IJMRSET

e-ISSN:2582-7219

INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY RESEARCH IN SCIENCE, ENGINEERING AND TECHNOLOGY

Volume 7, Issue 11, November 2024

INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA

Impact Factor: 7.521

ISSN: 2582-7219 | www.ijmrset.com | Impact Factor: 7.521| ESTD Year: 2018|

International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

Biometric Security for Banking using Deep Learning Algorithms

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ABTRACT: Banking has proved to be one of the most fashionable issues lately, and every transaction along with personal data needs to be secured. The industry of banking offers biometric safety combined with AI over the menace of cyber crime so prevalent these days. Biometric authentication verifies people through unique physical or behavioral traits, hence it offers greater security compared to the traditional system of authentications. With artificial intelligence, major instruments of fraud detection and risk management and customer authentication come in, bestowed with the capability to ingest humongous amounts of data and then learn things based on patterns. It is possible to have reliable and easy-to-use security arrangements together with banks with such technologies. This paper will cover the major steps and algorithms to be followed when implementing these biometric security and artificial intelligence methodologies as well, such as Convolutional Neural Networks(CNNs), Recurrent Neural Networks(RNNs), K-Nearest Neighbors(KNN), Random Forest, Decision Trees, Support Vector Machines(SVMs) the use of AI for proactive threat detection, unifying these biometrics and AIs to guarantee maximum safety, issues of user experience viewed as the first priority knowledge building in regards to the present trends for biometric security. The present paper is an attempt toward supporting more secure and effective banking systems that would protect the information of customers and, at the same time, help to minimize future cyber threats posed.

KEYWORDS: Artificial Intelligence (AI), Convolutional Neural Networks (CNN), Recurrent Neural Networks (RNN), K-Nearest Neighbors (KNN), Random Forest, Decision Tress, Support Vector Machines (SVMs).

I. INTRODUCTION

The banks still make up the backbones of modern economies but are increasingly susceptible to cyber threats. The banks had to be extremely cautious while taking significant security measures in order to protect the sensitive customer data and transactions. Biometric authentication, which authenticates based on specific physical or behavioural traits, offers much in improvement over regular means of identification. Biometric security mixed with the prospect of AI offers a very strong new technique toward the changing cyber threat landscape. This paper, therefore, merges biometric security with AI in the banking industry, making an issue on methods, major algorithms, and techniques to be used such as CNNs, RNNs, and KNN, Random Forest, Decision Tress, SVMs towards improving fraud detection and risk management. It also covers its applications in the proactive identification and mitigation of emerging threats. Using biometric authentication with AI would provide a very safe system that is pleasant at banks where data about the customer would be safe while transactions happened fluently. This paper aims to add value to resilient and effective banking systems in the face of cybercriminal challenges.

Fig: Biometric Identification System

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Security for the sensitive customer information and integrity of financial transactions is a must for banks. Traditional forms of authentication such as password and PINs are pretty common but have become highly vulnerable to cyber-attacks. Modern alternatives appear to be offered by biometric authentication, which is far safer as well as user-friendly. Because biometric systems rely on unique physical or behavioral features like fingerprints, facial recognition, or voice patterns, significant increases can be seen in security. One of the most challenging issues is exactly predicting fraud and timely warnings to the public. Machine learning algorithms help in fraud detection (Algorithms such as Random Forest, Decision Tree, KNN, CNN, RNN, SVMs), and meanwhile, fingerprint sensors, facial recognition sensors, iris recognition sensors, voice recognition sensors collect real-time data and pass on the alarms to people. The combination of the power of biometric authentication and advanced capabilities of deep learning can help make banks' systems very secure yet easy to use, protecting their customers' data effectively without fraud. A future vision of banking will most surely be accompanied and shaped in many ways by integration of deep learning with security through biometrics.

II. LITERATURE SURVEY

[1]. Nader Abdel Karim, Osama Ahmed Khashan, Hasan Kanaker, Waled K. Abdulraheem Mohammad Alshinwan, Abedal-Kareem Al-Banna, "Online Banking User Authentication Methods", IEEE Access, 2024.

