



# How BHG Financial Saved \$2,000,000+ and Enabled Faster Time to Market with Effectiv's Fraud & Compliance Automation Platform

Customer

**BHG Financial**

Industry

**Financial Services**

Solution

**Effectiv's Fraud Detection**



## Client Overview

BHG Financial is transforming the financial industry, leveraging the power of data, analytics, and cutting-edge technology to become not only one of the best sources for high-performing loans but the creator of one of the largest community bank loan and product networks in the country. Since 2001, BHG has originated more than \$11 billion in loan solutions to top-quality borrowers through a full family of brands that provide business, consumer, and SBA 7(a) loans as well as credit cards, risk management services, and lending-as-a-service and point-of-sale financing technologies.

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## Challenge

The client wanted to launch a digital marketing channel for credit cards, loans, and point-of-sale finance products with robust checks and balances in place — they were aware of the risks of potential fraud in these channels and the costs and complexities associated with building an in-house solution.

Building the project in-house would lead to a 12-month-long roadmap and over a million dollars in cost. Their inhouse process entailed manually reviewing the cases, integrating with various point solutions, and aggregating the customers' scores, which would lead to longer decision times, often hours instead of minutes, as well as a delayed product launch. And their growth targets and desired campaign outcomes would result in significant staffing requirements — which were daunting and costly. This was when BHG turned to Effectiv for a streamlined go-to-market approach with sophisticated fraud and risk management capabilities.

## Solution

Effectiv's team implemented AI-driven fraud detection and compliance automation solution, which came preintegrated with data intelligence providers and 3rd-party integrations with point solution providers and enabled faster time to market at a reduced price point when compared to the manual review and proprietary development processes. Effectiv's implemented solution included:

- ✔ **Pre-integrated 3rd-party data sources**
- ✔ **Visual drag-and-drop-based strategy designer**
- ✔ **Review Queue Management**
- ✔ **Easy-to-use Smart Case Management System**
- ✔ **Case Lifecycle Management Builder**
- ✔ **What-if analysis**
- ✔ **Entity Link Analysis**

With pre-integrated data sources, BHG didn't need to invest development resources for single integrations. The visual strategy designer enabled their in-house financial crimes prevention team to write their own rules and create a comprehensive yet custom scoring system. The Smart Case Management System provided all the information in a single and intuitive dashboard, enabling BHG's reviewers to make faster and better decisions. Further, with the Case Lifecycle Management Builder, BHG could elevate individual cases where needed and seamlessly onboard new customers. With the availability of What-If analysis and Entity Linkage, Effectiv provided a sandbox for BHG's team to test and iterate their strategies before rolling out the platform to the 40,000 new customers evaluated monthly.

## Result

With the help of Effectiv, BHG gained these competitive business advantages:

### \$2 Million in Savings

BHG saved in excess of US\$ 2,000,000 through reduced development and fraud costs

### Prioritization of Manual Tasks

BHG significantly reduced the time to go live for a new fraud strategy and saw a meaningful reduction in

### Efficiency Gains of 70%+

BHG reduced the time to review a case by 70 percent with Effectiv's Smart Case Management System

**About Effectiv** At Effectiv, we aim to empower financial institutions' genuine needs for effective fraud prevention and compliance management that are adaptable for the future and use human-centered technology with the perfect combination of AI. Backed by industry-leading investors, advisors, and experts, we're helping financial institutions stay ahead of fraud and compliant in today's dynamic and digital-first world.