QUANTEXA | HSBC

How Decision Intelligence is Helping HSBC Combat Financial Crime and Fraud

By unifying customer data and using AI to help automate decision-making, HSBC is strengthening its compliance efforts to fight more financial crime.

Challenge

HSBC couldn't access a contextual view of its global data. This made it impossible to understand its customers' relationships and transactions across multiple jurisdictions and effectively detect potential illicit activities.

Solution

Using Quantexa's Decision Intelligence Platform, HSBC can now automate data gathering, connect siloed data, and empower its investigators with more intelligence to identify and prevent financial crime.

Business Impact

With Quantexa, HSBC can:

- Manage and identify global financial crime risk more effectively and efficiently
- See a contextual view of its global customers and counterparties
- Boost productivity by using AI to automatically flag suspicious activity
- Deliver solutions at scale to save development time
- Provide a better customer experience.

These solutions are now being used to support a variety of use cases across the enterprise.

Summary

With around 40 million customers in more than 60 markets worldwide, being able to fight financial crime at scale was critical for HSBC, the world's largest trade bank. HSBC required a platform that could automate and augment decision-making to allow its investigators to concentrate on more complex cases.

To meet the challenges of these extremely high risks and obtain the global scale, speed, and technology that is critical to tackling financial crime and fraud, HSBC turned to Quantexa to find a proactive approach.

"We have thousands of investigators of different forms at HSBC," Jennifer Shasky Calvery, Group Head of Financial Crime Risk and Compliance for HSBC explained, "but we have a very small team that does our most sophisticated investigations, and we wanted to give them the tools that match the complexity of their task and the height of their skill set. We worked with Quantexa to build that investigative platform."

The solution

As a digital innovator, HSBC is unlocking the value of its data using Quantexa's Decision Intelligence Platform to detect, monitor, and investigate suspicious activities faster, more accurately, and at scale.

Quantexa's innovative use of AI and machine learning within its platform helps to evolve HSBC's investigative process more rapidly. "Before we were using AI and advanced analytics [from Quantexa]," Jennifer explained, "we were using less-advanced analytics, so essentially rules-based solutions ie: 'Find something that looks like this.' [This had] very specific rules, which is a very blunt instrument. It's not particularly adept at finding the problem, and it finds a lot of false positives."

Before Quantexa, previous solutions provided a high number of false positives that often led to a disrupted customer experience, such as delayed or blocked payments. Jennifer explains "Quantexa's Platform makes a real difference in terms of our customer proposition."

> "
> AI and advanced analytics give us meaningful productivity gains, and... [Quantexa] allows us to leverage the expertise of our best investigators in terms of how they identify financial crime and apply at scale."
>
> **Jennifer Shasky Calvery,**
> Group Head of Financial Crime Risk and Compliance for HSBC

Key outcomes

HSBC has embraced technology to drive a number of new solutions designed to thwart financial crime. With the help of Quantexa, HSBC has been able to:

- ✓ Manage financial crime and risk on a global scale

- ✓ Streamline its investigative process through automation

- ✓ Detect fraud and money laundering by utilizing the full view of its customers and counterparties

- ✓ Ensure its customers and investors remain safe and secure

Looking ahead

HSBC does business in a number of interesting locations globally—in countries that may have various tensions with one another. Managing risks that are constantly attempting to take advantage of the bank and its customers is an ongoing and epic challenge.

Having the ability to bring different pieces of technology with decision engines that can make real-time, sub-second decisions, will be critical to determining whether to block, stop, or return a transaction. Enhancing the speed-of-action will require processing power available through cloud operations to make it happen. Such actions also need to harness data privacy–related technologies to help banks figure out how to see the full picture without moving key data across borders.

While the application of Quantexa's solutions was initially applied to fighting fraud, the platform is now being expanded outward to include other departments and use cases within HSBC, not only as a tool to prevent financial crime, but as a resource that managers can turn to that provides a 360 view of its customers and counterparties.

In the end, it all ties back to HSBC's overarching goal to continually protect its customers and communities, while offering new services to enrich its customers' experience and lives.

> "We want to make sure that the customer who's coming to us with the proof of their receivables... doesn't give that same proof to more than one bank... So we use Quantexa's software to monitor our customer activity to look for instances of potential double financing."

Jennifer Shasky Calvery,
Group Head of Financial Crime Risk and Compliance for HSBC

60%
How much case volumes were reduced using the Quantexa platform

39m
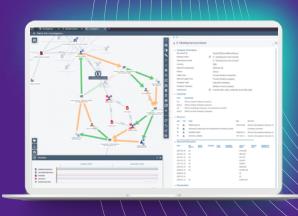Number of HSBC customers operating in 62 countries and territories worldwide

£4m
Potential savings to HSBC by replacing an existing solution with Quantexa

Why Quantexa

Quantexa's Decision Intelligence Platform lets you create a single view of data—helping you to build a culture of confidence around decision-making, increase efficiency, and protect, optimize, and grow your organization.

Discover more

quantexa