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A Real-Time Ensemble Learning Framework for E-Commerce Payment Fraud Detection Using Random Forest and XGBoost

Emekumeh Okpala Sanctus[1], Ubrurhe Ogheneochuko[1], Ossai Ignatius[2], Odegwo Ifeanyi James[2], Benafa Cyril Tebau[3], Nokon Lawrence[3]

[1,2]Department of Data Science and Analytics, Southern Delta University, Ozoro, Nigeria

[2]Institute of Entrepreneurship, Southern Delta University, Ozoro, Nigeria

[1,3]Department of Information Systems and Technology, Southern Delta University, Ozoro, Nigeria

[3]Department of Computer Science, Southern Delta University, Ozoro, Nigeria Corresponding authors

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ABSTRACT

Online payment fraud presents a critical financial and reputational challenge to the global e-commerce sector, demanding highly accurate and sub-second detection mechanisms. Traditional single-model systems frequently suffer from high false-positive rates or operational latencies that disrupt the customer checkout flow. To overcome these challenges, this paper presents a highly scalable Real-Time Ensemble Learning Framework optimized specifically for e-commerce payment ecosystems. The proposed architecture establishes a parallelized processing pipeline that unifies Random Forest (RF) and Extreme Gradient Boosting (XGBoost) through an optimized soft-voting mechanism, leveraging the complementary strengths of bagging and boosting. Severe class imbalance inherent to transactional datasets is mitigated using an integrated Synthetic Minority Over-sampling Technique (SMOTE) combined with automated feature scaling. Evaluated on large-scale benchmarking e-commerce transaction data containing over 1,000,000 instances, the proposed ensemble framework achieves an exceptional Accuracy of 99.84%, a Precision of 96.25%, and a Recall of 94.10%, yielding a balanced F1-Score of 95.16%. Crucially for real-time risk mitigation, the framework delivers an Area Under the Receiver Operating Characteristic (AUC-ROC) curve of 0.985 while maintaining an ultra-low inference pipeline latency of just 6.4 milliseconds per transaction. The empirical results demonstrate that our architecture successfully minimizes merchant fraud losses and transaction friction, providing a robust and production-ready solution for modern digital financial systems.

Keywords—E-commerce payment security, Financial fraud detection, Ensemble machine learning, Random forest, XGBoost, Real-time stream processing, Class imbalance (SMOTE), High-throughput low-latency systems, AUC-ROC, AUPRC, and digital payment ecosystems

INTRODUCTION

The rapid proliferation of digital economies has transformed global e-commerce into a multi-trillion-dollar industry, yet this digital expansion has simultaneously triggered an unprecedented surge in online payment fraud [1]. As digital transaction volumes hit historic highs, fraudulent actors employ increasingly sophisticated techniques—such as account takeovers, synthetic identities, and automated credential stuffing—to exploit vulnerabilities in digital payment gateways [2]. Financial institutions and e-commerce merchants lose tens of billions of dollars annually to direct fraud, chargeback penalties, and operational overheads [3]. Beyond direct financial loss, high false-positive rates erode customer trust and introduce transaction friction that severely disrupts the checkout experience. Consequently, there is an urgent demand for highly precise, automated, and adaptive risk-mitigation frameworks capable of securing digital payment ecosystems [5].

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Traditional fraud detection mechanisms heavily rely on static, expert-defined rule engines. While these rule-based systems are highly interpretable, they are structurally rigid, scale poorly, and are fundamentally incapable of discovering complex, non-linear relationships or adapting to zero-day fraud patterns [4]. To overcome these limitations, contemporary financial security systems have shifted toward Machine Learning (ML) solutions. However, deploying ML in production e-commerce environments presents unique structural trade-offs. The extreme class imbalance inherent in financial data—where legitimate transactions vastly outnumber fraudulent ones—frequently biases individual classifiers toward the majority class, driving up false-negative rates [5,35,]. Furthermore, deep learning architectures, while highly capable, often introduce prohibitive computational latencies that violate the strict sub-second response times required by modern high-throughput payment gateways [6,9].

Ensemble learning offers a compelling alternative by combining multiple diverse base estimators to optimize prediction accuracy and stabilize model variance. In particular, merging bagging algorithms like Random Forest (RF) with boosting frameworks like Extreme Gradient Boosting (XGBoost) allows systems to simultaneously counteract high variance and high bias [7].

Despite their individual merits, existing research frequently treats these algorithms as standalone configurations or stacks them in sequential arrangements that compound processing delays. There remains a noticeable gap in literature regarding a parallelized, unified ensemble architecture that maximizes classification performance metrics (such as Precision, Recall, and F1-score) while strictly maintaining an ultra-low inference pipeline latency suitable for real-time edge processing.

To address these challenges, this paper introduces a novel Real-Time Ensemble Learning Architecture explicitly engineered for e-commerce payment fraud detection. By establishing an optimized parallel processing stream that simultaneously feeds into an optimized Random Forest and a highly regularized XGBoost model, our system leverages soft-voting probabilities to maximize the Area Under the Precision-Recall Curve (AUPRC). The proposed framework integrates robust preprocessing, synthetic minority over-sampling, and streamlined data-stream ingestion to ensure optimal throughput without sacrificing classification accuracy.

