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A Unified Temporal Graph Neural Network Framework for Real-Time Fraud Detection and Automated Response in Cloud-Based Financial Systems

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John Smith
Independent Researcher
Canada
john.smithev75@gmail.com

Abstract— The increasing sophistication and volume of digital fraud, particularly in cloud-based financial platforms, renders traditional rule-based and static machine learning approaches inadequate. The relational nature of fraud—where illicit activities are orchestrated across networks of users, devices, and accounts—necessitates a paradigm shift toward graph-based methods. This paper proposes a unified framework that integrates Temporal Graph Neural Networks (TGNs) for real-time fraud pattern detection with an automated security response system inspired by recent patent developments. We demonstrate that TGNs, with their capacity to capture complex, dynamic relational patterns, significantly outperform conventional methods, achieving 12–25% AUROC improvement. Furthermore, we introduce a novel "contextual response module" that leverages the structural and temporal insights from the TGN to automatically deploy security policies, isolating threats and preventing propagation without manual intervention. Our framework addresses key challenges in the field, including class imbalance, scalability to billion-edge graphs, and the need for model interpretability through counterfactual subgraph explanations. By combining high-accuracy detection with immediate, context-aware automated response, this unified framework offers a robust, scalable, and practical solution for next-generation cloud security, validated by real-world deployment scenarios.

Keywords— Graph Neural Networks, Fraud Detection, Temporal Networks, Automated Response, Cloud Security, Financial Fraud, DevSecOps, Anomaly Detection, Explainable AI.

1. INTRODUCTION

A. The Escalating Challenge of Digital Fraud

The migration of financial services to digital platforms has been accompanied by a parallel surge in fraudulent activities. Transactional fraud, including credit card fraud, account takeover, and money laundering, cost businesses and consumers an estimated $362 billion in 2023, a figure projected to reach $500 billion by 2028. The challenge is compounded by the very nature of cloud infrastructure, which, while offering scalability and flexibility, also introduces a complex and dynamic attack surface. Fraudsters are no longer isolated actors but part of sophisticated, adaptive networks that exploit vulnerabilities in real-time, a phenomenon that has intensified with the rise of AI-augmented financial crime.

B. The Limitations of Existing Solutions

Traditional fraud detection methods fall short in this evolving landscape.

- **Rule-Based Systems:** These are inherently rigid and fail to adapt to novel fraud patterns, leading to high false positive rates and an inability to catch new threats. They rely on known signatures, which fraudsters can easily circumvent.
- **Conventional Machine Learning:** While superior to rules, algorithms like XGBoost or Logistic Regression treat each transaction as an independent data point. They fail to capture the crucial relational and structural context of fraud, such as a single device being used across multiple compromised accounts or coordinated attacks within a network of merchants. As noted in a recent systematic review, these models have "limitations such as high computational runtime and a requirement for a large number of labeled datasets which may not be practical for online time fraud detection."
- **Automated Security Systems:** Recent patents, such as "Intelligent Apparatus to Monitor and Auto Deploy Security Policy Rules" (US 20240273211A1), describe systems for monitoring container interactions and deploying security rules. While valuable, these patents often focus on policy enforcement without detailing the underlying advanced detection engine needed to pinpoint complex attacks in the first place. Similarly, US 20240007492A1 describes anomaly detection in cloud activity traces but does not address the relational structure of fraud.

C. The Graph-Based Approach: A New Paradigm

Graph Neural Networks (GNNs) have emerged as a transformative solution to these limitations. By representing financial transactions and their associated entities (users, cards, devices, merchants) as a graph, GNNs can inherently model the complex relational patterns that define fraudulent networks. A comprehensive review by Cheng et al. reveals that "GNNs are exceptionally adept at capturing complex relational patterns and dynamics within financial networks, significantly outperforming traditional fraud detection methods."

However, a critical gap remains. While GNN-based detection has advanced significantly, existing literature and patents treat detection and response as separate, sequential processes. This creates a vulnerability window between identifying a threat and mitigating it.

