

LLOYDS
BANKING
GROUP



SCAM CHECKER



Business Plan

ScamChecker is a service designed for Lloyds Banking Group, aimed to support the bank's customers to not fall into a scam and to save the substantial loss of money that Lloyds loses every year to refund customers from financial frauds. It is designed mainly for pre-retirees and retired customers, who are considered the most vulnerable target in front of scammers. The service consists of different parts, such as a new E&A system to inform consumers of the risks of scams but also to prepare them to react to fraudsters' attempts. As the first bank promoting preventive actions against scams, Lloyds will figure as a leader in this field, which will empower its reputation and will align with the bank's primary mission to "Help Britain Prosper".

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Executive Summary

1.1. Overview of Service and its value proposition

ScamChecker is a service designed for Lloyds Banking Group, aimed to support the bank's customers to not fall into a scam and to save the substantial loss of money that Lloyds loses every year to refund customers from financial frauds. It is designed mainly for pre-retirees and retired customers, who are considered the most vulnerable target in front of scammers. The service consists of different parts, such as a new E&A system to inform consumers of the risks of scams but also to prepare them to react to fraudsters' attempts. As the first bank promoting preventive actions against scams, Lloyds will figure as a leader in this field, which will empower its reputation and will align with the bank's primary mission "help Britain prosper!".

1.2. Market & Competitive Analysis

We calculated that our potential market is around **636,338** people.

We believe that the pre-retired and retired target groups would be the most vulnerable and so the most interested in ScamChecker. Pre-retired consumers have usually good financial stability and they are facing significant changes within their product bank pack, shifting from salary to pension, which can create instability and insecurity.

Looking at the competitors of ScamChecker we identify some big UK bank that, such as Lloyds, have recently started to put in act costumers' services against fraud, banks such as HSBC, Barclays and Monzo, but we also analysed Take 5, which is the name of a big national campaign aimed at spreading more awareness about frauds. We believe that Barclays could be the best competitor as long as the firm already started looking at prevention as one of the priorities, designing services and online games to gamify the process to knowledge.

1.3. Marketing and sales

ScamChecker has a marketing plan that includes many different channels. Those have been selected looking at the typical marketing plan that Lloyds usually organizes for new launches, but also prefer the most suitable channels for the target users.

Google is the priority route to market. Google searches will guide the consumer to both find information through our video library, as well as the informational page hosted on Lloyds' website.

The service will also be promoted on Lloyds' pre-existing channels, both digital and physical. For digital channels, we will have a page outlining the service on Lloyds' website, as well as mass communication emails to consumers, and a small banner on the initial screen of the Lloyds' banking app. The ScamChecker Game has an online version available on Lloyd's channels, as well as a physical variant at the branches. The Game tests consumers' reactions in fraudulent situations and gives them a score based on their savviness.

ScamChecker will also be promoted through targeted banner ads on other websites as well as on social media, such as Facebook and Twitter.

The last part of our promotion plan is a collaboration Lloyds Bank and strategic partners, such as the charity Take Five, which fights against scams, helping the community raise awareness of scams.

1.4.. Management team & organisation

ScamChecker should be developed and deployed in-house, within Lloyds organisation. Typically, when creating new solutions Lloyds sets up independent agile labs within the organization. Instead of setting up the project as a new lab, we recommend that ScamChecker should be developed within the pre-existing Lloyds Fraud Lab, as it would allow for a more seamless development within the constraints of innovating within a large organization.

Different teams would deal with different capacities. We planned to hire a list of employees such as engineers, specialized in different fields, front end developer, a design team, two project managers and many others.

1.5. Implementation schedule

According to the implementation schedule we calculated the detailed budget for ScamChecker development.

The budget on human resources of the solution development part is 1399,483£, accounting for 69% of the total cost this year. The detailed budget of the maintenance of the ScamChecker and video library is 428,525 pounds, accounting for 69% of the total cost of year two.

32.3% of the solution development budget will be consumed on Scam-Checker Chatbot and 33.6% will be used for the establishment of Scam-Checker backend.

1.6. Opportunities & Risks

Looking at the opportunities ScamChecker's solution covers all the possible channels in which frauds may happen, but it also helps Lloyds cut down the cost of refunding and establishes new channels.

The promotion of the new scam check service will be a PR campaign focused to help Lloyds empower its good reputation. It would create a positive cycle, attracting new consumers. This model could also benefit Lloyds' other products, such as loans and investments. On the other hand, we identify many different risks that ScamChecker could face like the financial, the customer base, the technology and the political risks. Through the business plan, we go in-depth on the strategy to mitigate those risks, focusing on the development of a service that tries to anticipate the different risks that it might encounter

1.7. Financial Projections

ScamChecker does not generate profit directly, so it doesn't create a new revenue stream for the bank. Instead, it benefits Lloyds in the form of retaining customers, enhancing loyalty, reducing the number of costs associated with them being scammed.

Lloyds Banking Group has over 30 million customers and it is the UK's leading provider of current accounts, savings, personal loans, credit cards and mortgages. We expect to get around 18.000 users launching the project.

Then the number of users is expected to increase rapidly from year one to year two but will decrease from year three to year five.

In terms of income and profit, ScamChecker seems very promising with positive cash flow since year one, around 11 months and a half after its first launch. The cost will be relatively high at the beginning and remain at a low level from year one to year five. The profit will increase rapidly from the project launch to year three, then it will reach the peak and start to decrease. But the project will remain profitable.



Service Overview & Value Proposition

2.1. ScamChecker

ScamChecker is a service designed for Lloyds Banking Group (LBG), aimed to support the bank's customers to not fall into a scam and to save the substantial loss of money that Lloyds loses every year to re-fund customers from financial frauds. It provides consumers with a safe space to proactively report and check for possible scams, using current channels such as email, and the Lloyds app, as well as new ones such as WhatsApp. The "checker" service is simple to use: whenever the consumer receives a suspicious email, text or Whatsapp message, they can directly forward it to the bank. They will check the message for them and inform them about the veracity of it. From the research, we have realized it would be beneficial for the bank to make sure such consumers can have a safe, confidential, and reliable channel for discussing suspicious messaging to avoid falling victim to scams.

To avoid fraud from happening, ScamChecker provides Education & Awareness (E&A) solutions, composed of a video library and an edutainment game. The video library contains guru-style videos available on Youtube, as well as on Lloyds' channels, aimed to create awareness on the topic and educate consumers to identify frauds. The game walks people through common scenarios of scams to help consumers gauge their level of knowledge about this topic and to teach them how to identify malicious activity. Our E&A solutions promote a "Let me check" culture, which benefits both the bank and the users.

ScamChecker also recognizes the help received from the consumers and rewards them by donating a percentage of the money saved to a charity of their choice.

2.2. Target

Looking at the opportunities ScamChecker's solution covers all the pos-ScamChecker can be beneficial for all of Lloyds' customers, but specific demographics are more likely to adopt it during the initial rollout.

During our research, it came to light that fraud can happen to any customer, from youngest to oldest, from humblest to most affluent. But some target consumers are indeed more vulnerable in front of scams. For instance, significant changes in life could make people more vulnerable in front of scammers. Having less expertise in using technology is another factor that can attract tricksters. That is why the early adopters ScamChecker is focusing on are part of the pre-retirement age group: they are facing significant changes within their product bank pack, shifting from salary to pension, which can create instability and insecurity. Pre-retired are around 55 to 65 years old: they are not technology native, and they usually struggle more than young consumers to learn how to use home banking services. Other targets that lie within the early adopter segment include the retired (65 - 85) and "news junkies" (hyper-informed customers). ScamChecker could also seem more attractive to consumers who have already fallen for scams in the past, as they are more cautious in dealing with suspicious messages because they already had negative experiences.

2.3. Value Proposition

The value proposition of ScamChecker is based on the provision of a safe space for customers to proactively detect fraud, thus creating a new relationship between the bank and consumers, building a new sense of trust and support.

ScamChecker will also benefit Lloyds, saving the money the bank usually loses to refund all the customers who have fallen into scams and it will also raise awareness on a very feared topic, which has never been faced appropriately. During our interviews, it became clear that people are anxious about scams: they can happen to smart people too.

Ordinary people feel alone in front of scams, they need support to detect them, and they think their bank would have the duty of protecting them, as they are supposed to protect their money. ScamChecker accepts the challenge to satisfy those unfulfilled needs to create a supportive network to give people more security in managing their money through technology.