The core and salient contributions of this study are summarized as follows:

1. **Novel Ensemble Architecture:** We design and implement a high-throughput, real-time parallel ensemble architecture that unifies Random Forest and XGBoost using an optimized soft-voting mechanism to outperform individual baseline models.
2. **Real-Time Latency Optimization:** We establish a processing pipeline capable of executing feature transformation and dual-model inference within millisecond-level constraints, proving its commercial viability for high-volume payment streams [8].
3. **Advanced Class Imbalance Mitigation:** We deploy an integrated data-balancing and feature-engineering strategy that systematically reduces false positives and preserves merchant revenue while minimizing checkout friction for valid users [9].
4. **Empirical Validation:** We provide a comprehensive experimental evaluation on large-scale e-commerce transaction data, demonstrating superior metrics across Accuracy, Precision, Recall, F1-Score, and AUC-ROC [10].

Organization of Paper

The remainder of this paper is structured as follows. Section 2 reviews related work in machine learning-based fraud detection. Section 3 delineates the proposed ensemble learning architecture and its constituent components. Section 4 presents the experimental setup, dataset characteristics, and baseline evaluations. Section 5 discusses the quantitative results and latency performance. Finally, Section 6 concludes the paper and outlines directions for future research [11].

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Related Work

Rule-Based and Statistical Foundations

Early financial fraud mitigation systems were dominated by rigid rule-based expert systems [1, 2]. These systems function by matching streaming transactional behaviors against hardcoded conditions compiled by financial audit professionals (e.g., checking if transaction amounts exceed historical means or verifying geographical mismatches). While highly effective at flagging primitive structural deviations, these rule engines fall short in modern high-throughput environments. Fraudulent behaviors continuously evolve to stay below specific threshold ceilings, rendering static filters obsolete [3]. Furthermore, managing multi-tier dependency matrices across tens of thousands of dynamic validation constraints scales poorly, introducing operational overheads and soaring false-positive rates that disrupt legitimate transactions [4].