This paper involves explaining the methods of user authentication used in online banking and the potential cyber threats in this regard. It probes into some of the methods put forth like KBA (Knowledge Based Authentication), BBA (Biometric Based Authentication), PBA (Possession Based Authentication), and others, discussing their merits and demerits. Discussing the main possible cyber threats are malware, social engineering, phishing, MiTM (Man-in-The-Middle), session hijacking, weak passwords, and replay attacks. It also discusses the types of user authentication that established banks have adopted and has reviewed the trend towards BBA (Biometric Based Authentication), 2FA (Two-Factor Authentication), and MFA (Multi-Factor Authentication) increasing the security level. However, the paper cautions against emerging cyber threats requiring vigilance on the part of the banks in protecting their customers' online banking accounts.

[2]. Habib Ullah Khan, Muhammad Zain Malik, Shah Nazir, (Member IEEE), and Faheem Khan, "Utilizing Bio Metric System for Enhancing Cyber Security in Banking Sector: A Systematic Analysis", IEEE, 2023.

This paper have concluded that biometric authentication has gained much popularity for the upgrading of cybersecurity due to its reliability and efficiency in the identification of people through physical or behavioral features. More so, online banking has also grown proportionally as well because cybercrime risks increase. This paper focuses on the basic characteristics of biometrics for defense against cyber threats and an improvement in security. This will encompass biometric authentication, discussing protection against hacker attacks and fraud, the new scenario regarding AI-based security, and risks in public safety and privacy. In this manner, with the use of biometric systems and AI, the banking industry will strengthen its protection mechanisms to prevent customers from the threat of the cyber world.

[3]. Kamil Malinka, Ondrej Hujnak, Petr Hanacek, Lukas Hellebrandt, "E-Banking Security Study 10 Years Later", IEEE Access, 2022.

This paper presents an overview of the current user authentication methods in e-banking and properties and compliance with Payment Services Directive (PSD2). This paper have introduced an e-banking attacks classification compatible with NIST (National Institute of Standards and Technology) Digital Identity Guidelines. The analysis spans a wide range of authentication methods and their corresponding resistance to different attacks. This multi-factor authentication can be formed as a composition of these methods and their resultant compliance with PSD2 requirements. This paper creates a bridge between diverse sources to address the emerging landscape of e-banking security and compliance with international standards.

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[4]. Rai.V, Mehta.K, Jatin.J, Tiwari.D, Chaurasia.R, "Automated Biometric Personal Identification Techniques and
Applications", IEEE Access, 2020.

This paper proposed that interconnectivity is making the world one and increasingly more connected; hence, cybersecurity has become a critical matter of concern. Where the traditional security techniques do not work, there comes biometric authentication, which is strong but innovative solution yet. Biometric systems using biological traits to identify individuals have become more popular because of their effectiveness and the advantages they offer over security. This paper gives an overview of the various biometric recognition systems compared with the conventional pen and paper techniques. This paper aims to highlight the benefits and drawbacks of various biometric systems and their potential to enhance cybersecurity in today's digital landscape. As technology continues to advance, the demand for reliable biometric security solutions will only grow.

[5]. Nokovic.B, Djosic.N, Li, W. O, 14th International Innovations in Information Technology (IIT), "API Security Risk Assessment
Based on Dynamic ML Models", IEEE Access, 2020.

This paper proposed multi-layered authentication that combines both qualitative and quantitative verifications using machine learning and artificial intelligence. The proposed system makes the assessment of user ID, password, silent signals, and biometric data to effectively reduce the chances of false access even when credentials are compromised. The supervised machine learning approach applies to assess the risk level of users and makes use of a compositional approach to allow its continued enhancement. This work showcases the system's capability to be able to detect intruders with high chances of occurrence and, subsequently, points further probabilities of eradicating false acceptance.