It also came to light that prevention is always the best approach: it is cheaper for the bank and less stressful for the consumer. Second of all, we want our service to educate people to adopt new behaviours. ScamChecker promotes a "Let me check" culture, helping consumers take better practices in front of suspicious messages or ads.

2.4. Mission

ScamChecker perfectly fits Lloyds' mission statement which is "Our success is to interwoven with the UK's prosperity and we aim to help Britain prosper by operating as a responsible, sustainable and inclusive group. This underpins our purpose and the way we deliver our strategy."

This service answers Lloyds' purpose of Making Britain Prosper, through the promotion of a new culture based on a growing awareness of the risks that frauds could mean for customers. It also pushes the bank towards more responsible and sustainable behaviour, trying to solve problems linked to scams, which are currently transforming typical customers into potentially vulnerable users.

2.5. Intellectual Property

Scamchecker's database is one of the most innovative points of the service. When customers report fraud, they are contributing to a new database of malicious activity, which can be used to train Artificial Intelligence algorithms through Machine Learning.

The checking chatbot will refer to the database to identify suspicious messages. If the received message does not have a precedent, an employee will check manually and will update the database whether it is fraudulent or not. This database is a valuable tool for Lloyds, which will be the first bank to use this resource.

As long as ScamChecker's mission is to Make Britain Prosper helping potentially vulnerable customers to not fall into scams, the database will have free access. Other banks, the police and customers from other banks will have a chance to consult it. The database's intellectual property will be open and accessible to everyone, to promote a new culture against scams which can be joined by everyone.

2.6. Revenue Model

ScamChecker is freely available for Lloyds' customers, focusing on those who feel the need for more support from the bank in terms of protection. Therefore, this business idea does not aim to create a new revenue stream for the bank, but rather it seeks to mitigate risk and loss associated with LBG's policy of refunding customers. ScamChecker has the potential to help the bank save £6,445,336 in refunds every year compared to the usual loss of around (£38,421,000.00).

We strongly believe that Lloyds reputation will be empowered through ScamChecker and we think that the sense of protection and trust that the bank will communicate to the consumers will not just benefit the relationship between Lloyds and its customers, but it also could attract new customers. The brand will be associated with the fight against fraudsters, assuming an identity of transparency and customers' care.

2.7. Development Status

ScamChecker is a service which has been designed, detailed, and documented for months. All its customer-facing parts have been prototyped with potential consumers to make it as more desirable, viable and feasible as possible, to make it answer all the needs that a consumer could have dealing with likely scam attempts. The service does not deal with transactional information, thus removing the need for a Waterfall development methodology; instead, we recommend following the Agile method, through which the service is implemented, iterated and improved based on feedback after it has been launched on the market as an MVP.

The repeated use by Lloyds customers could underline some issues that have not emerged during our prototyping sessions, thus making the service even more suitable for users than it is now.



Market & Competitive Analysis

2.3. Market Sizing

This chart represents the market sizing for ScamChecker.

In the first columns, we analysed the UK population updated to 2018 by age groups, from school age to old age. We haven't considered the population before the young adult period and over 85, because they are considered not suitable or not interested in the service. Therefore, the market is limited to users from 15 to 84 years old. We analysed the population through the percentage of fraud victims, which is around 23% of the total, the percentage of Lloyds customers (30%) and the percentage of people that have been refunded (40%). After that, we estimated the percentage that could be interested in using the service, which depends on the different age group. We believe that the pre-retired and retired target group would be the most vulnerable and so the most interested in ScamChecker. That is how we calculated that our potential market is around 636,338 people.

3.1.2. APP Fraud

APP frauds (Authorized Pushed Payments) are the most worrying for UK finance and for ScamChecker as well, as they are much harder to detect using current fraud detection systems. While banks are not legally mandated to refund them, some of the UK's largest institutions do so in order to maintain a good relationship with their customers. The best solution is to prevent such scams from happening, and this is why ScamChecker has a competitive edge in comparison to other solutions.

3.2. Competitors

Lloyds is one of the four big banks in England, and it benefits from being perceived as one of the most trustful and professional. But it also has many competitors providing compelling services in terms of financial products and support. Recently, much effort was put into fraud prevention and detection, both by Lloyds and its competitors, but efforts have fallen short of their goals. By analysing services provided by the competition, we can assure that ScamChecker has an innovative edge which could now turn Lloyds into the leader of this field.

Here is a summary of potential competitors and their offerings:

3.2.1. Barclays



Barclays, together with Lloyds, is one of the big four banks in Britain and it provides high-level customer services in terms of fraud prevention. Barclays already supports its customers monitoring their transactions and payments on a real-time basis, in order to detect whether the users have been scammed. They also provide a biometric system to access personal information and they are in partnership with external vendors and companies to ensure the safety of contact details.

The most interesting part of Barclays' fraud prevention action is an interactive online quiz on its website to test the awareness of users with a playful experience.

Fraud prevention at Barclays combines the traditional tips with support from call centres and a new interactive approach - a digital quiz which makes the customers more engaged through gamification. This digital quiz includes five parts: Vishing, Smishing, Remote access, Phishing and identity fraud. Customers can choose the part that they are interested in and play the game.

3.2.2.HSBC



HSBC puts much effort into monitoring consumers' transactions and security.

They built a real-time fraud detection system as part of their digital security promise. HSBC security centre safeguards the client's money by keeping a lookout 24/7 for unusual activity on the client's account. From time to time, the staff of HSBC may get in touch with clients to check on anything suspicious.

Also, HSBC uses behavioural analysis to help make sure it's the customer him/herself giving the bank instructions for online banking which builds a profile that helps HSBC reduce fraud.

HSBC also publishes the latest fraud scam on its official website to keep clients informed.

3.2.3.Monzo



As an open banking service, Monzo is very popular among young people. However, the safety of Monzo's accounts is often doubted by the public opinion, because of some issues it could create with transactions from accounts to cards. In terms of fraud prevention, Monzo has very few actions.

Compared with traditional banks, Monzo doesn't inform customers very much on the latest fraud that customers may fall into on its website. On the other hand, Monzo does a good job after the fraud has happened. Users can report fraud very easily through the Monzo's app with very few steps. Freezing the account only takes two steps and users can get 24/7 support.

3.2.4.Take 5



Take Five is a national campaign that offers straight - forward and impartial advice to help everyone protect themselves from preventable financial fraud. This includes email deception and phone-based scams as well as online fraud - particularly where criminals impersonate trusted organisations.

Led by UK Finance, and backed by Her Majesty's Government, the campaign is being delivered with and through a range of partners in the UK payments industry, financial services firms, law enforcement agencies, telecommunication providers, commercial, public and third sector organizations

Take 5 publishes fraud prevention advice on its websites, gives up-to-date information and publishes real cases of all kinds of scams.

Take 5 also uses channels such as Twitter, Facebook and Instagram to promote the campaign in order to increase the awareness of people to prevent fraud from happening.

3.2.5. UK finance



UK Finance is the collective voice for the banking and finance industry. Representing more than 250 firms across the industry, UK Finance acts to enhance competitiveness, support customers and facilitate innovation.

UK Finance is aimed at promoting a safe, transparent and innovative banking and finance industry. UK Finance offers research, policy expertise, thought leadership and advocacy. It provides a single voice for a diverse and competitive industry.

In terms of fraud prevention, UK finance has a lot of partners working together to fight against fraud. Lloyds Banking Group is one of them. According to the statistics released by 2019, the banking industry stopped £4.5 millions of fraud in the first half of 2019.

