How PayMongo minimized fraud losses and scaled securely by 10-20x

- Reduction in manual review, resulting in saved time and money
- Fraud losses and fraudulent chargebacks below threshold
- Handling 10-20x more transactions safely and securely

OVERVIEW

Simplifying payments for the modern business

PayMongo provides simple, modern payments for forward-thinking businesses. The financial technology company helps businesses in the Philippines accept online payments from multiple channels quickly and easily, in a matter of minutes. Their mission is to become the invisible engine of commerce that gives everyone the opportunity to participate and succeed in the rapidly transforming digital economy.

Challenge

- Payment fraud attacks and financial losses
- High dispute rate of 4%
- Enabling merchant success and scaling the business

Solution

- Automatically blocking fraudulent transactions with Sift Payment Protection
- Transaction monitoring, case management, and automated workflows
- Utilizing insights to monitor workflow metrics, reports, and team performances

Results

- Automatically blocking high-risk, suspicious, and fraudulent transactions
- Saving time and money by reducing manual labor
- Improving operational efficiency and securing more revenue

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> Our goal is to help merchants focus on their business while we help them minimize risk. Sift has been a great partner and is instrumental for PayMongo in achieving this goal.

Cha Tecson, Risk Analyst

CHALLENGE
Fraud attacks and financial losses

During the early stages of the company, PayMongo encountered fraud attacks that resulted in financial losses, including an alarming 4% dispute rate. It was crucial for the startup company to prevent this fraudulent activity in order to enable their merchants' success and scale their own business. In their search for the perfect fraud solution, PayMongo was introduced to Sift at a Y Combinator event and agreed to an assessment. Following the review, PayMongo concluded Sift Payment Protection was an ideal fit for what they were looking for in a fraud tool. Sift's machine learning capabilities and workflow features stuck out to PayMongo the most. These capabilities and data points help paint a picture about what's truly going on with a transaction, and are used to stop fraudsters who use advanced techniques.

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> Compared to other third-party tools we use, Sift's integration and implementation process is much easier and more efficient.

Ced Custodio, Head of Risk Operations

> **"**
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> Sift is a great partner for us. We truly appreciate that they treat us as a partner not just a client. The Payment Protection product greatly helps us in protecting our merchants from bad actors.
>
> **Ced Custodio, Head of Risk Operations**

SOLUTION

Utilizing Sift Payment Protection to block fraud

Members of PayMongo's Fraud Operations team use Sift for transaction monitoring, case management, setting workflow rules, and routing payments. The team utilizes almost every feature of the Payment Protection product, including automated workflows to set up review queues, as well as create rules and thresholds. The team also relies heavily on insights within the console to monitor workflow metrics, reports, and team performance.

Sift's machine learning capabilities help PayMongo automatically block high-risk and possibly fraudulent transactions. The team tailor-fits workflows according to the observed fraudulent patterns on their platform and is able to update them as fraud trends evolve. For additional support, PayMongo consults with senior engineers, fraud experts, and others at Sift for guidance and consultation.

The data available in Sift helps them recognize the various techniques fraudsters use to try to infiltrate PayMongo's platform and update their workflows accordingly. One such technique fraudsters frequently use is targeting specific types of products, such as alcoholic beverages and expensive gadgets. Identifying these common threads helps PayMongo stay one step ahead of fraudsters.

RESULTS

Maximizing growth and fraud savings while lessening losses

As soon as PayMongo's introduced Sift to their business process, it helped them immensely with detecting high-risk, suspicious, and fraudulent transactions. By utilizing Sift Payment Protection, the team has been able to automatically block these bad transactions, saving time and money by reducing manual labor. It also helps minimize the financial losses because bad transactions are being blocked at the gate. Since implementing Sift, PayMongo has been able to keep fraud losses and fraudulent chargeback cases way below their threshold, while managing to keep an outstanding card acceptance rate.

Sift also helps PayMongo improve the operational efficiency for their team and secure more revenue. The team automatically blocks suspicious transactions to prevent assumed losses for both the merchant and PayMongo. They also automatically tag trusted transactions to minimize false positives, which fuels growth. PayMongo is now able to handle 10-20x more card transactions safely and securely, with fewer disputes and fraud losses.

> " With the help of Sift, we have maximized our growth and fraud savings and in return, lessened the losses.
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> **Ced Custodio, Head of Risk Operations**

ABOUT SIFT

Sift is the leader in Digital Trust & Safety, empowering digital disruptors to Fortune 500 companies to unlock new revenue without risk.

Sift dynamically prevents fraud and abuse through industry-leading technology and expertise, an unrivaled global data network of 1 trillion events per year, and a commitment to long-term customer partnerships. Global brands such as Twitter, DoorDash, and Wayfair rely on Sift to gain competitive advantage in their markets.

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