



Case study

Merchant Risk Management



In the payment services market, merchant risk managers are often put to test when it comes to timely response to emerging risks, especially when looking at payment service providers with a global merchant portfolio.

Challenge

Regardless of the dynamics of the economy, a Merchant Risk Manager needs to continuously and timely know when a client is in (financial) trouble. If they do not find out in time, they carry the so-called chargeback risk. If a merchant defaults, 3rd party clients request chargebacks where the PSP carries the risk.

It is not the likes of large enterprises such as Amazon, Booking, or Netflix that receive the most attention, but rather the names that are one layer below the ones that seem to be too big to fail that are most likely to suffer a significant impact. Therefore, the Merchant Risk Managers monitor thousands of entities across the globe for fraudulent activity, customer complaints, M&A rumors, excessive cash flows and negative press. If it potentially hurts the inflow of money, the Risk Manager needs to know, regardless of the local language, transparency of news due to entities being held privately, or the speed at which things can take turns.

Concluding: a big landscape with some (hidden) high-risk Merchants require scalable monitoring, but with several challenges:

- monitoring big and diverse portfolios; not always knowing where to look;
- knowing all there is on these merchants, from fraudulent activities to bankruptcies;
- the ability to read up on all the information, often written in a foreign language given the global coverage of PSP's;
- Labor intensive retrieval of information from non-standard media.

Solution

Owlin provides Merchant Risk Management tooling that surfaces the relevant from the irrelevant, regardless of the size of the universe. It informs proactively, based on the relevant and important keywords and phrases to make sure that the Risk Manager can react on short notice and minimize potential losses that the PSP might encounter by having to reimburse the money to the consumer, but not being able to have this reimbursed by the merchant.

Result

By using Owlin, covering a big, diverse Merchant portfolio across the globe has become easier, more efficient and more transparent; knowing you are on top of the portfolio and being able to match KYC and auditing criteria provides comfort, insights and good performance.

About Owlin: Owlin is a news and text- analytics company, which helps finance professionals around the globe monitor large portfolios and detect early warning signals posing potential risk or creating opportunities that foster their investment decisions. Owlin serves a global client base which consists of Asset Managers, Banks, Pension Funds, Payments Service Providers, and Corporates. Owlin taps into more than 3M global internet sources across 12 languages and creates actionable insights in near real-time. For more information visit our website www.owlin.com or reach out to us via sales@owlin.com.