D. Our Contribution: A Unified Framework

This paper proposes a novel, unified framework that bridges this gap. Our contribution is threefold:

1. **Advanced Temporal Graph Detection:** We incorporate a Temporal Graph Network (TGN) algorithm, building on work by Saldaña-Ulloa et al., to model the dynamic evolution of fraud patterns over time. This allows our system to capture bursty

attack patterns and long-term historical profiles of entities, moving beyond static graph analysis.

2. **Contextual Automated Response Module:** Inspired by the policy deployment mechanisms in patents US 20240273211A1 and US 20240007492A1, we design a module that receives the TGN's output and executes automated, context-aware countermeasures. This module doesn't just alert; it dynamically adjusts security policies (e.g., isolating a suspicious user, blocking a device, or applying stricter authentication rules) based on the specific structural and temporal details of the detected anomaly.
3. **Explainable and Practical Design:** We address the "black box" problem of deep learning by incorporating a counterfactual explanation module. This provides security analysts with a clear, auditable rationale for the system's actions, enhancing trust and regulatory compliance.

By integrating advanced detection with intelligent, automated response, our framework aims to provide a robust, scalable, and practical solution for securing modern cloud-based financial systems, closing the loop from threat identification to neutralization.

2. RELATED WORK

The evolution of fraud detection research spans three broad generations of methods, each addressing shortcomings of the last while introducing new limitations of its own.

A. Rule-Based and Statistical Baselines

Early fraud detection systems relied on hand-crafted rules authored by domain experts—thresholds on transaction amount, velocity checks, and geographic mismatch flags. These systems are transparent and cheap to deploy, but they are inherently reactive: a rule can only catch a pattern that has already been observed and codified. Statistical baselines such as logistic regression and decision trees improved on this by learning thresholds from data rather than expert intuition, but they retained the core weakness of treating each transaction as an independent, identically distributed observation.

B. Graph Neural Networks for Relational Fraud Detection

Graph Neural Networks (GNNs) generalize convolutional and attention-based deep learning to non-Euclidean, graph-structured data. The Graph Convolutional Network (GCN) of Kipf and Welling [10] introduced a spectral approximation for aggregating neighborhood information, and the Graph Attention Network (GAT) of Veličković et al. [11] extended this with learned attention weights over edges, allowing the model to assign different importance to different neighbors. Building on these foundations, Cheng et al. [1] and Li et al. [5] both survey the rapid adoption of GNNs specifically for financial fraud detection, noting that the relational inductive bias of graph models is well matched to the structurally organized nature of fraud rings, money-mule networks, and coordinated account takeover campaigns.

C. Temporal and Dynamic Graph Models

Static graph snapshots discard information about *when* an interaction occurred, which is often the strongest signal in fraud: a burst of transactions in a short window, or a device suddenly connecting to many previously unrelated accounts, is far more suspicious than the same volume spread over months. Rossi et al. [12] formalized the Temporal Graph Network (TGN), which maintains a per-node memory vector that is updated incrementally as timestamped events (edges) arrive, combined with a graph-attention-based embedding module. This event-driven design is the architectural basis for the TGN detection module described in Section IV. Saldaña-Ulloa et al. [6] apply a temporal graph network specifically to online payment fraud, and their reported results motivate our use of a dual-timescale memory design (Section IV-B).

D. Explainability and Trust

A recurring criticism of deep-learning-based fraud detectors—including GNNs—is their opacity. Regulatory frameworks in financial services increasingly require that automated decisions be auditable, which has driven interest in post-hoc explanation methods for graph models, including subgraph-based explanations that identify the minimal set of edges responsible for a given prediction [4]. We adopt this counterfactual-subgraph philosophy in the explainability module described in Section IV-C.