3.2.6. Action Fraud



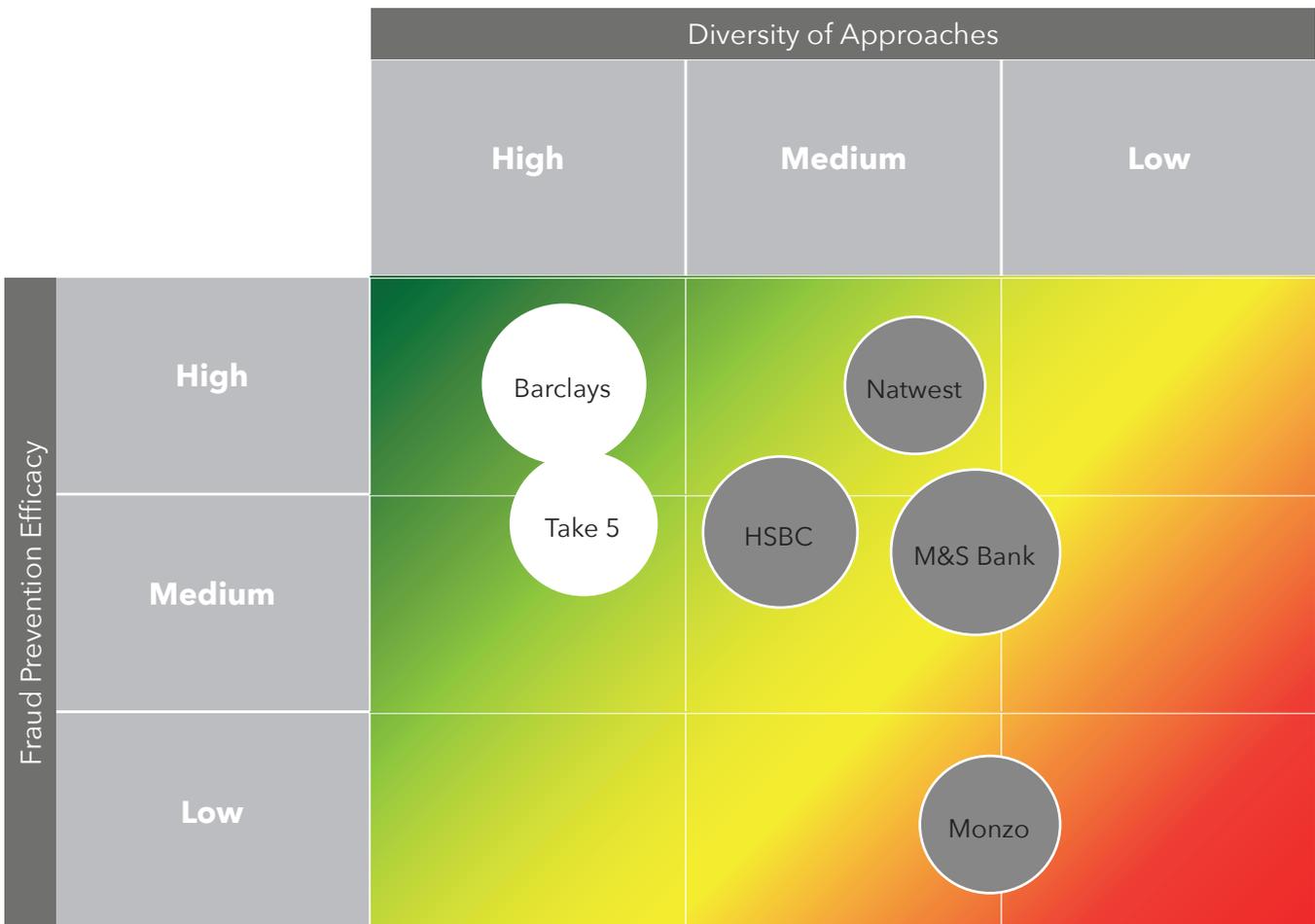
Action Fraud is the UK's national reporting centre for fraud and cybercrime where citizens can report fraud whether they have been scammed, defrauded or experienced cyber crimes in England, Wales and Northern Ireland. Action Fraud provides a central point of contact for information about fraud and financially motivated internet crime. The service is run by the City of London Police working alongside the National Fraud Intelligence Bureau (NFIB) who are responsible for the assessment of the reports and to ensure that fraud reports reach the right place.

So, in terms of fraud prevention, victims can report fraud and cyber-crimes using Action Fraud's online reporting service any time of the day or night. The service enables the victims to both report fraud and find help and support. They also provide help and advice over the phone through the Action Fraud contact centre. The users will receive a police crime reference number. Reports taken are passed to the National Fraud Intelligence Bureau. However, action fraud does not investigate the cases and cannot advise people on the progress of a specific case.

3.3. McKinsey matrix

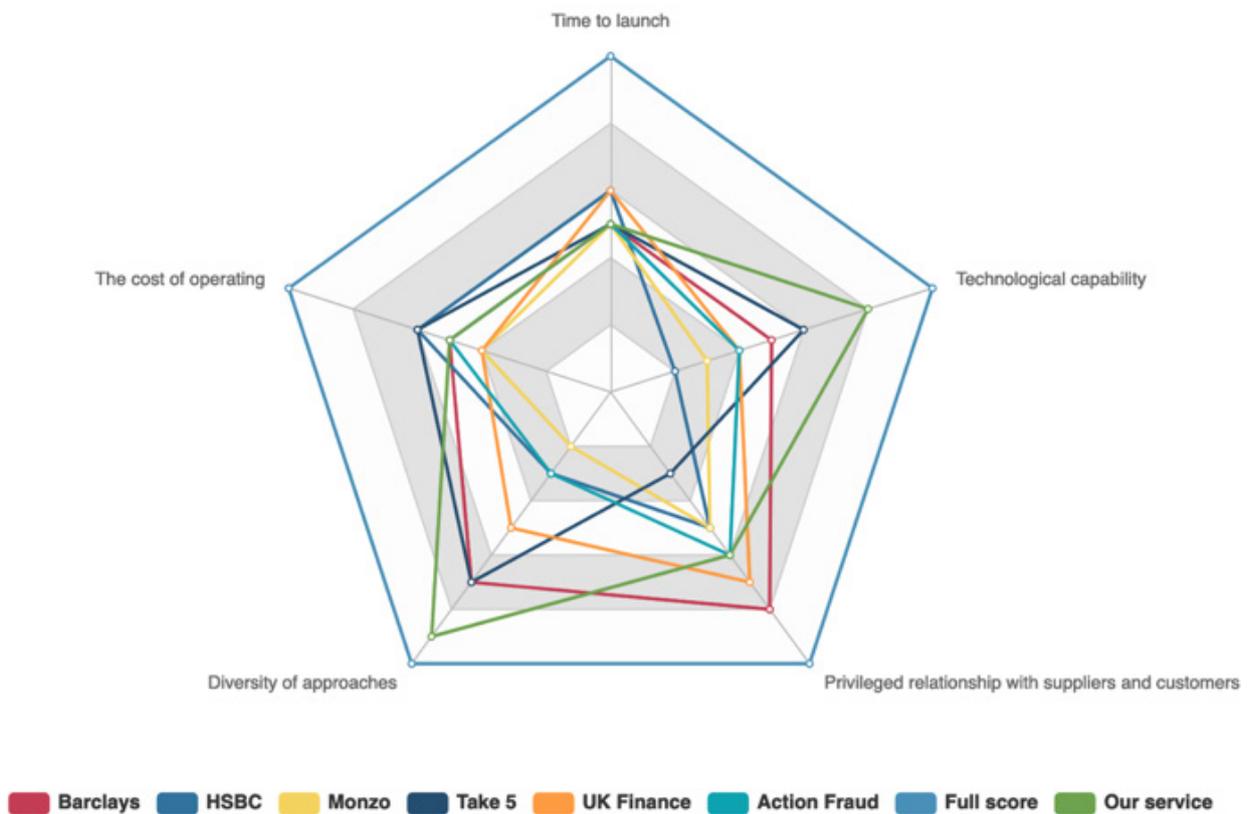
After we placed the different competitors within the McKinsey matrix the result underlined that in terms of risk notification and account safety, Barclays does a good job by building a fraud detection system and offering online games to raise the awareness of customers to prevent fraud. As long as the big power of ScamChecker is the prevention system, the team believes that Barclays action is the most competitive.

Take 5 has a multi-channel promotion to approach potential victims of fraud which is very competitive compared with other organizations. It also gives the most detailed information and professional advice about all kinds of fraud. Take 5's prevention system is also very competitive and efficient.



3.4. Radar chart

Here is a radar chart illustrating the different aspects of our service and competitors' services including time to launch, technology capability, cost of operation, diversity of approaches and privileged relationship with suppliers and customers. We can see our service gain significant advantages in the diversity of approaches and technology compared with competitors.





Marketing & Sales

4.1. Promotion Plan

ScamChecker has a marketing plan that includes many different channels. Those have been selected looking at the typical marketing plan that Lloyds usually organizes for new launches, but also prefer the most suitable channels for the target users.