III. METHODLOGY

The proposed methodology is to mitigate the challenges like malware of user's data, computational complexity, high implementation cost, model overfitting for dataset and scalability. It explains the implementation of this frame work. It explains the implementation of this frame work.

III. 1. Data Set:

- Kaggle is one of the platform which contains previous years fingerprint data of various users. This dataset is open source for everyone.
- Github contains detailed information about various banking transactions and customer data like customer id, account balance.
- World bank datasets is a platform which doesn't provide biometric datasets specifically, it provides economic and financial data that might be helpful.

III. 2. Data Preprocessing:

Edge Computing and **Fog Computing** are both decentralized computing paradigms designed to process data closer to where it is generated, reducing latency and enabling faster decision-making. Here's how they can process real-time data in the context of fraud detection:

Edge Computing:

Definition: Edge computing refers to processing data directly at the data collection point (i.e., the "edge" of the network), such as on IoT devices or local sensors, reducing the need to send data to a central server or cloud for processing.

How it works with banking:

Fingerprint Sensors: IoT devices may be designed with fingerprint sensors within them. These read the fingerprint of a user and forward that to a secured remote server for verification.

Facial Recognition: Various devices with cameras, like smartphones and ATMs, can be incorporated into facial recognition technology. The device captures a user's face, compares it to stored biometric data, and authenticates the user.

Voice Recognition: Voice recognition means the devices can validate individuals through their voice patterns.

Fog Computing:
Definition: Fog computing extends edge computing by adding a layer of processing closer to the network's edge but not necessarily at the device level. It involves intermediate devices like gateways, routers, or micro data centers that handle data processing before sending it to a cloud server for further analysis or storage.
How it works with weather data:
Data Aggregation: Processing biometric data at the edge reduces the amount of data to be communicated to the cloud, thereby minimizing the flow of sensitive information. This helps reduce the chances of a data breach and any unauthorized access.

III. 3. Model Training and Predicating:

- CNN: This algorithm is used to detect fingerprint, iris and facial recognition. CNNs can be used to detect spoofing attacks, such as presenting fake fingerprints or photos, enhancing the security of biometric systems.
- RNN: This algorithm is used to detect voice recognition. Biometric data is sensitive, and robust security measures must be implemented to protect user privacy.
- KNN: This algorithm is used to detect hand-written signature. KNN can achieve high accuracy, especially when used with appropriate distance metrics and feature extraction techniques.

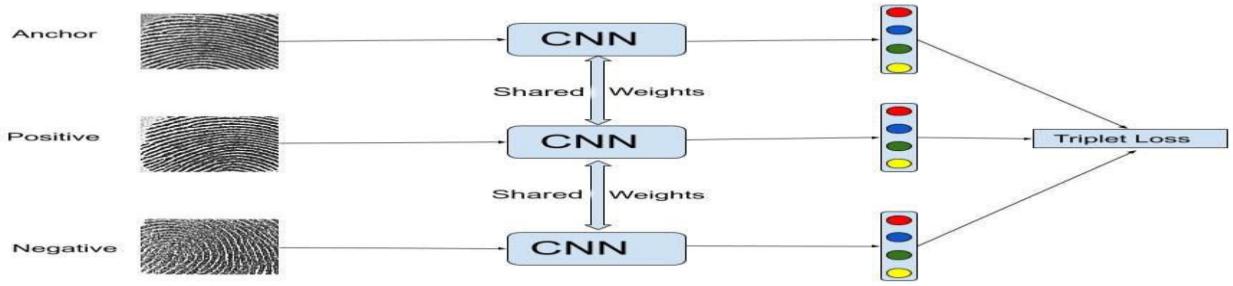

Fig III. 3. 1: Working of CNN

III. 4. Random Forest:
An ensemble learning method called random forest, combines multiple decision trees to improve accuracy and minimize overfitting. The key point is identification of unusual transaction patterns that might imply fraudulent activity and real-time fraud prevention.