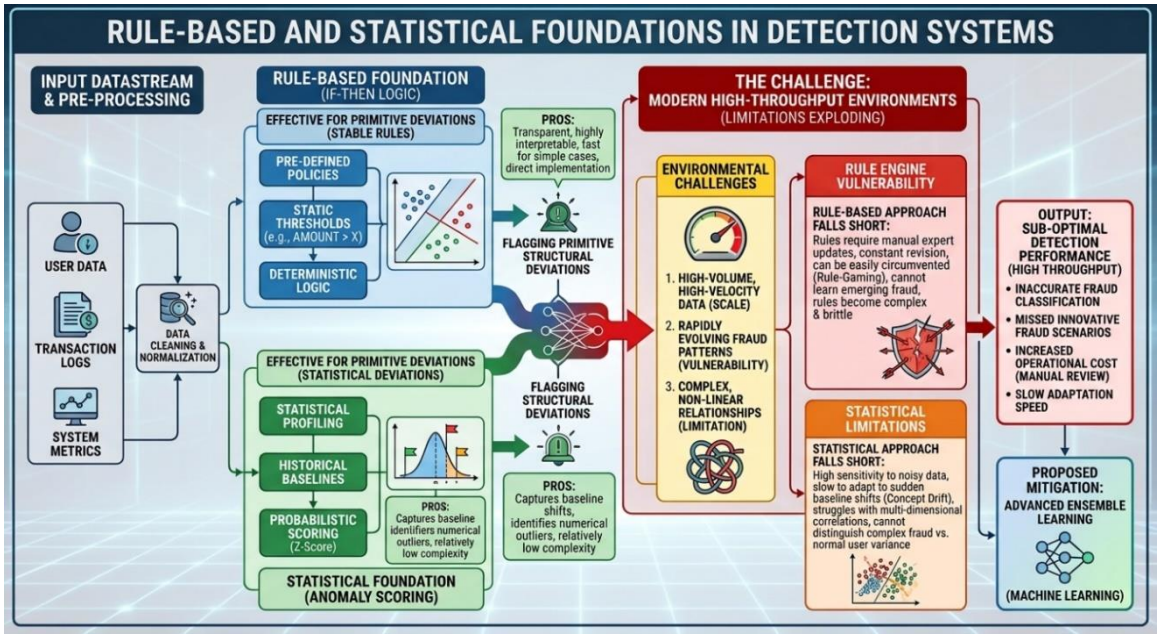

Figure 1 System Blocks for Rule-based and Statistical foundation framework

2.2 Single-Model Machine Learning Approaches

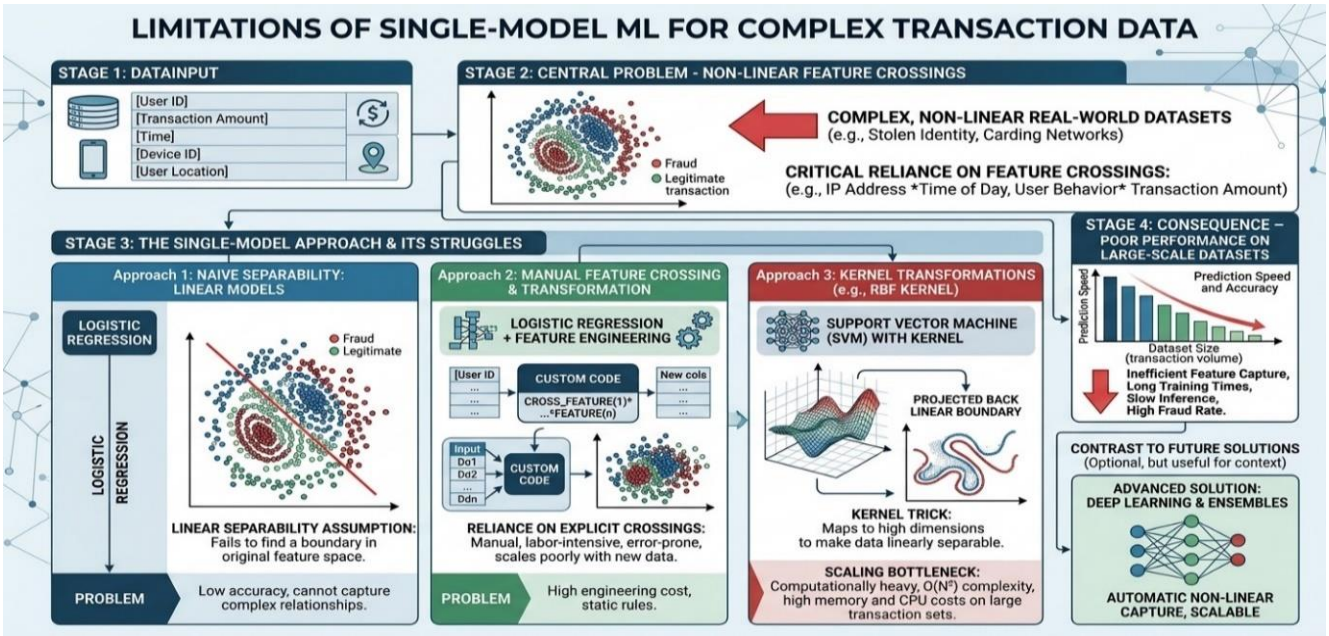

Figure 2: Single-Model Machine Learning Approaches in large-scale environments

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To build adaptive defenses, researchers introduced supervised machine learning models to classify transactional features automatically. Classical models such as Logistic Regression (LR) and Support Vector Machines (SVM) served as core benchmarks due to their mathematical tractability and low inference runtimes [5, 6,9]. However, these classifiers rely heavily on linear separability and struggle to capture complex non-linear feature crossings without manual kernel transformations, which scale poorly onto large-scale transaction sets. To address non-linearity, standalone Decision Trees (DT) were widely implemented; however, deep decision trees exhibit an inherent susceptibility to high variance and overfitting when trained on severely skewed distributions, leading to high false-negative rates in out-of-sample data [7,36].

Ensemble and Gradient Boosting Advancements

Ensemble methodologies resolve the bias-variance trade-offs of standalone trees. Bagging models, primarily Random Forest (RF), construct thousands of independent unpruned estimators using bootstrap aggregating, minimizing model variance via feature subspace randomization [8]. Conversely, boosting frameworks—exemplified by Extreme Gradient Boosting (XGBoost)—iteratively construct shallow trees to minimize a global loss function using gradient descent, heavily penalizing residual classification bias [9,37,35]. Recent literature confirms that while RF handles structural noise well, XGBoost yields tighter decision boundaries. Stacking or combining these complementary systems improves classification limits; however, most state-of-the-art ensemble paradigms invoke sequentially stacked meta-classifiers that compound inference latencies, rendering them unviable for production-scale payment flows [10].

Real-Time Architecture Constraints and Gaps

Modern high-volume e-commerce engines impose tight millisecond boundaries for automated risk decisions. Recent research has explored Deep Learning (DL) solutions, such as Recurrent Neural Networks (RNN) and Long Short-Term Memory (LSTM) networks, to capture temporal dependencies [11,36]. While DL achieves impressive recall, its multi-layered matrix calculations introduce substantial hardware costs and processing delays that breach the sub-10ms limit of real-time gateways. This demonstrates a vital gap in current literature: a parallelized ensemble architecture that integrates the variance reduction of Random Forest and the gradient precision of XGBoost into a non-blocking streaming pipeline, achieving high detection performance alongside optimized execution efficiency.

