



The Future of Payments

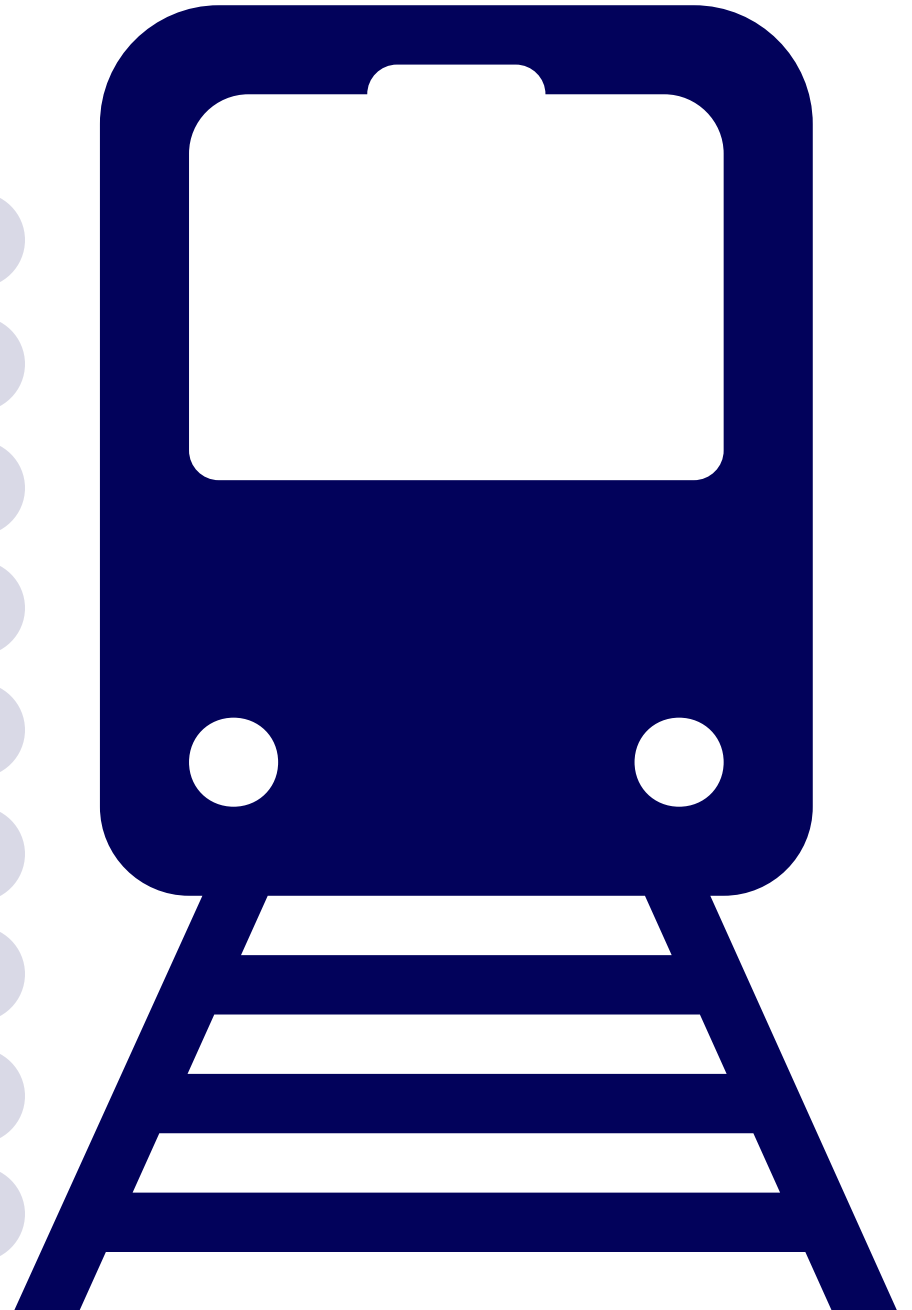
Why AI-Fraud Protection Matters Now

Transport Ticketing Global Conference
March 17-18, 2026



Today's Route

- Fraud Isn't the Enemy — It's the Signal
- Why This Matters Now: Ticketing Has Gone Real-Time
- The Industry Blind Spot
- What We Call 'Fraud' Often Hides Design Oversight
- Real-Time Analytics Changes the Economics
- Real Upside: Fraud Prevention to Revenue Intelligence
- What Separates Leaders from Laggards
- What Leaders Should Do Differently
- The Shift to Make Now