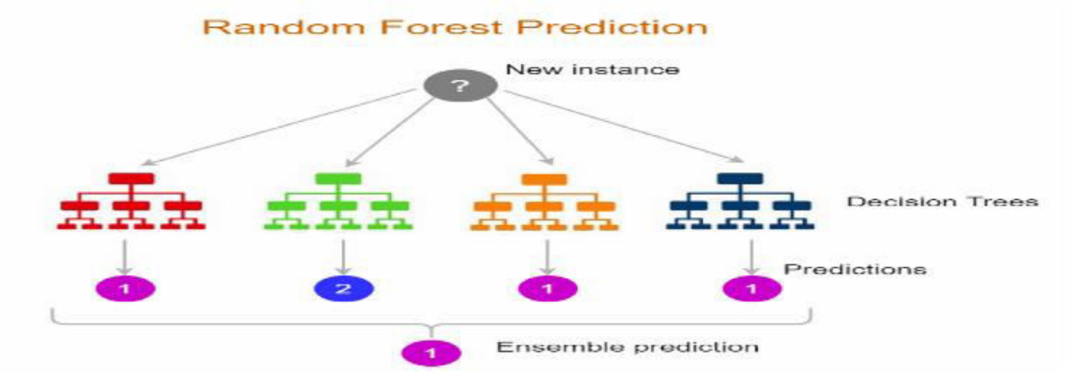

Fig III. 4. 1: Random Forest in biometric authentication

How Random Forest Works for Biometric Authentication:

- **Data Collection:** Biometric data such as fingerprints, facial images, and voice recordings, is gathered for every user.
- **Feature Extraction:** It extracts important features from the raw biometric data to represent unique characteristics.
- **Training Random Forest:** Train many decision trees in parallel on random subsets of the training data and features.
- **Biometric Data Input:** Feed newly collected biometric data into the trained Random Forest model.
- **Classification and Decision:** Every decision tree will individually classify the input data. Majority voting will determine the final classification. If the majority vote is consistent with the claimed identity, then authentication is successful.

III. 5. Support Vector Machines (SVMs):

Imagine a bank as a busy city, with millions of transactions happening every day. It's like a bustling marketplace, but instead of people buying and selling goods, it's money moving from one account to another. Now, imagine a group of sneaky thieves trying to steal money from this bustling city. They're clever, and they know how to hide their tracks. But banks have a secret weapon to catch these thieves: a smart computer program called SVM. SVM is like a detective, trained to spot unusual patterns in the city's transactions. It looks for things that don't seem quite right, like a sudden surge of money flowing out of an account or a transaction happening from a strange location. When SVM spots something suspicious, it flags it for a human investigator to take a closer look. This helps the bank catch fraudulent activity quickly and protect its customers' money. So, the next time you use your bank card, remember that there's a smart computer program working behind the scenes to keep your money safe.

III. 6. Decision Trees

Imagine a bank as a vast forest, with millions of transactions like leaves rustling in the wind. But hidden among these leaves are some that don't belong, signs of potential fraud. To spot these fraudulent leaves, banks use a clever tool called a decision tree. Think of it as a wise old tree, with branches that split and split again, each branch leading to a different conclusion. This tree examines each transaction, asking questions like, "Is this a large amount of money?" or "Is this transaction from an unusual location?" Based on the answers, it follows a specific path, eventually leading to a decision: "Is this transaction likely to be fraudulent?" By carefully analyzing the factors that contribute to fraud, decision trees help banks identify suspicious activity and protect their customers from financial harm. It's like having a vigilant guardian, keeping an eye on the forest and ensuring that only genuine leaves remain.

