Quavo AI

The Foundation of Modern Dispute Management

QUAVO®

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Executive Summary

Long before the recent surge of artificial intelligence (AI)-based solutions in the financial services industry, Quavo's dispute resolution technology stack was founded on AI since the company's inception. Quavo’s technology is designed to be flexible, scalable, and fully configurable, helping financial institutions (FIs) streamline operations while improving customer experience.

With AI woven into the foundation of its dispute management platform, QFD®, FI's can resolve disputes faster, reduce errors, and enhance both customer and employee satisfaction. Quavo’s commitment to AI excellence is evidenced by its decision to develop this technology in-house, absorbing the associated risks and costs to ensure a tailored solution that truly addresses the nuanced challenges of fraud and dispute management. Furthermore, Quavo's Dispute Resolution Experts (DRE™) team is the first and primary user of QFD and its AI features, ensuring its practicality, effectiveness, and real-world impact.

INTRODUCTION

Modern Dispute Resolution Differentiator

Financial institutions (FIs) are under pressure to resolve disputes efficiently while maintaining accuracy and regulatory compliance. Interest in AI has skyrocketed as FIs are looking to implement advanced technology that innovates traditional manual processes, resulting in more consistent, less error-prone outcomes.

Here's how different types of AI play a role in dispute resolution:

Machine Learning analyzes structured data using predefined algorithms to recognize patterns and make predictions. It powers fraud evaluation models, anomaly detection, and intelligent dispute resolution by identifying trends and automating workflows.

Generative AI uses machine learning to generate insights and simulate human reasoning. In dispute management, it can summarize complex cases, generate tailored customer responses, and assist in decision-making.

Vision AI
Optical Character Recognition (OCR) extracts text from documents and images, turning unstructured data into usable information. In disputes, OCR helps process receipts, chargeback forms, and merchant docs, accelerating evidence collection.

Business Rules automate repetitive tasks based on predefined logic. In disputes, they streamline case filings, route tasks efficiently, and apply policy-based decisions, reducing manual workload and improving consistency.

Effective dispute resolution requires a proven foundation. Unlike traditional systems built on manual processes and disconnected tools, Quavo's AI forms the bedrock of its software, enabling institutions to implement additional capabilities on top of the AI-powered core functionality.

The Reality of AI Adoption

AI adoption isn't always straightforward. Financial institutions face real concerns:

> **Cost & Complexity:** AI implementation can be expensive and resource-intensive.
>
> **Regulatory Hurdles:** Compliance can slow down AI adoption and impact user experience.

Quavo has thoughtfully built its AI technology to address these challenges:

Modular Implementation: Our tiered approach allows institutions to adopt AI capabilities incrementally, managing costs while gradually building toward comprehensive automation.

Regulatory-First Design: We've developed our AI with financial regulations in mind, reducing compliance burdens through built-in controls and transparent decisioning.

Pre-trained Models: Our models arrive with significant training on relevant dispute scenarios, reducing the "cold start" problem that plagues many AI implementations.

AI or Automation: What's the Difference?

Not every banking process needs AI. Many benefit from straightforward automation as a cost-friendly solution without requiring complex machine learning. With Quavo, FIs can enjoy a blend of both technologies through a tailored dispute management stack:

Hybrid Approach: Quavo's stack strategically employs both AI and traditional automation, applying each where they deliver maximum value.

Process-Optimized Automation: Standardized, rule-based processes are executed by efficient automation that requires minimal oversight while delivering consistent results.

Reserved AI Application: AI is deployed specifically for complex decisions, pattern recognition, and predictive analysis where its capabilities genuinely enhance outcomes.

This balance ensures financial institutions aren't investing in AI for processes where simpler automation would suffice, maximizing return on technology investment.

AI ADVANCEMENTS

AI That Works for People

Quavo believes that AI should enhance human capabilities, not replace them. AI's greatest value comes from empowering people, focusing on elevating both employee and customer experiences.

