Strategic Imperatives for Advanced Fraud Management

Executive Summary - Nigerian Fintech Sector

Total Cost of Ownership Analysis & ROI Framework

By Tevc Concepts Limited

STRATEGIC IMPERATIVE

₦52.3B
Fraud Losses 2024
↑351% from 2020

89%
Max Fraud Reduction
Wema Bank Case

500%+
Typical ROI
<12mo Payback

₦25B+
CBN Fines 2024
Compliance Gaps

🎯 Strategic Imperatives

- ✅ **Real-time Capabilities:** Sub-second fraud detection essential
- ✅ **AI/ML Adoption:** Adaptive learning for evolving threats
- ✅ **Data Integration:** API-driven, unified fraud view

🧮 TCO Framework

Annual Costs

- Software License: ₦200M - ₦1B
- Implementation: ₦50M - ₦250M
- Operations: ₦20M - ₦100M
- Labor: ₦800K - ₦5.5M per analyst

Annual Benefits
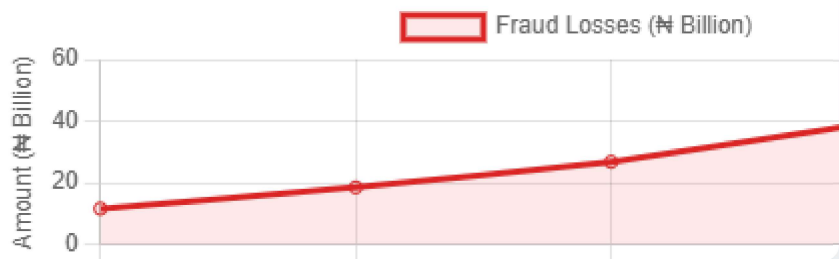
⚙️ Core FMS Capabilities

- 🔵 Real-time monitoring & anomaly detection
- 🟢 Behavioral analytics & pattern recognition
- 🟣 Biometric authentication & MFA
- 🔴 Dynamic risk scoring

✅ **Compliance Focus:** CBN, AML, NDPA adherence

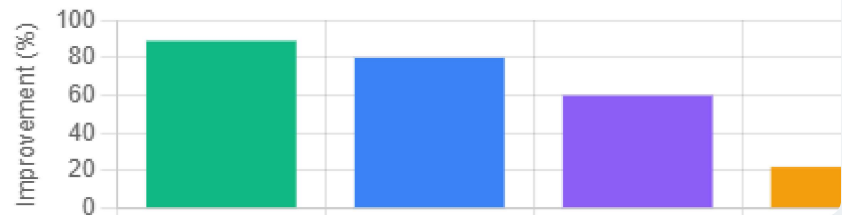✅ **Cross-functional:** IT, Risk, Compliance alignment

- Fraud Loss Reduction: ₦1B - ₦10B+
- Operational Efficiency: ₦200M - ₦1.5B
- Revenue Increase: ₦50M - ₦500M
- Avoided Fines: ₦50M - ₦8B

🟠 Scalable architecture

🔵 Integrated case management

Fraud Loss Trend (Nigeria Banking)

Fraud Losses (₦ Billion)

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FMS Impact Metrics

📊 Proven Results & Industry Benchmarks

89%	**80%**	**60%**	**22%**	**15%**	**$4.45**
Fraud Reduction	Manual Review Cut	Chargeback Reduction	Support Cost Cut	Revenue Boost	True Cost per $1
Wema Bank	Automation	Real-time processing	Biometric tech	Approved transactions	Fraud loss

💡 Executive Action Plan

Immediate Actions (0-3 months)   **Strategic Implementation (3-12 months)**

▶ Conduct comprehensive fraud risk assessment

🚀 Deploy AI/ML-powered real-time fraud detection

▶ Evaluate current fraud management capabilities

🚀 Implement comprehensive biometric authentication

▶ Benchmark against industry leaders (Wema Bank model)

🚀 Establish continuous ROI monitoring framework

▶ Initiate vendor selection for advanced FMS

🚀 Ensure full CBN compliance and regulatory adherence

❗ Bottom Line: Advanced FMS is not optional—it's a business survival imperative with quantifiable ROI of 100-500%+

General Research + Google NoteBookLM + Gemini (Public Domain dataset Used)