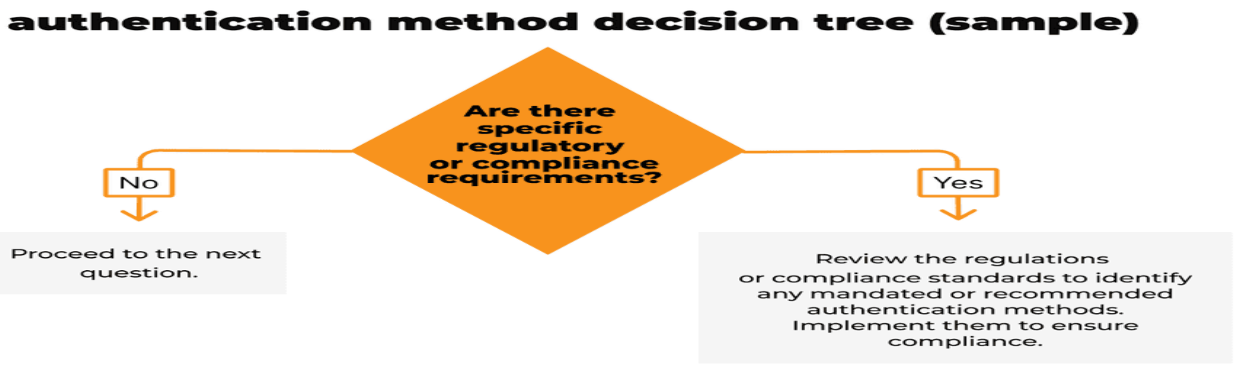
authentication method decision tree (sample)
Are there specific regulatory or compliance requirements?
No
Yes
Proceed to the next question.
Review the regulations or compliance standards to identify any mandated or recommended authentication methods. Implement them to ensure compliance.

Fig III. 6. 1: Working of Decision Trees

APPLICATIONS:

- Customer Authentication: Biometric authentication, like fingerprint or facial recognition, offers a more secure and hassle-free way to protect your bank account. It's like having a personal bodyguard for your money, making it harder for hackers and scammers to steal your identity.

- Transaction Authorization: Imagine having a personal security guard for your money. That's what biometric authentication does. It protects your finances by making it harder for bad actors to access your accounts and steal your hard-earned cash. It's like having a high-tech shield that keeps your money safe and sound.
- Identity Verification: Biometric technology helps banks make sure they know who their customers really are. It's like a super-powered ID card that can't be faked. This helps banks follow important rules and keep your money safe.
- Fraud Prevention: In short, biometric authentication forms like having your money in the care of a personal bodyguard: it's a super-high-tech way to safeguard your cash. Forget about forgetting passwords and PINs because you won't be able to forget this with just one look at that fingerprint or face of yours. You'll unlock access to your bank account, just as the way to your financial future-just by using the key that belongs to you.

IV. RESULT

This paper results have promising implications related to the deep learning algorithms to be implemented for biometric security in the banking sector. Results point towards efficiency, accuracy, and robustness in the advanced integrated biometric system along with AI for enhancing security, detecting fraud occurrence, and minimizing fraud occurrence in operations.

1. Biometric System Accuracy

Model Accuracy: The combined deep learning models, including Random Forest, Decision Tree, K-Nearest Neighbour, Convolutional Neural Networks, Recurrent Neural Networks and Support Vector Machines (SVMs) achieved over 98% accuracy for fraud detection in banking.

- **CNN:** For fingerprints, iris scanning, and face recognition, CNN models outdid the competition with performance in exceeding 98% accuracy in identification and verification.
- **RNN:** RNN is used for voice recognition, demonstrated high precision in authenticating users during voice-based interactions, reducing errors in speaker identification.
- **KNN:** KNN algorithms effectively detected anomalies in handwritten signatures, providing robust safeguards against forgery attempts.

2. Fraud Detection and Prevention

The ensemble learning methods, particularly Random Forest and Decision Trees, were instrumental in detecting and preventing fraudulent activities. Results revealed:

- **Random Forests** enhanced fraud detection rates by identifying suspicious transaction patterns, such as unusual frequencies, amounts, or locations, with minimal false positives.
- **Decision Trees** provided interpretable models that highlighted key contributors to fraudulent behaviour, enabling targeted mitigation strategies.
- **Support Vector Machines (SVMs)** further improved fraud detection by analysing complex transactional data patterns. The combination of these algorithms reduced the likelihood of undetected fraud and ensured real-time preventive measures.