Our research underlined a typical behaviour by the users, who usually search on Google for further information about fraud when they suspect being a target for scams (e.g. when receiving a phone call from an unknown number, a customer might google it to check its veracity.) This behaviour is why we found it crucial to consider Google as the priority route to market. Google searches will guide the consumer to both find information through our video library, as well as the informational page hosted on Lloyds' website.

The service will also be promoted on Lloyds' pre-existing channels, both digital and physical. For digital channels, we will have a page outlining the service on Lloyds' website, as well as mass communication emails to consumers, and a small banner on the initial screen of the Lloyds' banking app. Physical channels could involve ads on screens in a branch, as well as printed information about the service on ATM receipts and bank statements.

The ScamChecker Game is also one of the preferred routes to market: it has an online version available on Lloyd's channels, as well as a physical variant at the branches. The Game tests consumers' reactions in fraudulent situations and gives them a score based on their savviness. If a consumer has scored low on the Game, they will be faced with a Call to Action (CTA) to search for further information about ScamChecker.

ScamChecker will also be promoted through targeted banner ads on other websites as well as on social media, such as Facebook and Twitter.

The last part of our promotion plan is a collaboration Lloyds Bank and strategic partners, such as the charity Take Five, which fights against scams, helping the community raise awareness of scams. Eventually, the marketing campaign will also take place through old media, such as radio and newspaper. It can also involve sponsored news segments on local news.

4.2. Digital strategy

Looking at the different channels, we estimated the cost per click and the average of people who would use the different channels as their first approach with ScamChecker. We calculated that Google, as the primary route to market among the others, will provide 65,000 new customers and is also a quite convenient channel for Lloyds compared to the analogic ones. In fact, Google will cost around 0.020£ per click, with an average of 3.08£ per consumer. The banners will cost 0.100£ per click and we estimated that they will attract 2,000 new consumers. Social Media will be the second preferred route to market as long as they will provide the same number of new consumers as Google will. Emails will also be a convenient part of the marketing strategy because they will attract around 45,000 new consumers and costing only 0.004£ per email sent.

4.3. Marketing management

Through ScamChecker, Lloyds wants to answer a latent demand not expressed by its consumers. From the research, it came up that the number of scams that happen every year is growing, and people feel stressed and worried because due to this pressing risk.

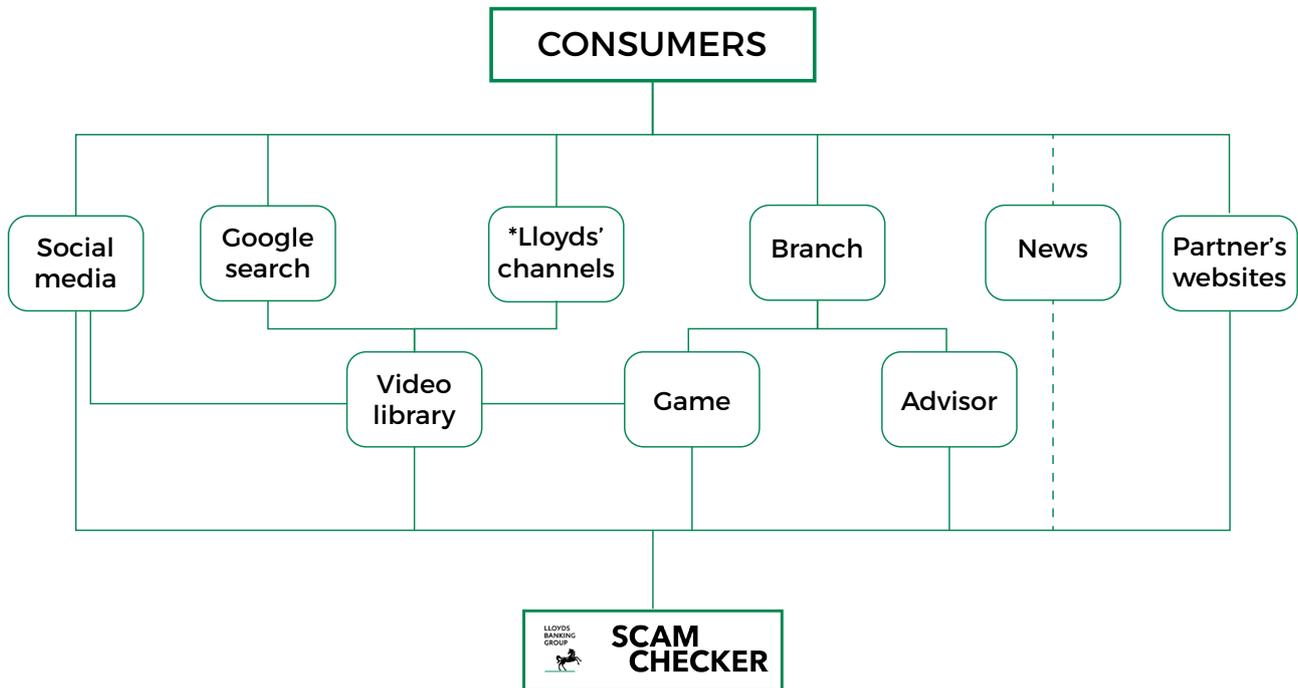
Prevention approaches centred around education have not been successful in the past, often failing customers, leading them to lose money and trying to receive a refund for their loss.

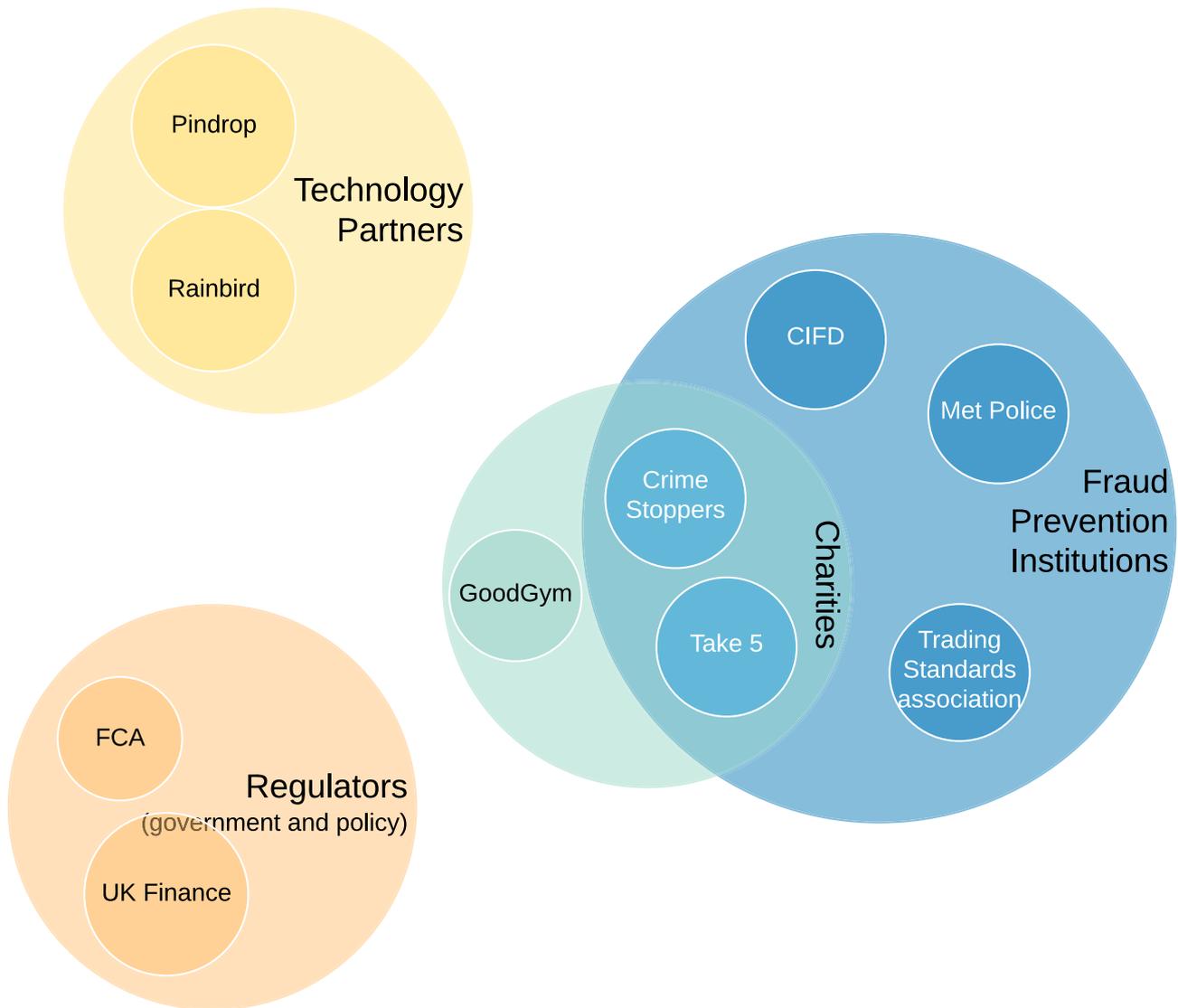
That is why Lloyds needs to create a new market, based on the hidden needs of the consumers who would prefer to be saved before they fall into scams, but also providing sharable tools that could be sent to loved ones to spread awareness and caution.