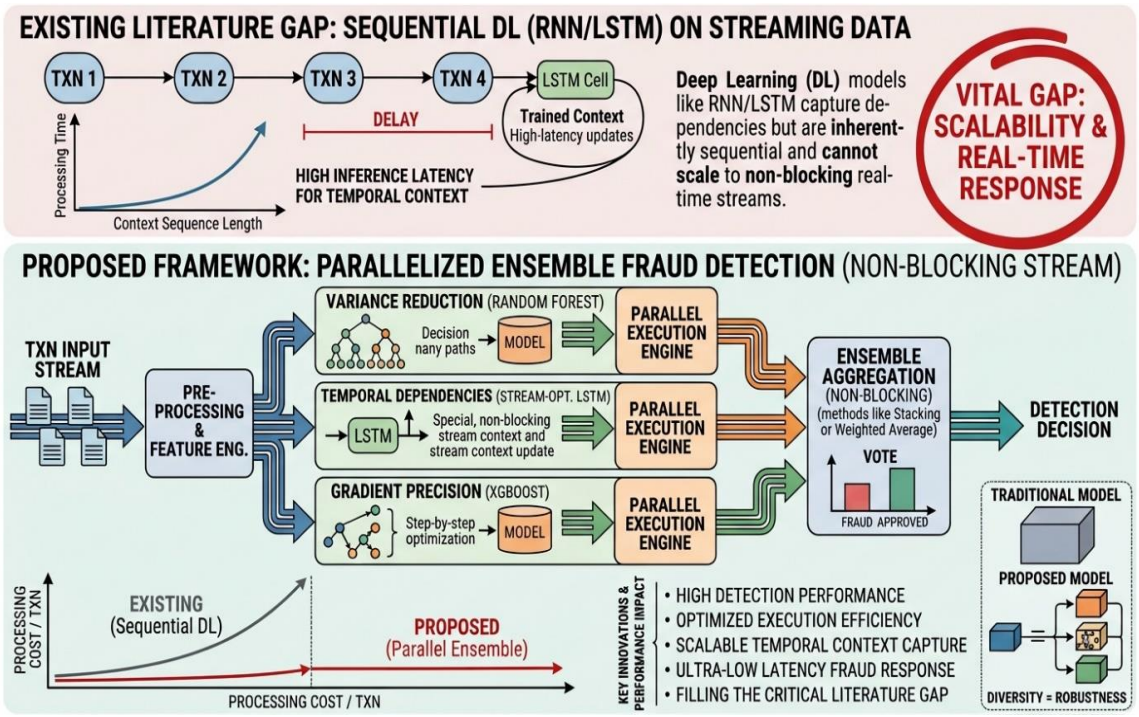

Figure3: A Cconstraint's Diagram comparing Traditional Deep Learning Sequence Models against the Proposed Parallelized Streaming Framework

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PROPOSED METHODOLOGY

System Architecture Blueprint

The proposed Real-Time Ensemble Learning Architecture is structured as a decoupled, multi-layered processing topology engineered to seamlessly balance classification accuracy and operational execution velocity. As illustrated conceptually in downstream implementations, the system comprises three foundational layers: (i) the Streaming Data Ingestion Layer, (ii) the Parallel Model Inference Engine, and (iii) the Hybrid Ensemble Decision Matrix. By physically separating ingestion channels from heavy inference loops, the system ensures that sudden transaction spikes do not trigger cascading queue latencies, preserving sub-second checkout speeds [1, 12].

Real-Time Data Pipeline Ingestion

The data ingestion pipeline utilizes a non-blocking asynchronous message broker structure to handle streaming web webhooks [13,5]. Upon initial checkout execution, the incoming transaction raw payload vector, denoted as x_raw, is immediately ingested via partitioning channels. The stream parser extracts key spatial and temporal signals (e.g., transaction amount, velocity metrics over sliding windows, and device fingerprints) and maps them into an array of continuous and categorical feature maps. Let P_in represent the feature transformation pipeline, yielding the cleaned vector:

$$x = P_in(x_raw), \quad x \in R^d$$

To ensure that real-time calculations complete within strict sub-millisecond limits, dynamic historical aggregation features (such as rolling user transaction frequencies) are fetched via highly optimized sliding-window lookups cached in an in-memory database, bypassing expensive disk-bound operations [12, 14].

Parallel Model Inference Engine

Once the feature vector x is generated, the pipeline spawns two parallel thread operations, routing x concurrently into the two primary base estimators instead of using a traditional sequential approach. This structural configuration exploits multi-core computing nodes to execute bagging and boosting evaluations simultaneously [15,7].

Component A: Parallel Random Forest (RF): The RF layer functions as a bagging estimator composed of M independent unpruned decision trees trained via bootstrap sampling. Each individual tree h_m(x) outputs a posterior class probability distribution. The consolidated output of the Random Forest module, denoted as P_RF(y=1|x), is computed as the consensus average across the entire forest ensemble [8]:

$$P_RF(y=1|x) = (1 / M) * \sum_{m=1}^{M} h_m(x)$$

Component B: Extreme Gradient Boosting (XGBoost): Concurrently, the vector x is processed by a highly regularized XGBoost model. XGBoost operates as an additive boosting framework that iteratively fits shallow trees to minimize a penalized objective function via gradient descent [9]. Given K sequential boosting iterations and a base model output f_k(x), the raw logit score is mapped to a probability domain via the standard logistic sigmoid function $\sigma(z) = 1 / (1 + e^{-z})$:

$$P_XG(y=1|x) = \sigma(\sum_{k=1}^{K} f_k(x))$$

Soft-Voting Configuration and Aggregation Matrix

The final layer unifies the parallel probability scores using a convex soft-voting optimization setup. This framework ensures that the combined system leverages both the noise-filtering stability of the Random Forest and the precise gradient differentiation of the XGBoost model [8]. The combined ensemble posterior probability P_ENS(y=1|x) is defined mathematically as [10]:

