

Risk Scoring System to Take Full Control Over Communication Processes

Risk scoring solution that maximizes protection for financial institutions, decreases potential risks and penalties, and reduces cost and time spendings of compliance officers.



About our partner

Our partner is an enterprise software company that develops both cloud and on-premise software based on advanced analytics. The company's software is used to improve the customer experience, regulatory compliance, financial crime and fraud prevention.

- Industry: Finance & Banking
- Headquarters: Ra'anana, Israel
- Reach: customers in 150+ countries and 35+ local offices
- Customers: 25,000+ customers, including over 85% of the Fortune 100 companies
- Size: 6,500+ employees
- Cooperation with HYS Enterprise: 7+ years

About our partner's challenges

We work with the partner on a team extension basis, which means our teams and our client's teams work together as one. A project manager can switch developers from one project to another depending on the current priorities. There are stages of active development and minimal maintenance, but the work never ends.

During the seven years of our collaboration, we've completed dozens of projects together. This success story is about a risk scoring system.



What our partner needed

According to MiFID II (the Markets in Financial Instruments Directive of 3 January 2018), banks have to capture all communications that lead to a financial transaction, retain them for five to seven years, and provide supervisory controls and durable storage for them. Violating these rules may result in heavy fines.

Our partner wanted to develop a communications surveillance and monitoring software system that would help their clients take full control over communications and detect breaches of compliance and fraud to meet amicable business standards.

Solutions provided

The CTOs on the partner's side developed the software architecture, and the HYS Enterprise team along with the local partner's team completely implemented the solution, starting from the database and ending with the web interface. We developed software that integrates different systems and is based on statistical and lexical analysis.

The surveillance and monitoring software system include:

- **Unified smart index.** A single interface to review all kinds of communications including voice, chat, email, and social media with support for over 20 languages, high-level linguistics, and trained for trading vocabulary

- **Rule checking.** Glossaries with search intelligence, including word proximity and metadata checks
- **Classification.** Automated matching with previous risk communications, plus Self-learning capabilities through training and feedbacks
- **Risk scoring.** The system monitors all communications, discovers compliance risks, and automatically raises alerts on non-compliant activities

Methodology and technologies

Methodology: Scrum

Technologies: MS SQL, Microservices, JavaScript, JQuery, ASP.NET WebAPI

Methods: Statistical and lexical analysis

Outcome and benefits delivered

The software we helped develop maximizes the protection of financial institutions, decreases penalties with automated scoring of potential risks, and reduces costs of compliance officers as they can do all required checks automatically. Today, this software solution is one of the company's best-selling software products.