Lloyds will be the first banking group which adopted comprehensive, real, and functional measures to prevent frauds from happening, supporting their consumers in the detection of fraudulent attempts. This will improve the reputation of the bank, emphasizing how Lloyds can take care of their customers and feels responsible for every risk that their money could face.

As a pioneer in this field, Lloyds will become the leader on fraud support, a significant competitive advantage. As a leader, they can share their database of fraudulent attempts with other banks and authorities; providing real and tangible support to the British people, respecting their mission statement of "Make Britain prosper".

So, the marketing strategy will be based on the necessity to reflect a new image and identity of Lloyds, aimed at empowering the trust between the bank and the consumers. The tone of the campaign addresses this necessity, using keywords such as "trust", "taking care", "support", "reward" and "together" within the right media, such as news, newspapers, as well as Google and YouTube.





4.4. Key Partners

ScamChecker is a service provided by Lloyds in collaboration with a series of key partners working within the areas of fraud prevention, regulation, technology, and charities.

These partners would not only help with the marketing of the service, but they will be invaluable for the development of our technology, and could help expand the service into other banks as well.



Management Team & Organization

5.1. The Team

ScamChecker should be developed and deployed in-house. Typically, when creating new solutions Lloyds sets up independent agile labs within the organization. Instead of setting up the project as a new lab, we recommend that ScamChecker should be developed within the pre-existing Lloyds FraudLab, as it would allow for a more seamless development within the constraints of innovating within a large organization.

The following table delineates the functions and teams within the organization for the next two years, from development to maintenance. As you can notice, the bulk of work is involved within the development aspect, but it would still be necessary to create a team to maintain the service running smoothly.

| Team | Product: | Function | # | Employment status |
|--------------------|---|---|--|-------------------|
| Year 1 | | | | |
| Management | | ScamChecker | Managing development and implementation of the service | |
| | Lead Project Manager | Managing all teams | 1 | Full Time |
| | Compliance Analyst | Dealing with the business aspects | 1 | Part Time |
| | Business development associate | Sponsoring the project | 1 | Part Time |
| Development | | ScamChecker Chatbot | Creating the user facing aspects | |
| | Engineer | Developing the service for android + iOS | 2 | Full Time |
| | Web Developer | Developing online interface | 1 | Full Time |
| | Messaging Engineer - Contractor | Developing Chatbot | 1 | Full Time |
| | User Experience Designer | Enabling seamless user interaction | 1 | Full Time |
| Development | | ScamChecker backend | Creating the fraud detection backend | |
| | IT Project Manager | Managing the backend | 1 | Full Time |
| | Senior Database Developer | Modeling data | 1 | Full Time |
| | Lead Software engineer | Developing the backend | 1 | Full Time |
| | Test Engineer | Testing the backend | 1 | Full Time |
| | Fraud Detection Analyst | Training Fraud Detection Algorithm | 1 | Full Time |
| | Cyber Security Analyst | Testing the backend for safety | 1 | Full Time |
| | Fraud Officer SME | Training Fraud Detection Algorithm | 1 | Full Time |
| Development | | Game | Creating the online & in-branch E&A Game | |
| | Web Developer | Developing the online game | 1 | Part Time |
| | Copywriter | Ensuring the game is easy to understand | 1 | Full Time |
| | User Experience Designer | Creating the user experience (tablet & web) | 1 | Full Time |
| | Content Specialist | Content Creation | 1 | Full Time |
| | IT Analyst | Deploying it to the website | 1 | Full Time |
| Development | | Videolibrary | Creating Guru-Style videos | |
| | Actor | Acting as a ScamChecker Guru | 1 | Contractor |
| | Web Content Editor | Editing the video for web | 1 | Contractor |
| | Videographer | Shooting the Video | 1 | Contractor |
| | Content Specialist | Content Creation | 1 | Contractor |
| | Fraud Officer SME | Content Creation | 1 | Part Time |
| Development | | ScamChecker Website | Creating the online ScamChecker promo page | |
| | User Experience Designer | Designing the website experience | 1 | Full Time |
| | Web Developer | Developing the website | 1 | Full Time |
| | Content Specialist | Creating content for the website | 1 | Full Time |
| Year 2 | | | | |
| Maintenance | | ScamChecker Maintenance | Verifying suspicious activity + Maintaining the detection algorithm | |
| | Fraud Investigator | Verifying suspicious cases + training the fraud detection algorithm | 3 | Full Time |
| | Fraud Advisor | Dealing with fraud victims | 1 | Full Time |
| | Fraud and Financial Crime Assistant Manager | Managing the fraud detection team | 1 | Full Time |
| | QA Engineer | Ensuring that the backend is running smoothly | 1 | Part Time |
| | Senior Database Developer | Maintaining the fraud database | 1 | Part Time |
| Maintenance | | Videolibrary | Continuously Creating Guru-Style videos | |
| | Actor | Acting as a ScamChecker Guru | 1 | Contractor |
| | Web Content Editor | Editing the video for web | 1 | Contractor |
| | Videographer | Shooting the Video | 1 | Contractor |
| | Content Specialist | Creating content | 1 | Contractor |
| | Fraud Officer SME | Creating content | 1 | Part Time |



Implementation Schedule

6.1. Milestone

As we are working in an Agile manner, we would set to release an MVP by December 2020. In order to conduct testing, a pilot will be launched in the affluent borough of South Kensington, London, and customer's insights will be gathered and iterated on to improved on the service. Based on testing we will roll out the Alpha to the rest of Lloyds customer base in the UK by June 2021.



Opportunities & Risks Analysis

7.1. SWOT analysis

7.1.1. Strengths

The biggest strengths of ScamChecker are linked to the level of innovation that this service will introduce inside Lloyds' system against fraud. The bank already started taking care of scammed customers, supporting and helping them through the refunding process. But what the research immediately underlined is the need for the bank to work better on the prevention of those situations, instead of solving them after they happened. That is why ScamChecker's first focuses are the prevention and education of the citizens. Thanks to these important points the service will promote new behaviours and approaches in front of scams, towards the introduction of a new culture in which the consumers prefer to check before they trust every suspicious message or ad they find convenient. This will be beneficial for the bank, which will save money and will create a new kind of relationship with consumers, based on trust and support.

Eventually, as the first bank promoting a service aimed at preventing people from falling into scams, Lloyds will become a leader of the prevention field. From that position, the bank will be able to support authorities and other organization to improve their customers' services, sharing, for example, its fraud database.

7.1.2. Weaknesses

As a project firstly for pre-retired and retired users, ScamChecker has been designed taking into consideration every barrier that a senior could find using it. The team took for granted that a person potentially targeted for an online scam would be able to use the principal online channels that ScamChecker uses, such as Facebook, Whatsapp, YouTube and the Lloyds app. On the other hand, not all the users, especially the elderly, could be able to use these platforms appropriately and it could represent a big weakness for an online service such as ScamChecker. It could prevent customers from using it and discourage them.

Also, the use of a chatbot to discuss money management could seem not appropriate or even dangerous for old school consumers.

7.1.3. Opportunities

The service provides consumers with a safe space to proactively report and check for possible frauds, using current channels such as email, and the Lloyds app, as well as new ones such as WhatsApp. ScamChecker's solution covers all the possible channels in which frauds may happen, but it also helps Lloyds cut down the cost of refunding and establishes new channels.

