PULSE® Extends Debit Fraud Detection Agreement with FICO®

Relationship supports the network's enhanced fraud-management capabilities

HOUSTON, August 9, 2023 – PULSE, a Discover® Financial Services (NYSE: DFS) company and operator of the PULSE debit network, has agreed to an extension of its partnership with global analytics software provider FICO (NYSE: FICO). PULSE and FICO collaborate to deliver market-leading fraud-detection technology that reduces losses and risk exposure for financial institutions, merchants and consumers worldwide. This extension supports PULSE in continuing to enhance its DebitProtect® suite of advanced fraud-mitigation solutions, powered by the state-of-the-art FICO® Falcon® Fraud Manager.

PULSE's network-level deployment of Falcon Fraud Manager employs learnings from its 9,000 participating financial institutions. Institutions using DebitProtect and DebitProtect Authorization Blocking for, respectively, fraud alerts and automated authorization blocking benefit from that dynamic data pool.

PULSE has deployed FICO's latest fraud model, which segments card-not-present transactions separately from card-present transactions. This enhanced scoring improves the network's ability to identify fraudulent transactions in e-commerce and other card-not-present channels. This capability is key as consumers continue to adopt digital-payment methods and fraudsters increasingly focus their efforts there.

"Our enhanced fraud-detection and blocking capabilities have become more important than ever with the Federal Reserve's Regulation II clarification expected to shift more card-not-present transaction volume to unaffiliated debit networks such as PULSE," said Jim Lerdal, executive vice president of Operations with PULSE. "Extending our close partnership with FICO enables us to continue enhancing our ability to prevent and respond to the latest trends in debit fraud."

"PULSE and FICO have outstanding, innovative teams and are constantly adapting to provide tools financial institutions can use to mitigate evolving security risks," said Adam Davies, vice president of Fraud at FICO. "Our Falcon Fraud Manager model benefits from the fraud learnings fed into it from PULSE's large network of debit card issuers. We look forward to continuing to collaborate with PULSE to protect all debit stakeholders."

The forthcoming *2023 PULSE Debit Issuer Study*, conducted for PULSE by West Monroe, confirmed that debit issuers are heavily focused on fraud-prevention and mitigation efforts, with nearly 90% of survey respondents reporting increased impact of and attention to fraud in 2022. While 76% of respondents said they enhanced their fraud models last year to reduce fraud losses and false positives, other mitigation efforts included sharing and promoting educational materials with customers, enabling self-service capabilities, modifying rules and investing in authentication tools.

For more information, visit PULSE DebitProtect.

About PULSE
PULSE is a leader in debit payments, cash access and account transfers, and we deliver exceptional value, choice and convenience to clients across the payments ecosystem. We enable reliable and secure digital money movement for a wide variety of debit card programs by leveraging our PULSE Network, the Discover® Debit program, an advanced fraud-detection platform and partner-support services. Our commitment to continuous improvement, innovation and prioritizing the unique business needs of our clients empowers payment solutions that meet the evolving demands of consumers. PULSE is a Discover (NYSE: DFS) company and part of the Discover Global Network. For more information, visit PulseNetwork.com.

About FICO
FICO (NYSE: FICO) powers decisions that help people and businesses around the world prosper. Founded in 1956, the company is a pioneer in the use of predictive analytics and data science to improve operational decisions. FICO holds more than 200 US and foreign patents on technologies that increase profitability, customer satisfaction and growth for businesses in financial services, telecommunications, health care, retail and many other industries. Using FICO solutions, businesses in nearly 120 countries do everything from protecting 2.6 billion payment cards from fraud, to improving financial inclusion, to increasing supply chain resiliency. The FICO® Score, used by 90% of top US lenders, is the standard measure of consumer credit risk in the US and other countries, improving risk management, credit access and transparency. Learn more at www.fico.com.

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