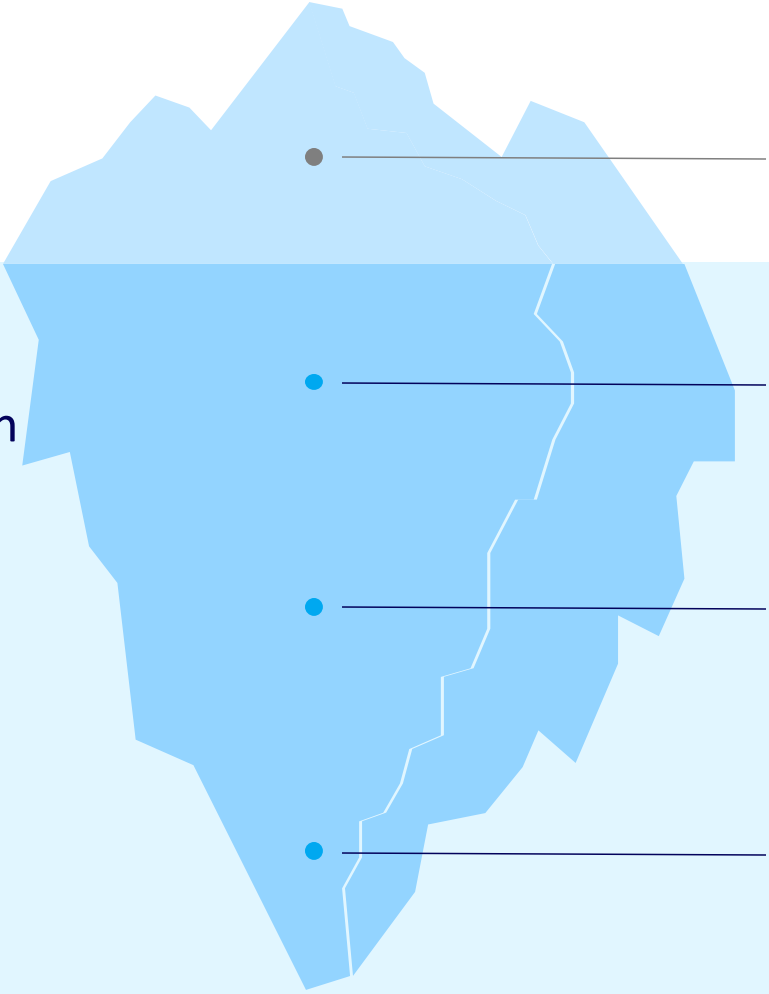


Fraud Isn't the Enemy: It's the Signal

Most organizations treat fraud as a cost to minimize.

In today's ticketing world, fraud is often a signal — pointing directly at revenue opportunities.

If you treat anomalies as insight, revenue follows.




True Fraud



User Confusion



Mispricing



Unintended Incentives

Why This Matters Now: Ticketing Has Gone Real-Time

Transport
Ticketing is
becoming
more...

Digital

- Mobile
- account-based

Complex

- multi-operator
- fare capping

Exposed

- Real-time abuse
- Edge-caser Exploitation

Fraud today is so much more than traditional payment fraud; it's behavioral exploitation of timing, pricing, and edge cases.

The Industry Blind Spot

Industry Landscape

Widespread Adoption of:

- Account-based ticketing
- Contactless EMV and mobile wallets
- Real-time fare calculation

The Missed Opportunity

The same signals that identify fraud can reveal:

- Pricing leakage
- Fare structure inefficiencies
- Underserved rider segments
- Operational friction that suppresses demand

Key Challenges & Tensions

Fraud is treated as:

- A compliance issue
- A loss-prevention function

The real cost isn't fraud — it's what we fail to learn from it.