The promotion of the new scam check service will be a PR campaign focused to help Lloyds empower its good reputation. It would create a positive cycle, attracting new consumers. ScamChecker is building a multiple channels service to strengthen the connection between bank and customers. This model could also benefit Lloyds' other products, such as loans and investments. The online game could be integrated with Lloyds' existing digital channels to build a user-friendly online ecosystem for Lloyds' customers.

Besides, during the pandemic, the percentage of online scams increased. This would underline the necessity of ScamChecker even more.

7.1.2. Threats

7.1.2.1. Financial risks

Scamchecker is a quite complex service, extended on a multichannel system and to different platforms. That is why the development of the product could need a big investment aimed at supporting the exten-

sion. The use of Scamchecker's chatbot would request the biggest investment.

Since March of 2020, the global economy has been affected by the pandemic, factories and companies have generally shut down and stopped production, and the economic situation is grim. The project may encounter some difficulties in financing.

7.1.2.2. Customer base

Developing the chatbot flow, we understood that whether the suspicious message is not already inside the database, the AI could spend a little more time asking specific questions, to be sure of the veracity of the message. This could discourage customers. Helping people recognising the pattern of how to detect scams might be a better approach. That is the reason why we developed ScamChecker's interactive game and the video library, to provide the customers with the correct tools to identify whether they have been targeted by tricksters.

From another point of view, the customers who better know how and when to use the fraud checking system to check suspicious messages are not the most vulnerable in front of criminals.

People often fall into the scam without even realizing it.

7.1.2.3. Technological risks

Scammers are also updating their skills, trying to make them immune in front of preventing services developed by banks and campaigns such as Take 5. They are also learning the latest technologies to find the possible error of the system. Of course, once a fraud message is reported and recorded it will not be used anymore by tricksters which will start to come up with new ways to scam people.

Also, the chat service is based on natural language processing, so it relies on data and artificial intelligence. So, the accuracy of the checking system is very important. If it analyses the message wrong or inaccurately it will probably cause legal disputes between Lloyds and the customers. Fraud messages could be in any format. If it is a new kind of fraud, the system might have difficulties giving the right instructions to customers.

We believe that the team should focus on the "False negative" of the AI prediction: if the fraud is categorized as a safe message and it's not the mistake could create disputes and policy problems between Lloyds and the consumer.

Every piece of information has its context, so ScamChecker's chatbot still needs to explore the technical availability and machine identification accuracy of fraud messages. Also, being targeted for scams can be a multi-channel process. Scammers usually use real information at the beginning to get the trust of victims. In most situations, victims put down the alert at this stage, fall into it without even feeling the necessity to check.

7.1.2.4. Politics and regulation

Just over a year ago, on May 25th 2018, the European General Data Protection Regulation (GDPR) came into effect. The first-of-its-kind policy showed great promises during the development; it was intended to harmonize privacy and data protection laws across Europe while helping EU citizens to better understand how their personal information was being used and encouraging them to file a complaint if their rights were violated.

GDPR policy is protecting people from disclosing personal information, this will reduce the rate of fraud to some extent.

However, it would be a problem if the clients want to check contents with some personal information. There will be policy risks. This could also be a barrier that could stop the customer from checking messages.

7.2. Strategy to mitigate risks

Taking into account all the different risks previously listed, from financial to political risks, we tried to mitigate all of them through the structure of the service itself.

For instance, after the team realised the real threat that the chatbot could not be enough to prevent scams, we designed the E&A system. ScamChecker is a very complex service, which cannot be defined as a private chat inside the Lloyds bank because some customers could never feel the need to use the chatbot, as the video library could be enough to teach them how to detect frauds independently. That is why ScamChecker is a service made of multiple steps, where the use of the chatbot is the final one, useful if the customer needs the support of the bank. We also planned that, even if the first investment could seem economically challenging, it is now necessary to invest, in order to save a consistent amount of money.

The chatbot has been designed following the correct parameters of UI design and we are planning to develop it further, after the collection of the first impressions of users, after the service will be available on the market. We also think that thanks to ScamChecker, the fraud topic will be more discussed by people. One of the aims of the E&A system is to avoid the sense of shame that people often feel when they share their scam experience. We want to demonstrate that frauds can happen to smart people too, and it is sadly a common experience.

Promoting openly free discussion about fraud experience will benefit users, which can learn from other people's experiences and it will be beneficial for ScamChecker too. Indeed, also the ones who never really took care of scams could potentially start to feel the need for more protection.



Financial Projections

8.1. Potential investors

ScamChecker's potential investors can be divided into four categories: banks (traditional banks and internet-only banks), the Banking Industry Association, the public sectors aimed at helping the elderly and all the national campaigns aimed at preventing fraud. The majority of the investment of our project will come from the banking industry.

Lloyds has a significant budget available for recruiting new customers every year. Therefore, our value proposition can be linked to existing budgets. Also, this fraud service can benefit clients of other banks by sharing the database of recorded scams.

We also plan to get 10% of the investment by a collaboration with Age UK.

Regarding the banking industry association such as UK finance, ScamChecker helps establish industry norms, shares information resources, and helps the UK banking industry thrive. Therefore, we plan to get another 10% of the investment from UK Finance.

Last but not least, our service helps the police department to reduce the rate of scams which could probably help the police to cut down the cost of detecting fraud cases.

8.2. Financial projections

ScamChecker does not generate profit directly. Instead, it benefits Lloyds in the form of retaining customers, enhancing loyalty, reducing the number of costs associated with them being scammed. Also, an efficient customers' service and a higher level of security will help Lloyds gain new customers which will help increase the revenue.

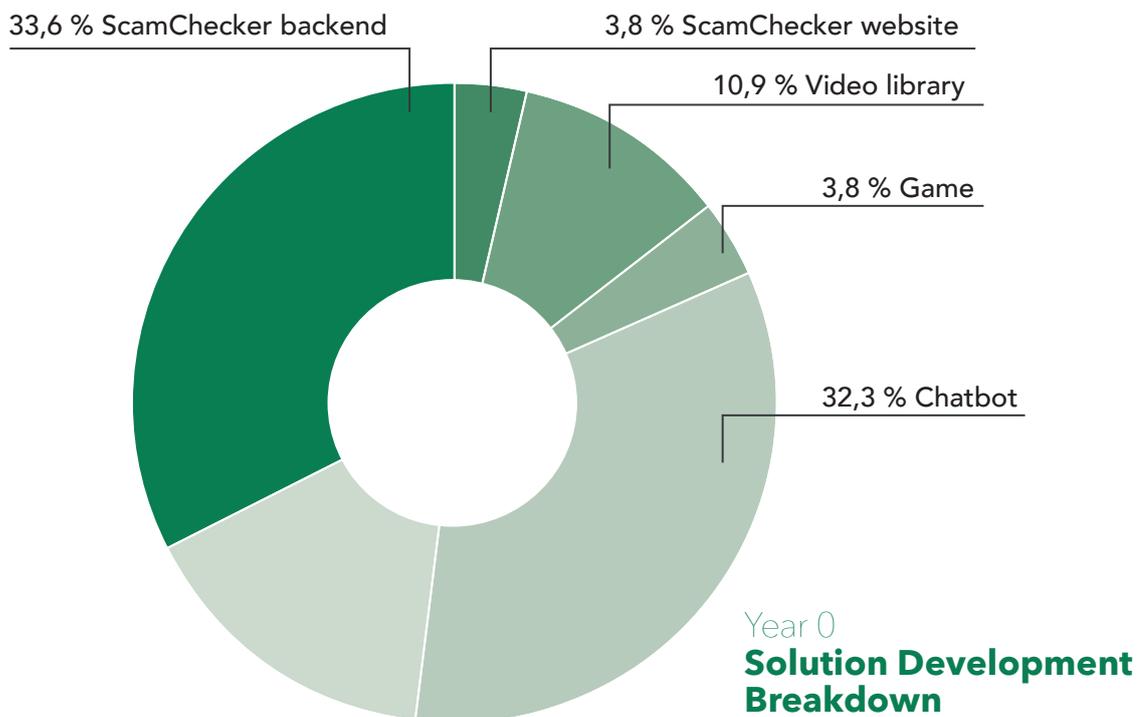
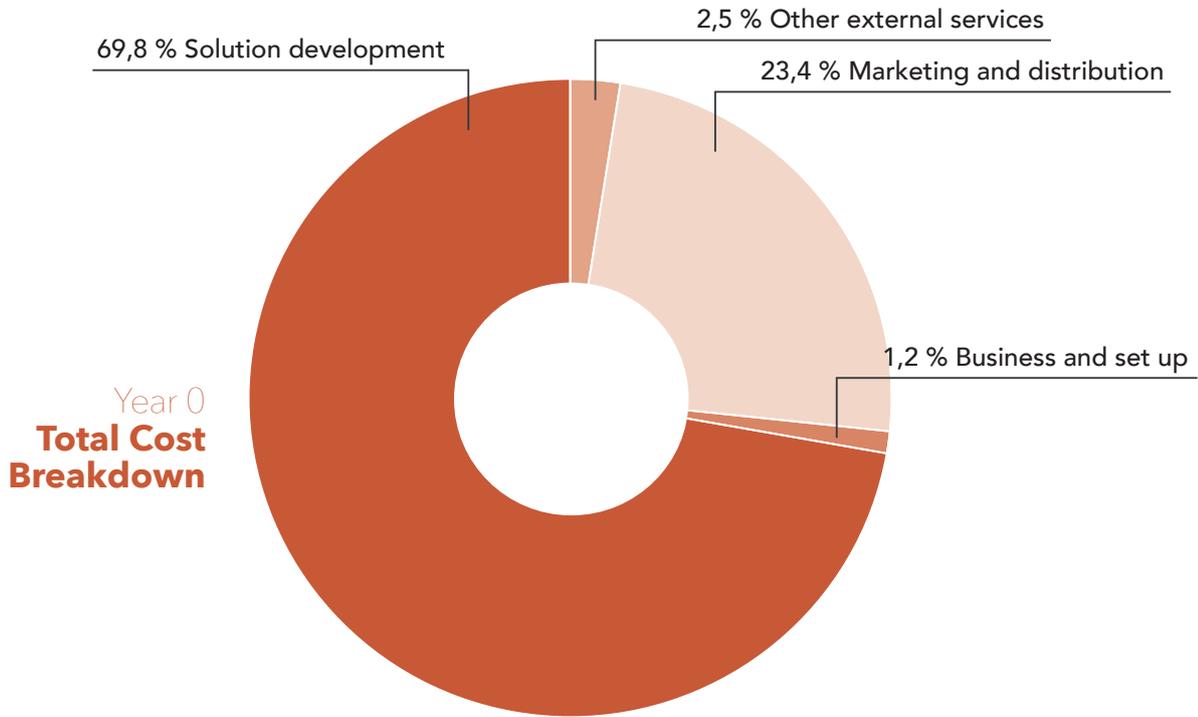
We have a strategy of calculating the income. Lloyds Banking Group has over 30 million customers and it is the UK's leading provider of current accounts, savings, personal loans, credit cards and mortgages. We expect to get around 18000 users launching the project.

