

# NOTO TECHNOLOGY INCREASES EFFICIENCY AND FRAUDULENT ACTIVITY DETECTION WITH A SHARP DOWNTURN IN FALSE POSITIVES

Kantox chose NOTO to replace its legacy AML and fraud prevention system, achieving a 75% reduction in payments false positives.

## CUSTOMER PROFILE

Kantox is a leading fintech company building straight-through processing (STP) solutions that enable clients to automate their corporate FX workflow and leverage foreign currencies to increase competitiveness. The company provides businesses with sophisticated currency management and payment solutions and has created a new product category dedicated to corporate FX automation.

Founded in 2011, over 4,300 clients in over 71 countries trust Kantox with their currency needs and have exchanged more than \$10.5 billion through the award-winning platform.

## SITUATION

Kantox was operating a monitoring system that was built in-house. The legacy system posed limitations in terms of flexibility and scalability, as for complex changes to the logic, a significant amount of development was required.

The monitoring of payments also used a series of processes that needed to be followed. Alert reviews, payments behaviour analysis and decision-making, were all separate processes that required the usage of several different platforms. Additionally, transaction review times, false-positive rates and customer satisfaction were all factors that needed to be readdressed.

As the business matured and volumes increased, the monitoring against financial crime became increasingly complex.

## SOLUTION

In order to improve efficiency and enhance the company's existing AML systems, it was decided to:

- Replace the in-house compliance monitoring tool and optimise AML and fraud risk mitigation by leveraging third-party solutions, including NOTO.
- Develop a robust, targeted and efficient set of rules to address existing and emerging risks.

The transition from Kantox's legacy system to NOTO was split into two phases.

**Phase One:** Kantox started by replicating the in-house logic used for financial crime risk mitigation and monitoring using its existing company policy. The objective here was to reduce manual review time and increase efficiency. This was achieved by optimizing the financial crime risk mitigation logic (making use of the rule performance function alongside internal data reports analysis) and applying refined 'proportionate' monitoring principles (e.g. monitoring in accordance with the risk presented by the business).

**Phase Two:** This phase focused on logic optimization to enhance mitigation against complex financial crime risks. NOTO also enabled Kantox to create customized scenarios to mitigate product-related risks, or to adjust ongoing monitoring for abnormal behaviors.

Currently, NOTO enables Kantox to assess transactional data in real-time and make efficient decisions for complex behaviors. Combining pattern recognition capabilities – linked analysis and customer profiling – with custom risk-based rules, NOTO provides Kantox with a monitoring system that is flexible and customizable, used for detection and response to emerging threats.

Behavioral data available for analysis in real-time reduces the time delay between the case creation and compliance decision, helping Kantox to deliver more positive customer experiences.

## STATEMENTS

"As Kantox grew, we needed to address the additional burden on the compliance team. We required a highly flexible transaction monitoring solution that would allow us to develop complex AML and fraud monitoring logic. We chose NOTO and as a result, we are able to more quickly detect fraudulent patterns and monitor suspicious activity more efficiently.

Solution scalability was our second most important requirement, along with a user-friendly interface that supported us with effective case management. The implementation of NOTO has been extremely useful and has met our compliance needs while providing a high-quality, automated service for our clients."

ANA MUSCHICI  
Kantox AML and Fraud Prevention Manager

## RESULTS

Minimized Fraud/AML risk exposure:

- Accurate detection
  - 100% increase in case escalations
- Minimized fraud rate and maximized AML/CTF risk mitigation
  - 100% increase in the number of payments referred for review

More effective decision-making:

- Improved customer experience
  - 90% reduction in manual reviews for payments to non-high-risk countries

- Reduced false positives
  - 75% fewer false positives across all payments

Increased efficiency:

- Improved automated decision-making for payments authorization
  - Manual review rates are now between 1-3%
- Behavioral data available for review boosted decision-making
- User-friendly interface with intuitive navigation to streamline company workflow

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