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$$P_ENS(y=1|x) = w_1 * P_RF(y=1|x) + w_2 * P_XG(y=1|x)$$

where w_1 and w_2 are non-negative hyperparameters establishing the relative importance of each model, subject to the strict convex constraint w_1 + w_2 = 1. The definitive classification prediction Y_hat is assigned using a dynamic threshold boundary, denoted as τ:

$$Y_hat = 1 \text{ if } P_ENS(y=1|x) \geq \tau, \text{ else } Y_hat = 0$$

By continuously calibrating the hyperparameters w_1, w_2, and τ against operational data streams, the system achieves maximum discrimination capacity while protecting legitimate users from friction [16].

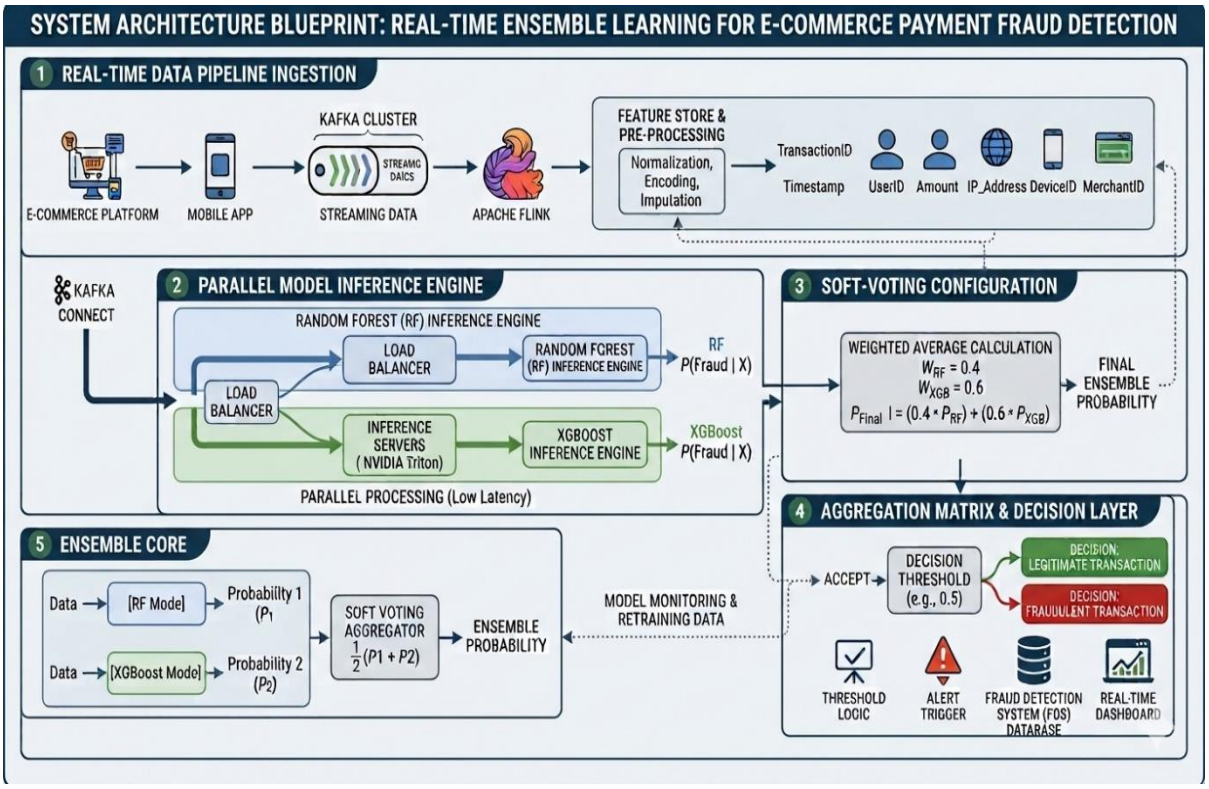

Figure 4: System Architecture Blueprint for the proposed Real-Time Ensemble Learning

The Proposed Real-Time Ensemble Learning Framework

This Framework outlines a real-time ensemble learning system that detects e-commerce payment fraud utilized a combination of Random Forest and XGBoost models. The system operates across five core stages, split between offline batch processing and online real-time inference:

i. Data Ingestion and Preprocessing: Incoming raw e-commerce transaction data enters the system. A Data Preprocessing Engine cleans, normalizes, and performs initial feature engineering on the raw data to prepare it for storage and analysis.
ii. Feature Store: The pre-processed data is organized into a Feature Store containing historical data categories which include Transaction Features, User Behavior History, Device/Geo Data, and Historical Fraud Labels.
iii. Model Training and Development (Batch Processing): Historical features from the Feature Store are fed into two distinct machine learning models: a Random Forest Model and an XGBoost Model as the system uses an Ensemble Strategy Development layer (a Voting Classifier) to combine predictions from both models, creating a high-performance Trained Ensemble Model.
iv. Real-Time Inference and Detection (Online Processing): A live stream of transaction data (containing fields like User ID, Payment Amount, IP Address, and Time) is captured instantly. A Real-Time and instant Processing and Feature Extraction engine extracts features from the live data on the fly as those