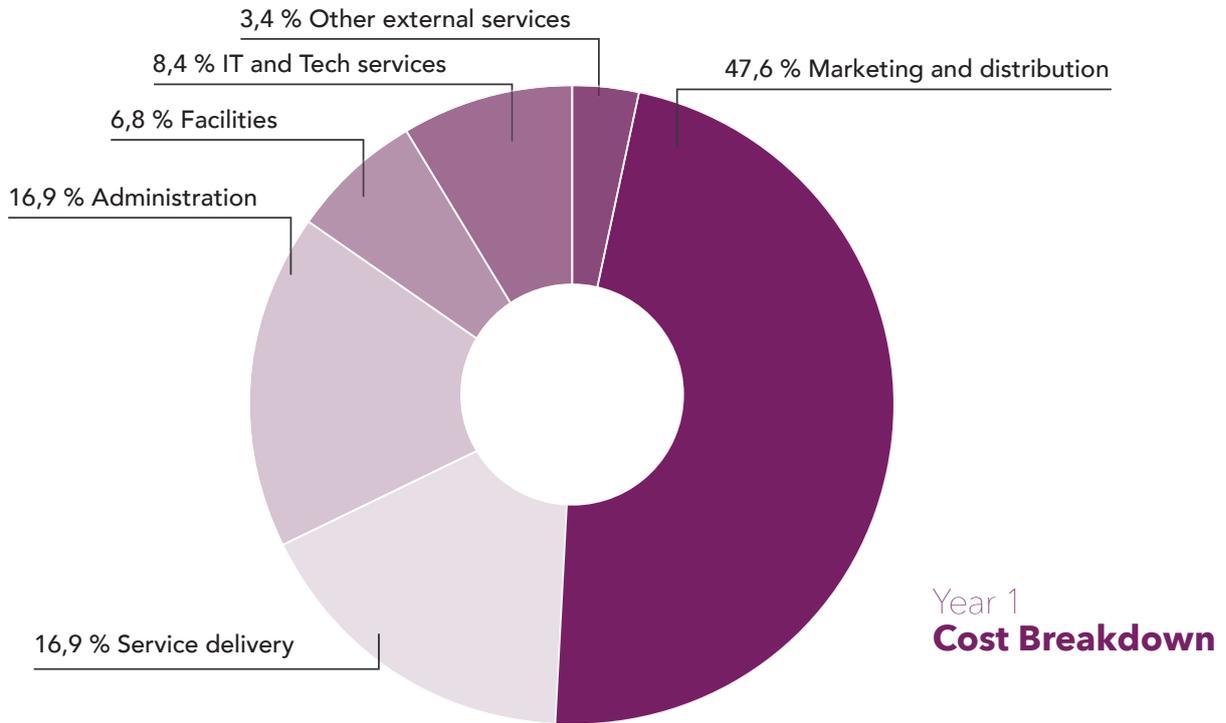
Then the number of users is expected to increase rapidly from year one to year two but will decrease from year three to year five.

The cost can be divided into "set up costs" and "operating costs". Setup costs consist of solution development and business/ organization set up, which are 1399,483 £ and 25,000 £ respectively. These costs only exist in the project launch stage.