What We Call 'Fraud' Often Hides Design Oversight

Fraud patterns reveal how customers **actually** interact with your system — not necessarily how you designed it.

- Across the US, UK, France, and Germany in 2023, merchants **lost \$50.7 billion due to false declined payments**
- A staggering **140% increase in the last three years** from \$20 billion in 2019.*
- Compare that to global card fraud losses in 2024: **\$33.41 billion**

This is where Machine learning really shines... **ML models detect patterns human miss:**

- Repeated edge-case behavior
- Timing anomalies
- Route-fare mismatches

These patterns often point to:

- Confusing fare rules
- Unintended incentives
- Friction points in the customer journey

Here's the uncomfortable reality: **not all fraud is malicious...** A lot of it is rational behavior in response to process or design.

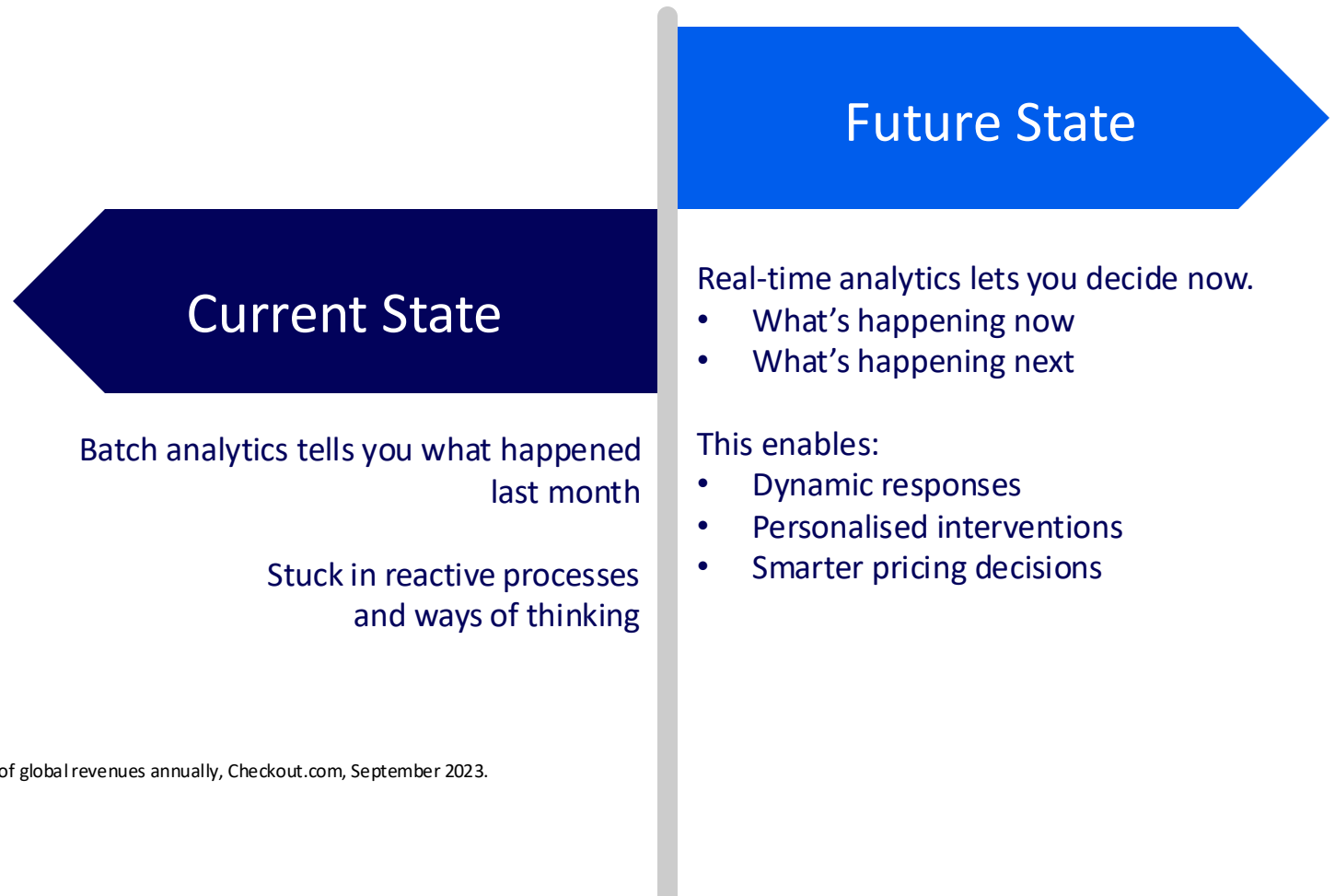
Real-Time Analytics Changes the Economics