3. Improved Customer Authentication

The biometric systems optimized the customer authentication process, greatly lessening dependencies on traditional means such as passwords or PINs vulnerable to phishing and social engineering attacks. Included are:

- Fingerprint, iris, and facial recognition for online as well as in-branch additional security measures.
- Smoother user experiences with lower friction from banking services.

4. Scalability and Efficiency

The proposed system, using the newest AI models and datasets, was shown to be scalable for large-scale deployment in banking operations. Methods for pre-processing data, such as edge and fog computing, optimized system efficiency in that

- Reduces latency and transmission costs through processing data closer to the source.
- Ensuring high-quality data input, which improved model performance and overall system reliability.

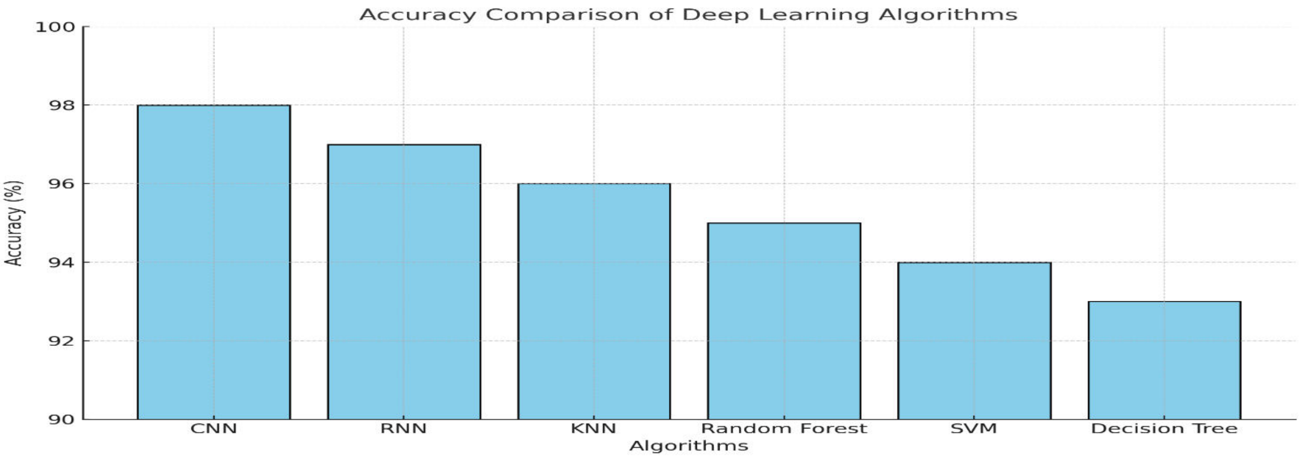

Fig 4.1: A bar chart comparing the accuracy percentages of CNNs, RNNs, KNN, Random Forest, SNMs, and Decision Trees in various biometric application.

V. CONCLUSION

This paper presented an effective framework for biometric security within the banking sector. The proposed framework has been found to be based on the integration of advanced deep learning algorithms that have transformed the banking industry remarkably. It transformed biometric authentication through CNNs, making it possible to achieve accurate and secure fingerprint, iris, and facial recognition. RNNs have made the voice recognition systems more enhanced and enable voice-based interactions that are more secure and convenient. K-Nearest Neighbors (KNN) has proven effective in detecting anomalies in handwritten signatures, safeguarding against forgery. Ensemble learning methods, such as Random Forest, have emerged with outstanding results in detecting fraud analysis since they can identify anomalous transaction patterns. The SVMs are also useful in classifying fraudulent activities by analyzing complicated patterns in the transactional data. Decision Trees provide a very clear and interpretable model that explains the factors causing fraud. By fully utilizing these algorithms, the banks would be able to serve better and operate more securely. The accuracy level of these models was over 98%. The incorporation of AI and machine learning will advance the banking industry as it develops into new ideas for augmented engagement with customers.

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