For Customers: A Better Experience

When employees have the right tools, customers benefit. AI enables:

- More attentive, empathetic service from engaged team members
- Faster, more consistent resolutions that build trust
- Personalized communication that acknowledges their unique situations
- Transparent processes that reduce anxiety and uncertainty

The virtuous cycle where AI supports employees who then deliver exceptional customer experiences demonstrates how a strong technological foundation creates compounding benefits throughout the entire dispute management ecosystem.

For Employees: More Meaningful Work

AI eliminates tedious tasks, giving employees more time to focus on what matters:

- Eliminating tedious, repetitive tasks that lead to burnout and dissatisfaction
- Providing real-time guidance that builds confidence in decision-making
- Creating space for employees to focus on complex cases that leverage their expertise
- Offering the capacity for users to develop new skills

Employees who feel valued and supported by technology bring greater engagement, creativity, and empathy to their customer interactions. By using Quavo's AI firsthand, the DRE team helped shape and refine it into a practical, real-world solution.

> "Automating one process presents an opportunity to enhance other processes by reallocating excess staff to another area in your business that needs help. At first, some may resist or fear that success in one area doesn't necessarily equal success in another.
>
> What I learned was that really high performers generally aren't really good because of the process they work. It's their drive, intelligence, and dedication that make them good. What makes them strong on your team allows for them to be strong elsewhere and build up their own resume in the process."
>
> Rex Richardson, Director of Client Processing Operations, Quavo

The DRE team was the first to adopt Quavo's AI technology, actively participating in beta tests and providing direct feedback to product designers. By being its own customer, Quavo ensured a practical, fully optimized solution.

AI was rigorously tested and refined to guarantee its effectiveness. Only then was Quavo's AI technology polished and capable of delivering real results, benefiting financial institutions.

THE AI STACK
Woven into Every Seam

Quavo's AI fully integrates into the dispute lifecycle, improving compliance, efficiency, and decision-making. This level of flexibility allows financial institutions to continuously refine and expand their AI-powered operations.

Core AI Capabilities in QFD:

Foundational Layer

Quavo's base-level AI processes incoming disputes, automating upwards of 80% of casework, reducing manual tasks and orienting investigators towards elevating the accountholder experience with excess capacity.

QFD Base AI

Decision Analysis

Built atop the foundation, this layer leverages AI to collect data for analysis, enabling trend identification and process improvement opportunities while enhancing operational visibility.

Analyze AI

Augmented Investigations

AI-powered investigation support reduces human error through guided workflows, accelerating case resolution and improving the investigator experience.

Augment AI

Advanced Automation

AI uses logic and analysis to take action, fully automating tasks that traditionally require a manual review. This allows for a strategic allocation of human resources that focuses on high-value customer interactions

Automate AI

With eight years of operational excellence, Quavo's AI extends beyond basic automation, combining Machine Learning, Generative AI, bots, business rules, and Vision AI.

AI Investigation

Configure use cases to be automated away from investigators based on the disputed transaction(s) details, accountholder activity, and other tailored criteria.

AI Inbound Communication

Analyze and automate inbound accountholder correspondence, eliminating repetitive tasks like marking auto-replies and routing withdrawal requests, freeing teams to focus on high-priority issues.

AI Representment

Aggregates merchant documents and uploads to the case automatically, then provides a summary and recommended actions to guide investigators. Additionally, this solution can automate representment handling, reducing manual efforts and expediting resolution.

Developed over eight years of research and implementation, QFD seamlessly integrates with existing ecosystems, creating a scalable architecture that evolves with institutional needs. Through this, Quavo tailors its solutions to each FI based on their requirements, creating a fully configured, AI-infused platform.

INVESTING IN INNOVATION

Built In-House, Built for the Future

From the start, Quavo has been committed to AI excellence, choosing to research, develop, and refine its AI solutions entirely in-house. Rather than relying on generic AI models, Quavo built a powerful, proprietary stack using leading tools, models, and industry expertise.

This strategic decision required Quavo to:

- Absorb development costs and risks
- Recruit specialized AI talent focused on financial services
- Commit to continuous innovation and improvement
- Ensure robust security and compliance frameworks were in use from the start

By accepting these challenges, Quavo has built a uniquely advanced AI foundation that serves as the backbone of its solutions. Partnering with Quavo empowers financial institutions to enhance their dispute operations with confidence by using technology tailored to their specific needs.