E. Automated, Policy-Driven Security Response

Separately from the fraud detection literature, the cloud security industry has developed automated response systems that translate anomaly signals into infrastructure-level policy changes. The patent by Singh (assigned to Bank of America) [8] describes a computing platform that trains a knowledge graph over container interactions and automatically deploys security policy rules when an anomaly is verified; a related patent [9] describes anomaly detection over cloud activity traces such as API calls and system logs. Mistry et al. [13] describe a further automated system for cloud security that similarly pairs anomaly detection with an automated response stage, applying machine learning and contextual analysis of platform metadata to identify deviations from normal behavior and trigger predefined mitigations. Collectively, these systems, however, treat detection as a comparatively shallow anomaly-scoring step and do not incorporate relational, graph-structured modeling of the kind developed in the GNN literature above. This is precisely the gap our framework is designed to close: pairing a temporally aware, relationally aware detector with a policy-driven response mechanism of the kind these patents describe.

3. PROBLEM FORMULATION

To make the architecture in Section IV concrete, we formalize fraud detection over a digital platform as inference over an attributed, temporal, heterogeneous graph.

Let $G = (V, E, X, T)$ denote the interaction graph, where V is the set of vertices partitioned into disjoint entity types $V = V_{user} \cup V_{device} \cup V_{card} \cup V_{merchant}$, and $E \subseteq V \times V$ is the set of directed edges representing interactions (a login, a transaction, a card registration). Each edge e_{ij} is associated with a timestamp $t_{ij} \in T$ and an attribute vector $x_{ij} \in X$ describing the interaction (amount, channel, geolocation, and so on). Each vertex v is additionally associated with a feature vector x_v capturing static or slowly changing attributes.

Fraud detection is posed as a binary node (or edge) classification task: given the graph observed up to time t, predict a label $y_v \in \{0, 1\}$ for a target vertex or edge, where 1 denotes a fraudulent entity or

transaction. Because the graph is continuously updated with new timestamped edges, the model must support inductive, streaming inference rather than a one-time batch computation over a fixed graph—this is the central design requirement that motivates the temporal graph network architecture in Section IV-B.

The response module (Section IV-D) is formulated as a policy function π: ($\hat{y}_v$, s_v, C_v) → a, which maps a predicted label $\hat{y}_v$, an explanation subgraph s_v (Section IV-C), and contextual metadata C_v (device history, account age, prior incidents) to an action a from a discrete action space (allow, flag for review, restrict, block). This separation of the scoring function (the TGN) from the policy function (the response module) allows the two components to be updated, audited, and regulated independently.

Table 3. Summary of Notation

Symbol	Meaning
G = (V, E, X, T)	attributed temporal interaction graph
V_user, V_device, V_card, V_merchant	disjoint entity-type partitions of V
e_ij, t_ij, x_ij	edge, timestamp, and attribute vector for an interaction
m_v	TGN memory vector maintained for node v
z_v	aggregated embedding for node v at inference time
$\hat{y}_v$, τ_flag	predicted fraud score and decision threshold
s_v	counterfactual explanation subgraph for node v
C_v	contextual metadata used by the policy function
$\pi(\hat{y}_v, s_v, C_v) \rightarrow a$	contextual response policy function

4. THE UNIFIED FRAMEWORK: ARCHITECTURE AND DESIGN

Our proposed framework operates through a coordinated pipeline of four key modules, designed to transition seamlessly from data ingestion to automated threat neutralization.

A. Data Collection and Preprocessing Module

This module, analogous to data collection components in prior art, aggregates data from various sources within the cloud environment. It ingests:

- **Transaction Logs:** Details of all financial interactions.
- **User Activity Logs:** Login attempts, account changes, password resets.
- **Network Traffic:** IP addresses, device fingerprints, connection metadata.
- **Cloud Activity Traces:** API calls and infrastructure changes, as detailed in patent US 20240007492A1.

The module preprocesses this data to construct a dynamic, event-based temporal graph, where nodes represent entities (users, devices, cards, merchants) and edges represent their interactions over time.

B. Temporal Graph Neural Network (TGN) Detection Module

This is the core analytical engine of our framework. Unlike static GNNs or conventional ML, this module is designed to process the event-based temporal graph.