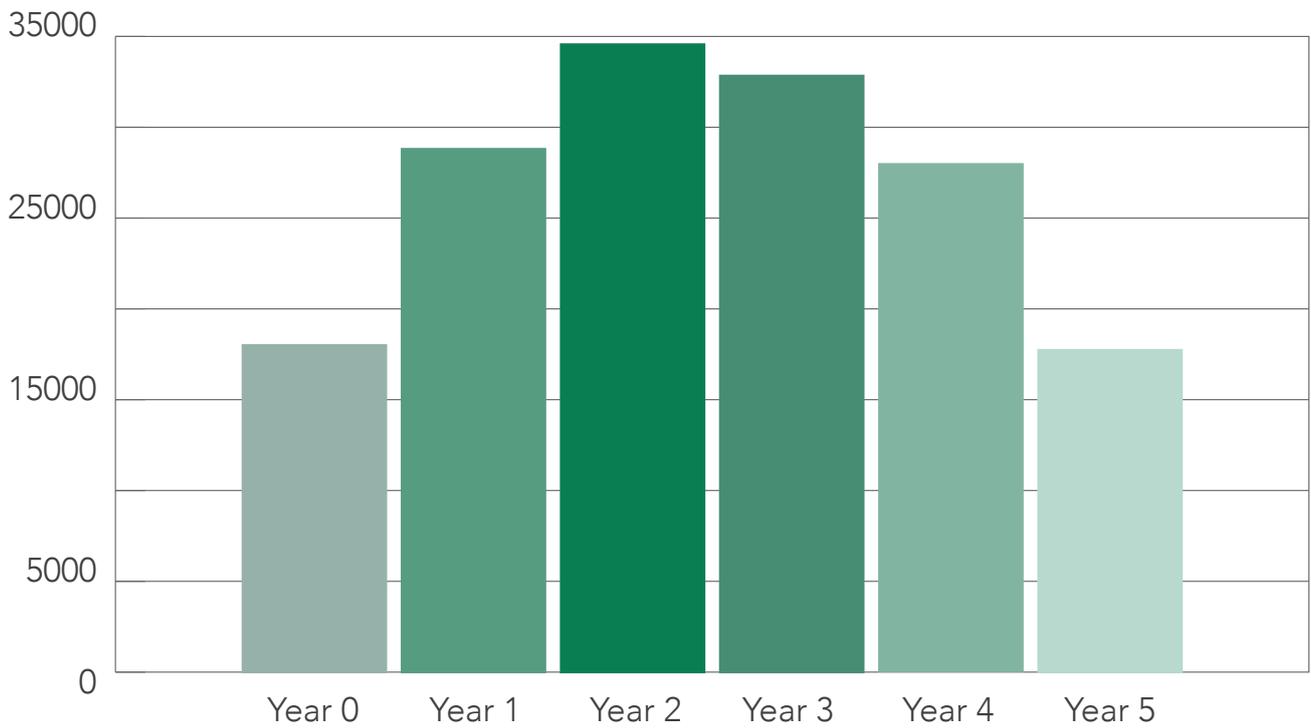
| | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| INCOME | | | | | | |
| Number of customers/users | 18000 | 28800 | 34560 | 32832 | 29549 | 17729 |
| Income or Savings Per Cust/User | £50.00 | £50.00 | £50.00 | £50.00 | £50.00 | £50.00 |
| Total Income or Savings | £900,000.00 | £1,440,000.00 | £1,728,000.00 | £1,641,600.00 | £1,477,440.00 | £886,464.00 |
| Cumulative Income | | £1,440,000.00 | £3,168,000.00 | £4,809,600.00 | £6,287,040.00 | £7,173,504.00 |
| COSTS | | | | | | |
| Set up Costs | | | | | | |
| Solution Development | £1,399,483.33 | | | | | |
| Business / Organisation Set up | £25,000.00 | | | | | |
| Operating Costs | | | | | | |
| Marketing and Distribution | £470,000.00 | £141,000.00 | £25,000.00 | £35,000.00 | £45,000.00 | £50,000.00 |
| Product Costs/Service Delivery | | £50,000.00 | £100,000.00 | £250,000.00 | £350,000.00 | £400,000.00 |
| Facilities | £10,000.00 | £20,000.00 | £40,000.00 | £40,000.00 | £40,000.00 | £40,000.00 |
| Administration | £25,000.00 | £50,000.00 | £75,000.00 | £75,000.00 | £75,000.00 | £100,000.00 |
| IT and Technical Services | £25,000.00 | £25,000.00 | £35,000.00 | £50,000.00 | £60,000.00 | £100,000.00 |
| Other External Services | £50,000.00 | £10,000.00 | £10,000.00 | £10,000.00 | £10,000.00 | £10,000.00 |
| Total Costs | £2,004,483.33 | £296,000.00 | £285,000.00 | £460,000.00 | £580,000.00 | £700,000.00 |
| PROFIT | | | | | | |
| Profit | -£1,104,483.33 | £1,144,000.00 | £1,443,000.00 | £1,181,600.00 | £897,440.00 | £186,464.00 |
| Profit Margin % | | 79% | 84% | 72% | 61% | 21% |
| Cumulative Profit | -£1,104,483.33 | £39,516.67 | £1,482,516.67 | £2,664,116.67 | £3,561,556.67 | £3,748,020.67 |

We position ourselves as a lab in the banking industry and focus on the social impact that helps older customers identify fraud. We are seeking 2004,483£ for the project launch. 69.8% of this money will be invested in solution development and 23.4% will be spent on marketing and distribution.





In year one, we are seeking 296,000£ to implement our project. At this stage, our majority expenditure will be the marketing and distributing campaign which will take 47.6% of our annual budget. The reason why we put much effort on this is that we want more customers to get involved to our service to promote a 'let me check culture', cultivate user habits and ultimately enrich our ScamChecker database and Improve its artificial intelligence algorithm. 6.8% of the budget will be used on purchasing facilities, including the online game facilities placed in branches and 8.4% will be consumed on technical services. Service or product cost and administration will each cost 16.9% of the total expenditure. For year two to year five, the proportion of expenses in different category remain approximate the same level as year two.



8.2.1. Customer Base

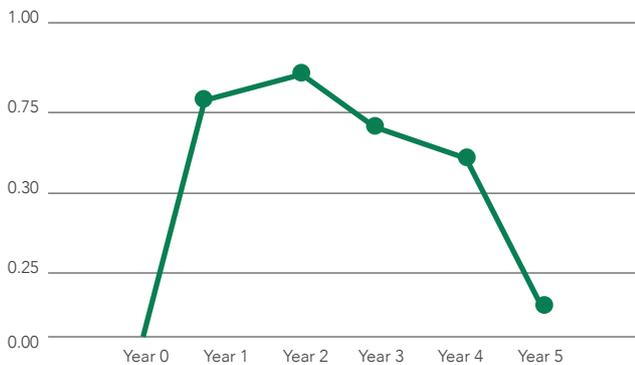
The number of our customers will increase rapidly in the first two years and it will reach a peak of 34560 in year two. Then it will begin to decrease slightly in year three and year four. In year five, the number of customers will be 17729 according to our calculation.

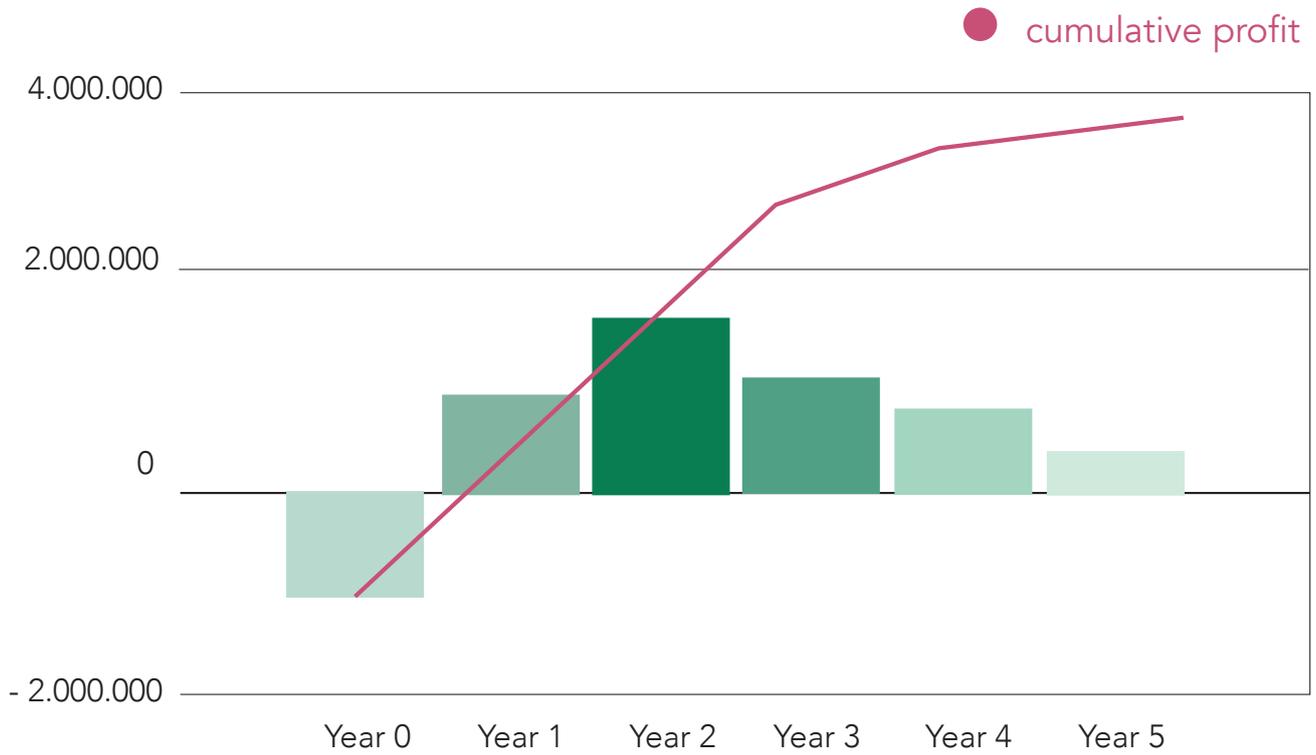
total income or savings



8.2.1. Income, Cost and Profit

In terms of income and profit, our project is a very promising project with positive cash flow since year one. The cost will be relatively high at the beginning and remain at a low level from year one to year five. The profit will increase rapidly from project launch to year three, then it will reach the peak and start to decrease after that. But the project will remain profitable throughout the whole process.





8.2.1.1. Cumulative Profit

This is our annual profit and cumulative profit. Our project will make a cumulative profit of nearly 7173,504£ over the first five years. During year one ScamChecker will gain the Pay Back Time (PBT), shifting from a negative profit to a positive one around December of year 0.