From after-the-fact reporting to in-the-moment decisions... Real-time insight shifts organisations from loss recovery to value creation

45% of consumers say that they wouldn't retry a second payment following a single false decline

And what's more anxiety inducing...

42% of consumers say they will never return to an app or website following one false decline



*Checkout.com Research finds US businesses lag behind in payment performance – losing 2.1% of global revenues annually, Checkout.com, September 2023.

Real Upside: Fraud Prevention to Revenue Intelligence

The biggest ROI from ML isn't blocking bad transactions — it's optimising good ones.



Pricing Optimisation

Identify where riders consistently “game” fares → signals mispriced journeys



Product Design

Data-driven simplification of fare structures



Customer Segmentation

Distinguish malicious behavior from high-value but unconventional riders



Retention & Trust

Fewer false declines = higher rider satisfaction



For a business processing \$1 billion in annual transactions, a 1% increase in authorisation rate equals \$10 million in recovered revenue.

This lift comes without acquiring new customers, increasing marketing spend or changing pricing. It's pure efficiency gain.

What Separates Leaders from Laggards

Technology is table stakes — mindset and operating model are the differentiators...Turn anomalies into product decisions, not just alerts

What holds most back

- 1 Over-reliance on static rules
- 2 Fear of false positives
- 3 Viewing fraud purely as risk, not insight

What Leading Organizations Do

- 1 Treat ML outputs as strategic inputs, not just alerts
- 2 Break silos between business units
 - Fraud
 - Product
 - Commercial
 - Operations
- 3 Measure success differently
 - Net revenue impact
 - Customer experience
 - Speed of learning — not just fraud loss %

What Leaders Should Do Differently



The Shift to Make Now

The future of transport ticketing isn't about catching more fraud...

It's about learning faster than your riders can exploit you.

Fraud prevention is necessary...but incomplete

Machine learning reveals how riders really behave

Real-time analytics turns protection into profit

The biggest upside comes from changing how organisations use insight

Q & A

Isn't This Just Excusing Fraud?

No! It's Separating Intent from Insight.

What This Is Not

- ✗ Not tolerating fraud
- ✗ Not weakening controls
- ✗ Not blaming customers for bad behavior

Malicious fraud still gets stopped... **decisively.**

What This Is

- ✓ Classifying behavior correctly
 - Malicious intent → Block & enforce
 - Rational optimisation → Fix pricing or rules
 - Confusion or friction → Improve design
- ✓ Using ML to distinguish signal from noise
- ✓ Reducing false positives while protecting revenue

Why This Is a Stronger Control Model

- Enforcement alone caps upside
- Learning + enforcement compounds returns
- Fewer false positives = higher trust + higher lifetime value
- Faster root-cause fixes = less repeat exploitation

U.S. Bank Europe DAC. Registered in Ireland with Companies Registration Office. The liability of the member is limited. United Kingdom branch registered in England and Wales under the number BR022122.

U.S. Bank Europe DAC, trading as Elavon Merchant Services, is a credit institution authorised and regulated by the Central Bank of Ireland. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

U.S. Bank Europe DAC. Registered in Ireland – Number 418442.

Registered Office: Block F1, Cherrywood Business Park, Dublin 18, D18 W2X7, Ireland.

U.S. Bank Europe DAC, trading as Elavon Merchant Services, is regulated by the Central Bank of Ireland.