- **Dual-Timescale Aggregation:** We employ a TGN with a dual-timescale mechanism, similar to the approach described in recent research on mobile payment fraud detection. The module aggregates information on two levels: (i) Short-Term (Burst Pathway) — captures recent anomalous activity from immediate neighbors, sensitive to sudden changes; (ii) Long-Term (Memory Pathway) — maintains a historical profile for each node, providing context and stability. This enables the model to distinguish between a legitimate spike in activity (e.g., holiday shopping) and a fraudulent burst.
- **Fraud-Aware Contrastive Pretraining:** To address the severe class imbalance inherent in fraud data (often <2%), we incorporate a pretraining stage that leverages the structural properties of fraud subgraphs to generate "hard negative" examples. This forces the model to learn more robust and discriminative representations, significantly improving its ability to identify rare fraudulent patterns.
- **Scalability:** Modern GNN approaches, including this one, can be designed to handle large-scale graphs through sampling techniques and distributed training, achieving latency under 100 ms at rates of 10,000+ TPS.

C. Explainability Module (Counterfactual Subgraph Explanation)

To build trust and enable human oversight, we integrate an explainability module. When an anomaly is detected, this module identifies the most influential subgraph for that prediction. It does this by searching for a minimal, compact subgraph that is sufficient for the model's decision.

This provides fraud analysts with a clear answer to the question, "Why was this flagged?" For instance, the explanation might reveal that a transaction was flagged because it connected a flagged user to a device that was linked to three other fraudulent accounts in the last hour. This level of interpretability is crucial for regulatory compliance and for refining the detection model itself.

D. Contextual Automated Response Module

This module translates the insights from the TGN and explainability modules into immediate action, closing the loop between detection and mitigation.

- **Contextual Policy Engine:** The response is not monolithic. It is dynamically tailored based on the TGN's output. For example: (a) Scenario A (Device Fraud) — if the TGN identifies that a specific device has been used for fraud across ten different accounts, the engine automatically deploys a security rule to block all transactions originating from that device's IP or fingerprint; (b) Scenario B (Network Fraud) — if the TGN identifies an emerging network of merchants and users involved in a circular lending scheme, the engine might apply a temporary restriction to all involved accounts pending further human investigation.
- **Policy Deployment:** The engine integrates with cloud-native policy control mechanisms, similar to those described in patent

US 20240273211A1. This allows it to enforce security rules at the infrastructure level, such as isolating affected containers, blocking network ports, or applying stricter authentication policies for specific users.

This module also features a "learning loop," where the effectiveness of automated responses is monitored and used to refine the contextual policies, making the system increasingly effective and efficient over time.

E. Algorithmic Formalization

Algorithm 1 summarizes the end-to-end inference pipeline described in Sections IV-A through IV-D, expressed as pseudocode. This is a conceptual formalization of the proposed architecture, intended to make the design concrete rather than to report a specific implementation.

```
Algorithm 1: Unified Detection-Response Pipeline
Input: incoming event e = (u, v, t, x_uv); node
memories {m_w}
Output: action a ∈ {allow, flag, restrict, block}

1:  update memory m_u, m_v using event e (TGN
memory update)
2:  z_u ← AGGREGATE(neighbors of u, short-term +
long-term paths)
3:  z_v ← AGGREGATE(neighbors of v, short-term +
long-term paths)
4:  ŷ ← CLASSIFIER(z_u, z_v, x_uv)              ▷
fraud score
5:  if ŷ ≥ τ_flag then
6:      s ← EXPLAIN(z_u, z_v, e)                ▷
counterfactual subgraph
7:      C ← CONTEXT(u, v)                       ▷
device/account metadata
8:      a ← POLICY(ŷ, s, C)                     ▷
contextual response module
9:      DEPLOY(a)                               ▷
infrastructure-level action
10:     LOG(e, ŷ, s, a)                         ▷
audit trail
11: else
12:     a ← allow
13: return a
```

F. Threat Model and Design Assumptions

We assume an adversary who controls one or more compromised accounts, devices, or payment instruments and who seeks to extract value (funds, goods, or credentials) before detection. The adversary is assumed capable of mimicking benign transaction patterns individually, but is constrained in its ability to fully obscure the relational structure created by reusing infrastructure (devices, IP ranges, card fingerprints) across multiple victim accounts—this is the structural assumption that graph-based detection exploits. We further assume the underlying cloud infrastructure and policy-enforcement layer (the mechanisms described in [8]) are trusted; the framework does not defend against compromise of the enforcement layer itself, which is treated as an orthogonal infrastructure-security concern.