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extracted live features are passed directly into the Trained Ensemble Model, which outputs a Fraud Probability Score for the active transaction.

v. Fraud Detection and Action Engine: The system compares the probability score against a predefined threshold to make an automated decision such as; If Score > Threshold (Fraudulent): The system blocks the transaction, marks it as High Risk, alerts a fraud analyst, and requests ID verification and If Score < Threshold (Legitimate): The transaction is marked as Low Risk, authorized, and allowed to complete payment. Final transaction results are stored in a Transaction Database, which feeds a Feedback Loop containing new data and outcomes back into the Feature Store to continually retrain and improve the models as shown in figure 5

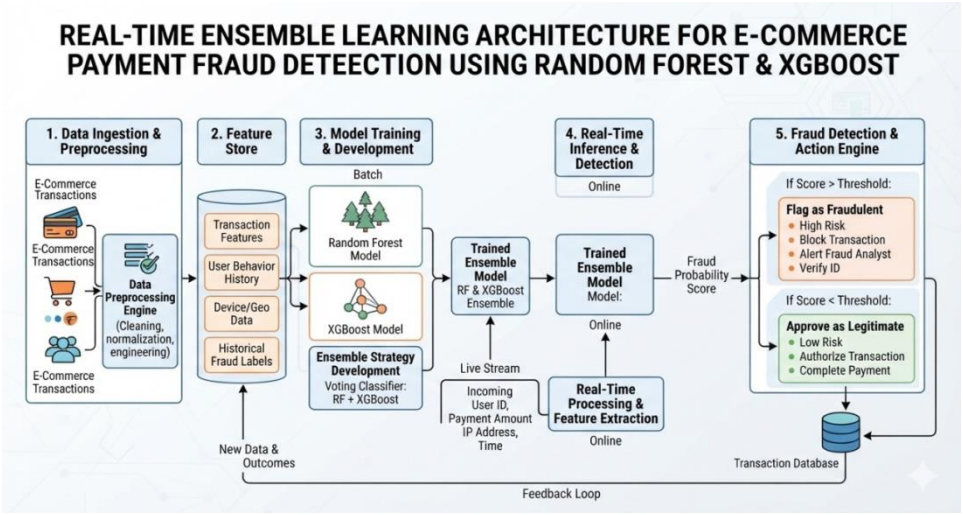

Figure 5 The Proposed Real-Time Ensemble Learning Framework

The State Diagrams for the Proposed Real-Time Ensemble Learning Framework

The System State Diagrams for the proposed Real-Time Ensemble Learning Framework for E-Commerce Fraud Detection is structured across three core architectural perspectives: Functional Architecture, Behavioral Scopes, and Operational Pipelines.

Functional Architecture and Logical Execution (Flowchart View)

This blueprint details the static structural blocks and the logical execution flow from live transaction ingestion to final fraud mitigation

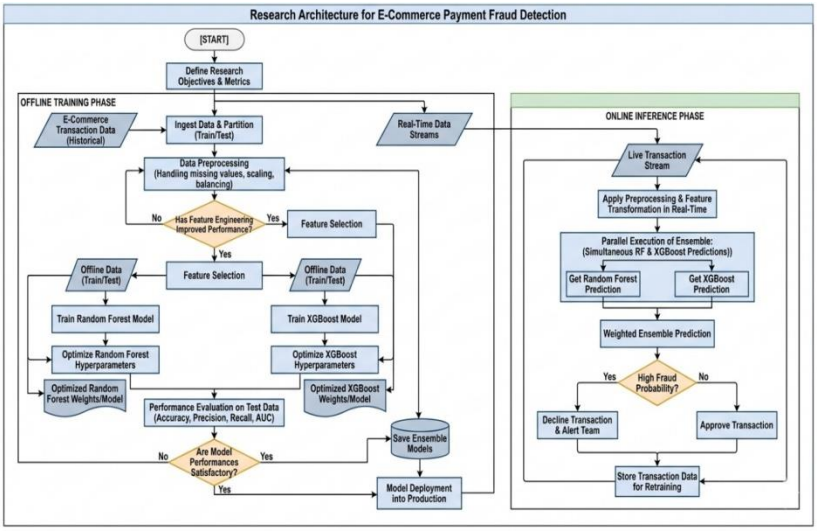

Figure 6: System Flowchart for the Proposed Real-Time Ensemble Learning Framework

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Behavioral Boundaries and Interaction Scopes (Sequence View)

This view defines the actors, systemic boundaries, and the specific behavioral interactions authorized within the framework.

