Why Explainable AI is Critical for Fraud Defense
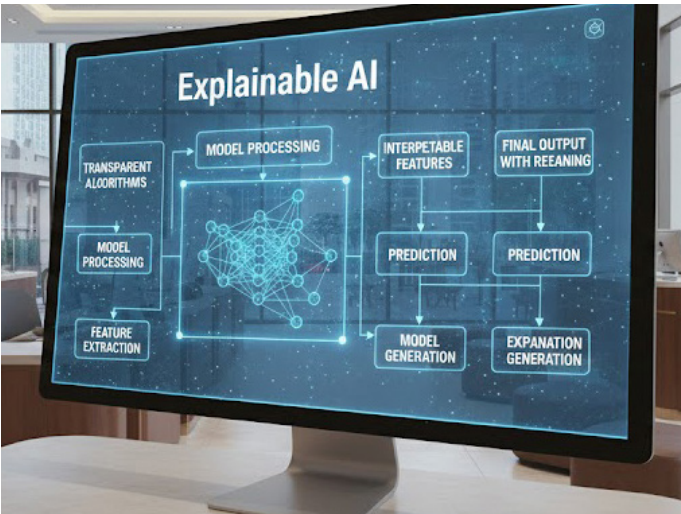
How large of a challenge was fraud in 2025? Well, according to the Gasa Global State of Scams 2025 Report, global fraud losses reached an estimated $442 billion, with nearly 70% of adults worldwide encountered a scam in 2025. With losses this massive, there is really no excuse for any individual or organization to ignore the problem.

With this in mind, WorldLine Financial Service has posted a new article on the five fraud trends to watch for in 2026 and beyond: Synthetic identities, deepfakes and real-time scams, first-party and money mule fraud, account takeovers, and emotional scams.

So, what tools are available to address the fraud problems?

Explainable AI (XAI). This tool refers to methods and techniques that help humans understand, trust, and interpret the decisions and predictions made by machine learning models, making "black box" algorithms transparent by revealing the reasoning, data, and potential biases behind their outputs.

Read the full article →

Understanding the Technologies for Banking Automation

AI in financial services increasingly relies on machine learning to turn vast historical datasets into live decision engines. Analytics Insight points out that banks train models on years of transaction, customer, and market data so algorithms can uncover subtle patterns and relationships.

Read the full article →

Did the Government Phase Out of Treasury Checks Slow Down Fraudsters?

On March 25, 2025, the current US administration signed an executive order entitled Modernizing Payments To and From America's Bank Account -- with September 30, 2025 as the deadline for the issuance of paper checks for all government disbursements.

Read the full article →

Penny for Your Thoughts: Penny Phase-Out Parallels Treasury Checks

Back in February 2025, The Trump administration announced plans to end penny production with the Treasury Department placing a final order for blank pennies in May. The Mint's final production runs of circulation pennies took place in November 2025, ending a 230-year run...

Read the full article →

Jackpotting: Fraudsters in the US Targeting ATMs for Latest Fraud Trend

Which deposit channel are you most concerned about when it comes to fraud? Each financial institution will have a different opinion due to their experience and geographic location -- but, for many, ATMs are ranked near the top. Some of the concerning factors include isolated location of the ATM, the ability for anyone to wear a face cover to avoid video detection, and the fact that they contain cash, which is almost impossible to trace.

However, as noted in a podcast by Bank Customer Experience Podcast, a fraud trend that has been circulating in Europe is reaching the United States -- and it's more concerning than ever.

ATM "jackpotting" has become the dominant form of ATM fraud in the U.S., driven by organized criminal crews exploiting technical gaps and human complacency.

Read the full article →

Instant Payments: Implications for Real-Time Fraud Liability

Real-time payment platforms like FedNow are framed as an elegant way to sidestep traditional check fraud, but the uncomfortable truth is that they mostly change the tempo of fraud, not its existence. Instead of weeks or days to exploit a bad check, fraudsters now get a clean exit in seconds.

Read the full article →

Congress: Are Regulators Moving "Too Slow" to Address Check Fraud?

"Has a Reactive Approach to Check Fraud Backfired?" An American Banker article notes that the FED Vice Chair is finally taking action to find a solution for check fraud -- pointing out that "efforts by regulations have been slow to advance and seem to have done little to address this growing threat."

Read the full article →

Platform Modernization Through Fintech/Core Provider Integrations

A recent PYMNTS Intelligence report found fintechs are now 19% more likely to partner with credit unions than a year ago, with nearly half of end-user fintechs reporting at least one credit union partnership. Because large national banks tend to build technology in-house, fintechs are focusing on...
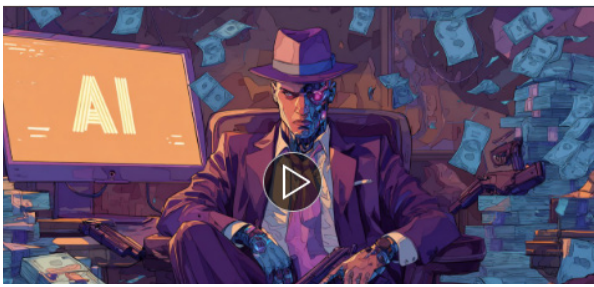
Read the article →

Stopping New Account Fraud — From Application to First Transaction

One of the major components of fraud are drop/mule accounts -- particularly when it comes to new accounts and check fraud. In fact, according to NICE Actimize's 2024 Fraud Insights report, new accounts experience 17X higher fraud rates. However, new-account fraud is not just an onboarding problem...

Read the full article →

Video: How Fraudsters Use Gen AI to Alter Checks in Seconds

Way back in 2023, we wrote a post about how generative AI will be a major tool for fraudster to create realistic counterfeit checks, noting that "It doesn't take too much imagination to see how fraudsters could use this readily available technology to quickly create incredibly realistic checks."

Read the full article →

The Account Lifecycle Pattern Behind Today's Check Fraud

Check fraud is no longer a simple paper-based crime; it has become a lifecycle threat that tracks closely with how long an account has been open and how well it has learned to "look" trustworthy. Fraud tactics change as accounts age, detection effectiveness declines over time, and high-risk windows...

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