Two design assumptions follow from this threat model. First, detection latency matters: because the response module can only act on what the detector has flagged, an attacker's window of opportunity is bounded by the pipeline's end-to-end latency, motivating the streaming, event-driven design in Section IV-B rather than a periodic batch-scoring approach. Second, false positives carry a direct cost, since the response module can take restrictive action automatically; this motivates the explainability module (Section IV-C) both as a trust mechanism and as a practical safeguard, since flagged cases with weak explanatory subgraphs can be routed to human review rather than triggering an automatic restriction.

G. Computational Complexity Considerations

The per-event cost of the pipeline in Algorithm 1 is dominated by the memory update and aggregation steps (lines 1–3). For a node with degree bounded by k neighbors sampled per aggregation step, a single-layer update costs $O(k \cdot d)$ where d is the embedding dimension; an L-layer TGN (stacking L rounds of neighborhood aggregation to reach L-hop context) therefore costs $O(L \cdot k \cdot d)$ per incoming event, independent of the total graph size $|V|$—this is the standard neighborhood-sampling argument used to make GNN inference tractable on large graphs [10], and it is what makes streaming, event-at-a-time inference feasible rather than requiring recomputation over the full graph. Memory footprint is $O(|V| \cdot d)$ for node memory vectors plus $O(|V| \cdot d)$ for embeddings, which for a platform with tens of millions of active entities and a modest embedding dimension (e.g., $d = 128$) remains within the working-set size of commodity distributed key-value stores. The explainability module (Section IV-C) is more expensive, since subgraph search is combinatorial in the worst case; in practice this is addressed by restricting the search to the k-hop neighborhood already touched during aggregation, bounding the search space to the same $O(k^L)$ neighborhood used for the forward pass.

Table 2. Positioning Relative to Prior Art

Dimension	Patent [8] / [9] / [13]	GNN Fraud Literature [1], [5], [6]	This Framework
Relational modeling	Not explicit (log/metric correlation)	Core mechanism	Adopted from GNN literature
Temporal awareness	Real-time signal ingestion	TGN-based, event-driven [12]	Adopted, dual-timescale (IV-B)
Automated response	Core mechanism	Not addressed	Adopted from patent literature
Explainability	Not addressed	Emerging subfield [4]	Integrated as first-class module (IV-C)
Audit trail for enforcement	Partial (alerting only)	Not addressed	Explicit (Algorithm 1, line 10)

Table 2 summarizes how the framework is positioned relative to the two bodies of prior art discussed in Section II: it does not claim novelty in relational modeling or temporal graph learning, which are adopted directly from the GNN literature, nor in policy-driven enforcement, which is adopted from the patent literature; the contribution is the explicit combination of the two, together with the

explainability and audit-trail components required to make that combination safe to automate (Sections IV-C, IV-F, and VII).

5. EVALUATION AND DISCUSSION

A. Comparative Performance

Academic studies consistently demonstrate the superiority of GNN-based methods over traditional approaches.

Table 1. Comparison of Fraud Detection Approaches

Feature	Rule-Based Systems	Conventional ML (e.g., XGBoost)	GNN-Based Models
Pattern capture	Simple, known patterns	Individual transactional features	Complex, relational, and dynamic patterns
Detection accuracy	Low, high false positives	Moderate	High, 12–25% improvement in AUROC over XGBoost
Adaptability	None	Retraining required	Learns evolving graph dynamics
Scalability (real-time)	High	Moderate	Designed for <100ms at 10K+ TPS
Attack resilience	Easily bypassed	Vulnerable to adversarial attacks	Superior at detecting fraudulent networks and camouflaged fraudsters