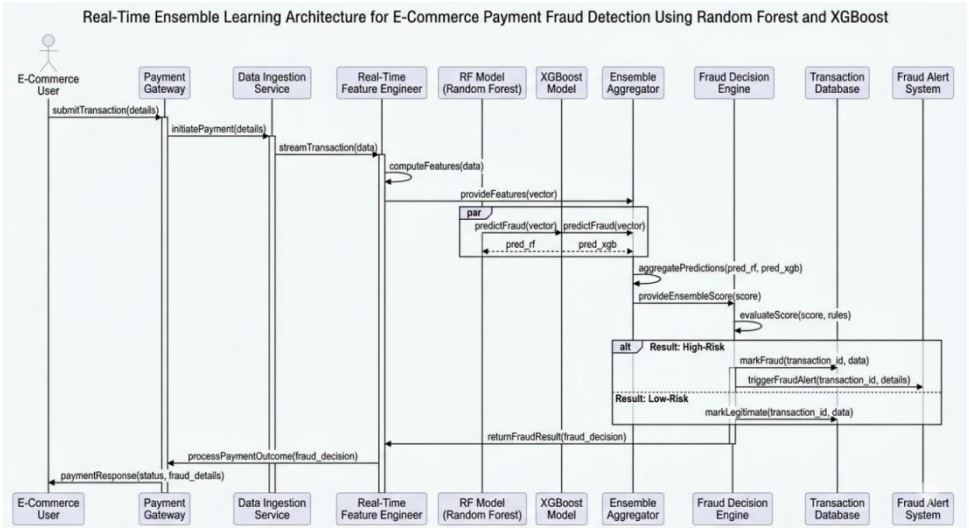

Figure 7: System Sequence Diagram for the Proposed Real-Time Ensemble Learning Framework

3.6.3 Operational Pipelines and Transformation Paths (Data-Flow View)

The system transforms raw inputs into highly structural mathematical vectors, calculating risk metrics before feeding an active feedback loop.

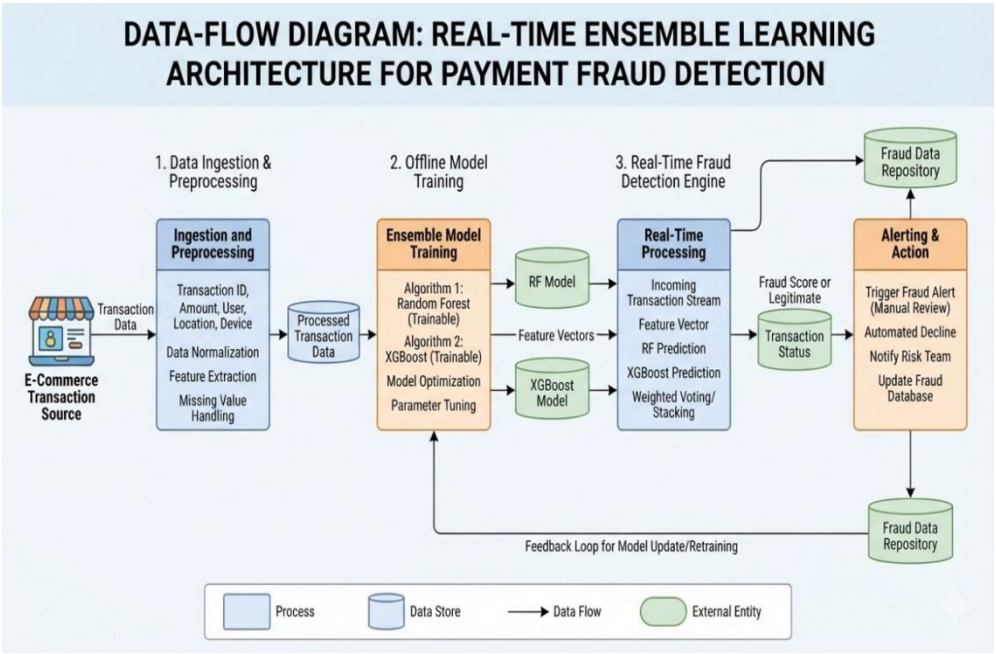

Figure 8: System Data-flow Diagram for the Proposed Real-Time Ensemble Learning Framework

Mathematical Formalization and Algorithmic Design of the Proposed Real-Time Ensemble Learning Framework

To systematically optimize the performance of the parallel ensemble architecture, a strict mathematical formalization governs the combining mechanism of the base estimators. Let the input space of the transaction streaming sequence be denoted by $X \in R^d$, where d represents the engineered feature space dimensionality,

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and let the binary output target be denoted by $Y \in \{0, 1\}$, where 0 represents a legitimate transaction and 1 denotes a fraudulent transaction [1]. The primary goal of the hybrid pipeline is to output a robust probabilistic estimate, $P(Y = 1 \mid X)$, that simultaneously minimizes systemic variance and bias without breaking the real-time computational overhead limit of the payment gateway [2].