Security Processes and Protection

Training an effective AI model requires access to robust, relevant data, which is a critical asset many organizations simply don't possess. Quavo's AI is strengthened by industry-leading business intelligence capabilities that collect, analyze, and leverage comprehensive fraud and dispute data across partner financial institutions.

Transaction and case data are securely ingested into Quavo's data warehouse, where it undergoes anonymization and standardization.

Only after this careful preparation is the scrubbed data used to train AI models, ensuring both privacy compliance and optimal learning outcomes.

Quavo maintains the strength of its AI through continuous performance monitoring. When a model's performance begins to drift from established benchmarks, a retraining cycle is triggered using the most recently ingested data. This perpetual refinement ensures the AI technology remains current and accurate.

Data security being a top priority led Quavo to select Snowflake as its data platform due to its robust compliance with industry standards. Both Quavo and Snowflake hold several key certifications that underscore their commitment to data protection:

SOC 1 Type II and SOC 2 Type II

Provide assurance about the controls at a service organization relevant to security, availability, processing integrity, confidentiality, and privacy.

Payment Card Industry Data Security Standard (PCI DSS)

Protects cardholder data and prevents fraud through network security, data encryption, access controls, and defensive software systems.

> Quavo utilizes AI decisioning frameworks to help financial institutions transform their customer experience for the better. Through pairing the analytical power of AI with an intuitive user interface, we allow investigators to conduct comprehensive, timely and fair investigations of fraud and disputes.
>
> With the power of Quavo's AI-backed product solutions, financial institutions foster trust with their customers while boosting their brand's reputation.
>
> Quavo's software solutions transform each claim and dispute from an obligatory operational burden into an actionable opportunity to build stronger, trust-based relationships with their customers.
>
> Daniel Perret, Director of Product Delivery, Quavo

PROVEN RESULTS

AI in Action

The strength of QFD's AI-infused performance is evident in the measurable outcomes it has achieved. In just two weeks, the platform accomplished the following:

943

Representment documents reviewed by AI, the merchant response extracted, and evidence summarized

36%

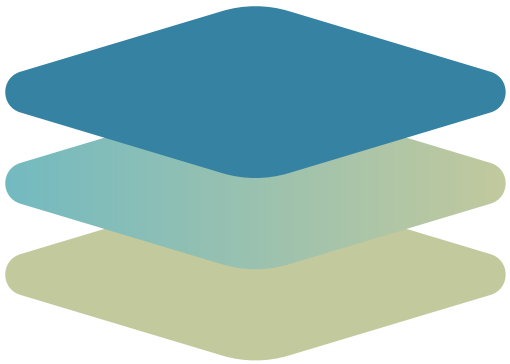
Inbound email volume processed automatically, only routing actionable correspondence to investigators

100%

Precision in AI handling for merchant representments and inbound emails from accountholders

These results highlight how a strong AI foundation creates cascading benefits as institutions build upon it, adding components to the stack while maintaining the intelligence and efficiency of the core platform.

With eight years of dedicated investment in AI, Quavo stands alone in delivering purpose-built AI that addresses the unique challenges of dispute management.



Build the Future with Quavo AI

The right AI foundation is essential as financial institutions seek to improve dispute resolution and control costs. Quavo's AI-powered QFD platform provides that foundation—built for today and ready for tomorrow.

By choosing Quavo, FIs are not just implementing a solution; they're adopting a solution that evolves with changing needs, empowers front and back office teams, and delights accountholders.

Building your future on Quavo's QFD platform and experience the transformative power of AI technology that elevates the human elements of dispute resolution. Quavo's AI-powered dispute management system is not a futuristic vision; it is a proven, battle-tested solution. With eight years of AI integration experience, a commitment to security and compliance, and an evolving suite of intelligent tools, Quavo's technology isn't a vision for tomorrow—it's delivering measurable results today.

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