A.1 Illustrative Walkthrough (Hypothetical Scenario)

To make the pipeline concrete, consider a hypothetical scenario, presented for illustrative purposes only and not as a reported experimental result. A device fingerprint d is first observed on account A1 and, within a 40-minute window, is used to authenticate on nine other accounts (A2–A10), each of which subsequently issues a transaction to the same merchant account M. Under a conventional per-transaction classifier, each of these ten transactions could plausibly resemble a typical purchase and might not individually exceed a fraud-score threshold. Under the graph-based pipeline in Algorithm 1, however, the shared device node d accumulates ten edges within a short time window, which is captured by the short-term (burst) pathway of the TGN memory update (Section IV-B); the resulting fraud score for the device and its connected accounts rises sharply, the explainability module identifies the ten-account fan-out from a single device as the responsible subgraph, and the contextual policy engine (Section IV-D, Scenario A) can restrict further transactions from that device pending review. This walkthrough is intended only to illustrate how the modules of Section IV interact; validating the scenario quantitatively would require evaluation on a real or realistic labeled dataset, which we identify as necessary future work in Section VI.

B. Advantages of the Unified Framework

Our proposed framework offers several key advantages over existing systems:

1. **Reduced Mean Time to Detect and Respond (MTTD/MTTR):** By integrating real-time TGN detection with an automated response engine, our system drastically reduces the time from threat identification to mitigation. Unlike sequential systems that rely on manual analyst intervention, our approach is immediate and automated.
2. **Proactive and Context-Aware Mitigation:** The response module doesn't just flag an issue; it takes intelligent, context-specific action. This prevents a single point of compromise from escalating into a system-wide breach.
3. **Enhanced Trust and Auditability:** The embedded explainability module ensures the system is not a "black box." This is essential for building trust with stakeholders and for meeting regulatory requirements in the financial sector.
4. **Addressing Class Imbalance:** The contrastive pretraining stage tackles the fundamental challenge of imbalanced datasets, ensuring the model doesn't collapse to predicting only the majority class.

C. Challenges and Future Directions

Despite its promise, this unified approach faces challenges that offer avenues for future research.

1. **Scalability:** While GNNs are designed for scale, handling billion-edge graphs with real-time requirements remains a significant technical hurdle, as noted in multiple surveys. Future work could explore more efficient sampling techniques, as proposed in the reviewed literature.
2. **Adversarial AI:** Fraudsters are increasingly using AI to camouflage their activities, creating "adversarial camouflage" that can fool detection models. Research into more robust, causally-aware models could address this vulnerability.
3. **Data Privacy:** Financial data is highly sensitive. Federated learning on GNNs (Fed-GNN) offers a promising solution to train models across organizations without centralizing data, as mentioned in recent work.
4. **Regulatory Compliance:** As regulations around AI and financial security evolve, systems must be designed to be compliant. This requires not just accuracy but also fairness and a demonstrable lack of bias in algorithmic decision-making.
5. **Explainability Validation:** The counterfactual subgraphs produced in Section IV-C are only useful if they are faithful to the model's actual decision process rather than plausible-looking post-hoc rationalizations; evaluating the faithfulness of graph-based explanations, as opposed to only their human interpretability, remains an open methodological problem that the framework inherits from the broader explainable-AI literature.

6. LIMITATIONS OF THE PROPOSED APPROACH

Beyond the forward-looking challenges enumerated in Section V-C, we highlight three limitations specific to the design as presented here.

First, the framework is a conceptual architecture rather than a benchmarked system: the performance figures cited in Table 1 (e.g.,

12–25% AUROC improvement, sub-100ms latency at 10,000+ TPS) are drawn from the broader GNN fraud-detection literature discussed in Section II and are reported here as motivating context for the design, not as results produced by an implementation of this specific framework. A rigorous empirical evaluation—on a labeled dataset with a realistic fraud rate, a fixed train/test split by time (to avoid temporal leakage), and a comparison against the specific baselines in Table 1—remains necessary future work.

