and does this with high risk scores thereby allowing optimum setting of pass/fail thresholds to maximise efficiency.

- Clients of HotScan Plus are scanning from a few hundred transactions to well over one million transactions per day and customer databases of a few thousand customers to over 10 million. Clients include commercial banks, central banks, financial services firms, payments bureaux and market infrastructure organisations.

Where is it integrated?

Here are a few examples of where HotScan is implemented.

Rede de Telecomunicações para o Mercado (RTM), is the largest financial services extranet in Brazil. Logica has now implemented Hotscan into RTM, making this the first implementation of HotScan delivered through an application service provider (ASP) delivery model. HotScan as a hosted service will now be offered to more than 40 financial institutions in Brazil.

MCB is the fourth largest bank in Pakistan, selecting Hotscan for risk reduction. It has a customer base of approximately four million and a nationwide distribution network of over 1,100 branches and over 450 ATMs in the market. The implementation was completed in five months and is currently used by compliance and operations units. Logica implemented HotScan in partnership with IBM Pakistan.

Credit Europe Bank NV is an international financial services group ranked in the top 10 of Dutch banks, with more than 6,000 employees serving over three million customers worldwide. Logica will be managing the SWIFT message filtering for the Netherlands, Belgium, Germany, Malta and Dubai. As a second phase, Credit Europe Bank may also roll out HotScan in other countries and the bank is interested in the other capabilities of HotScan as well.

Hotscan Plus facts & figures

- Hotscan Plus has a presence in over 20 global markets, ranging from Australia through to Canada.
- Currently, most filtering systems raise alerts for between 0.5 and 10 per cent of payments scanned. Following tests against 359,000 payments messages from a global bank, HotScan Self Learning was proven to reduce alerts raised by more than 50 per cent – without reducing the accuracy or narrowing the net.

WHY LOGICA?

With over 20 years' experience in delivering financial crime solutions we are unrivalled when it comes to improving cost-efficiencies. And with over 500 compliance and security experts globally and a deep understanding of the complex regulatory landscape, we are currently supporting organisations around the world to fight financial crime.

For more information please contact us at: GlobalProducts@logica.com.

Logica is a business and technology service company, employing 41,000 people. It provides business consulting, systems integration and outsourcing to clients around the world, including many of Europe's largest businesses. Logica creates value for clients by successfully integrating people, business and technology. It is committed to long term collaboration, applying insight to create innovative answers to clients' business needs. More information is available at www.logica.com.

Logica
E: Globalproducts@logica.com.

[www.logica.com/
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