

CASE STUDY

Arcot Enables Lower Fraud and Better Customer Experiences

Case Study results from over 9 million transactions

velera

Site: velera.com

Industry: Financial services

Headquarters: St. Petersburg, Florida

CHALLENGES

- Inconsistent user experiences for 3-D Secure
- Multiple operational and support processes for 3DS

BROADCOM SOLUTIONS

- Arcot Rules Engine
- Arcot Network Score
- EMV® 3-D Secure (3DS)

BENEFITS

- Arcot's best-in-class solution for EMV 3DS delivers the capabilities financial institutions need to provide excellent user experiences while reducing fraud exposure.

Introduction

Velera is the premier payments credit union service organization (CUSO) and an integrated financial technology solutions provider. With over four decades of industry experience and a commitment to service excellence and innovation, the company serves more than 4,000 financial institutions throughout North America. Velera's end-to-end portfolio includes: payment processing, fraud and risk management, data and analytics, digital banking, instant payments, strategic consulting, collections, ATM and POS networks, shared branch and 24/7/365 member support via its contact centers. For more information, visit velera.com.

The Challenge

After the combination of PSCU and Co-op Solutions, Velera had multiple 3-D Secure (3DS) vendor products in operation across its base of credit unions. Velera identified an opportunity to improve product quality, enhance cardholder experiences, and streamline operations by consolidating to one vendor solution.

Selection Criteria

Velera selected Arcot as the 3DS solution partner that could best meet their requirements and objectives for the future. Velera had a number of key selection criteria, including:

- Robust ruleset capabilities to enable management of fraud strategies across many financial institutions
- Best-in-class fraud detection capabilities with the Arcot Issuer Fraud Score and Data Science expertise
- Real-time data integrations to enable cross-channel fraud detection and analytics
- Flexible authentication flows like SMS OTP, Email OTP, and more

Gross fraud loss
reduced by

45%

Fraud capture rate
improved by

14%

Challenge success rate
improved by

16%

Results and Outcomes

Several hundred credit unions were upgraded to the Arcot Solution without disrupting member transactions. Collectively, this group of credit unions experienced significant improvements, including:

Fraud Reduction—Fraud rates dropped more than 175 basis points with gross fraud losses reduced by 45%.

Improved Authentication Experience—The challenge journey improved and the challenge success rate increased by 16%.

Better Member Experience—The improved OTP journey led to reduced calls to the Contact Center for assistance in completing online card-not-present transactions.

Operational Efficiency—The fraud detection and rule-writing capabilities in the Arcot solution enabled Velera’s fraud and risk team to be more effective and efficient.

Note: Results and stats in this section are from the three month period immediately following the 3DS upgrade to the Arcot solution.

Conclusion—Key Takeaways

With card-not-present fraud expected to grow by 40% in 2025 due to data breaches, social engineering scams, and bot attacks, it’s crucial to secure payments with advanced technology and sophisticated fraud detection. The Arcot Network 3DS Solution provides the tools that financial institutions need to power positive eCommerce shopping experiences while detecting and mitigating fraud losses.

Velera Comments

“Upgrading to the Arcot 3DS solution has been a game-changer. We’ve seen remarkable improvements in fraud prevention and a better overall experience for credit unions and their members. Throughout the 3DS upgrade process, the Arcot team provided the support and flexibility we needed to ensure a seamless onboarding process for our credit unions.”

—**Sergio Valencia**, VP of Authentication Risk Management at Velera

To learn more about the Arcot 3DS Solution and how you can improve your fraud rates or authentication success rates, please reach out to erin.nichols@broadcom.com.



Visit Us Online: arcot.broadcom.com

For more information, visit our website at: www.broadcom.com

Copyright © 2025 Broadcom. All Rights Reserved. The term “Broadcom” refers to Broadcom Inc. and/or its subsidiaries. All trademarks, trade names, service marks, and logos referenced herein belong to their respective companies.

68751-arcot-cs-velera-case-study; May 2025