Second, the contextual response module introduces an automation risk that is distinct from a pure detection system: an incorrect or adversarially induced action (for example, an attacker deliberately triggering false restrictions against a competitor's shared infrastructure, a form of denial-of-service via the detector) could cause operational harm. Section IV-F's emphasis on routing low-confidence explanations to human review is a partial mitigation, but a complete treatment of this failure mode—sometimes referred to as detector-induced denial of service—is outside the scope of this paper.

Third, the framework assumes that entity resolution across data sources (matching a device fingerprint, card token, or user identifier across logs) is solved upstream; in practice, entity resolution itself is a nontrivial and error-prone process, and errors there propagate directly into the graph construction step described in Section IV-A.

7. ETHICAL, REGULATORY, AND DEPLOYMENT CONSIDERATIONS

Because the framework couples automated detection to automated enforcement, its deployment raises considerations beyond model accuracy.

- **Due process and recourse:** Any account or device subject to an automated restriction should have a clear, low-friction path to contest the action, informed by the explanation subgraph produced in Section IV-C.
- **Fairness across populations:** Graph-based signals such as shared devices or shared network infrastructure can correlate with legitimate shared-resource contexts (e.g., family members, shared workplaces, or users behind carrier-grade NAT), and disproportionate false-positive rates across demographic or geographic groups should be monitored explicitly rather than assumed away.
- **Data minimization:** The data-collection module (Section IV-A) should ingest the minimum set of attributes necessary for detection, consistent with applicable data-protection regulation, and should support deletion or anonymization requests without destabilizing the temporal graph for unrelated entities.
- **Auditability:** The logging step in Algorithm 1 (line 10) is not incidental—it is what makes the automated-response design regulator-compatible, and should be treated as a first-class requirement rather than an implementation detail.
- **Model governance and versioning:** Because the detector (Section IV-B) and the policy function (Section IV-D) can be updated independently, deployments should version both components jointly, retain the specific model and policy version associated with every logged action, and support rollback, so that a regressive update to either component can be identified and reverted without ambiguity about which version produced a given historical decision.

8. CONCLUSION

This paper has presented a unified framework that addresses the critical gap between advanced fraud detection and automated response in cloud-based financial systems. Our analysis shows that the relational nature of modern fraud renders traditional methods ineffective. While Temporal Graph Neural Networks provide a powerful solution for detection, their full potential is realized only when integrated with a context-aware, automated response system. By combining the strengths of TGNs for dynamic pattern recognition, an explainability module for trust, and an adaptive policy engine for immediate mitigation, our proposed framework offers a comprehensive and scalable solution to the evolving threat of digital fraud. It closes the loop from detection to action, providing a robust, practical, and trustworthy approach to securing the next generation of cloud-based financial platforms.

Realizing this design in practice requires the empirical validation program outlined in Section VI: benchmarking Algorithm 1 against the baselines in Table 1 on a time-split, realistically imbalanced dataset; measuring end-to-end latency under production-scale event rates rather than assuming the figures reported in the literature transfer directly to this architecture; and piloting the contextual response module in a shadow-mode deployment (logging proposed actions without enforcing them) before enabling automatic enforcement, so that the false-positive behavior described in Sections VI and VII can be measured before it can cause operational harm. We view this validation roadmap, rather than the architectural description alone, as the necessary next step toward a deployable system.

REPRODUCIBILITY STATEMENT

This paper presents an architectural proposal rather than a benchmarked implementation (Section VI). To support future reproducibility, we specify the framework at the level of: (i) the formal problem definition and notation (Section III, Table 3); (ii) the end-to-end algorithm, given as language- and framework-agnostic pseudocode (Algorithm 1) rather than library-specific code, so that it can be implemented against any GNN framework supporting event-driven, incremental graph updates; and (iii) the specific baselines and metric (AUROC, latency at fixed throughput) against which a future implementation should be compared (Table 1). We deliberately do not report dataset-specific hyperparameters, since no dataset-specific training was performed for this paper; a future empirical study following the validation roadmap in Section VIII should report these separately, together with the dataset's time range, class balance, and train/validation/test split methodology.

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