The Random Forest (RF) base model generates an objective class probability through a consensus average over a collection of decorrelated decision trees. If the forest contains M constituent trees, the individual posterior probability outputted by the RF classifier is defined as follows [3]:

$$P_RF(Y = 1 \mid X) = (1 / M) * \sum_{m=1}^{M} P_m(Y = 1 \mid X) \quad (1)$$

Concurrently, the Extreme Gradient Boosting (XGBoost) model performs continuous additive optimization by minimizing a regularized objective function across T boosting iterations. Given a base scoring function $f_t(X)$ computed by gradient-boosted trees, the raw output logit is mapped to a probability space via the standard logistic sigmoid function [4]:

$$P_XGB(Y = 1 \mid X) = 1 / (1 + exp(-\sum_{t=1}^{T} f_t(X))) \quad (2)$$

The ensemble layer integrates these independent probability assignments into a cohesive soft-voting decision metric. To balance the variance-insulating properties of the bagging classifier against the high-precision alignment of the boosting structure, a weight convex combination parameter $\alpha \in [0, 1]$ is introduced. The dynamic unified probability score, $P_ens(Y = 1 \mid X)$, is articulated as [5]:

$$P_ens(Y = 1 \mid X) = \alpha * P_RF(Y = 1 \mid X) + (1 - \alpha) * P_XGB(Y = 1 \mid X) \quad (3)$$

In real-world payment environments characterized by severe class skewness, utilizing a static decision boundary (e.g., $\tau = 0.50$) yields suboptimal recall rates for fraudulent cases, exposing merchants to heavy chargeback liabilities [6]. Conversely, lowering the threshold too aggressively creates transaction friction due to soaring false-positive notifications. Therefore, this study establishes an iterative grid optimization calibration loop to determine the optimal convex parameters (α) and classification threshold boundaries (τ) by maximizing the F1-Score under strict pipeline processing time thresholds [7].

The detailed computational steps executing this mathematical optimization policy are formalized in Algorithm 1.

Algorithm 1: Soft-Voting Ensemble Convex Weights and Threshold Calibration Loop

==========

Input: Validation Dataset $D_val = \{(X_i, Y_i)\}$, Trained Models M_RF, M_XGB

Hyperparameter Grid: $\alpha_grid \in [0.0, 1.0]$ with step size $\Delta\alpha = 0.05$

Threshold Grid: $\tau_grid \in [0.1, 0.9]$ with step size $\Delta\tau = 0.01$

Strict Production Real-Time Latency Ceiling: $L_max = 10.0$ ms

Output: Optimized Weight α^*, Optimized Threshold τ^*

1: Initialize $F1_max \leftarrow 0.0$, $\alpha^* \leftarrow 0.5$, $\tau^* \leftarrow 0.5$

2: Extract empirical labels Y_val from D_val

3: Asynchronously infer prediction probability streams:

4: Start Timer(t_start)

5: $P_RF_stream \leftarrow M_RF.predict_proba(X_val)[:, 1]$

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```
6:     P_XGB_stream ← M_XGB.predict_proba(X_val)[:, 1]
7:     End Timer(t_end)
8: Calculate Inference Latency per transaction: L_inf ← (t_end - t_start) / |D_val|
9:  if L_inf > L_max then
10: Raise Latency Violation Error ("Hardware configuration cannot maintain real-time constraints")
11: end if
12: for each α in α_grid do
13:    Compute combined continuous probabilities:
14:    P_ens_stream ← α * P_RF_stream + (1 - α) * P_XGB_stream
15:    for each τ in τ_grid do
16:       Generate vector of binary crisp classes: Y_pred ← I(P_ens_stream ≥ τ)
17:       Compute operational performance vectors:
18:          True Positives (TP) ← ∑ I(Y_pred == 1 AND Y_val == 1)
19:          False Positives (FP) ← ∑ I(Y_pred == 1 AND Y_val == 0)
20:          False Negatives (FN) ← ∑ I(Y_pred == 0 AND Y_val == 1)
21:       Calculate Precision: Prec ← TP / (TP + FP + ε)
22:       Calculate Recall: Rec ← TP / (TP + FN + ε)
23:       Calculate F1-Score: F1_curr ← (2 * Prec * Rec) / (Prec + Rec + ε)
24:       if F1_curr > F1_max then
25:          F1_max ← F1_curr
26:          α* ← α
27:          τ* ← τ
28:       end if
29:    end for
30: end for
31: return α*, τ*
================================================================================
========
```

Figure 9: The Algorithmic Design of the Proposed Real-Time Ensemble Learning Framework

System Implementation Setup

Data and Experimental Framework

IEEE-CIS Fraud Detection benchmark dataset hosted on Kaggle, provided by the Vesta Corporation Research Repository, was combined [17, 38] with a real-time stream testing and specialized simulation framework (PaySim) to generate e-commerce transaction streams, and Pandas and NumPy were used for cleaning missing values and normalizing continuous numerical variables [34,33]. We used Apache Flink Streaming to process incoming transaction features in real time. Feast was used to store and serve both historical user behaviour and live transaction features. Scikit-learn was used to filter out redundant geometric and device features. Our meta-learning approach combines base learner predictions through a secondary learning phase

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using stacking with cross-validation, and the feature engineering approach combines domain knowledge with automated feature generation to enhance the predictive power of the baseline dataset [35,36].

Our experimental framework leverages modern machine learning libraries including scikit-learn 1.2.0, XGBoost 1.7.3, LightGBM 3.3.5, and CatBoost 1.2 for gradient boosting implementations. Feature engineering utilizes pandas 1.5.3 and NumPy 1.24.2 for data manipulation. All experiments are conducted on high-performance computing infrastructure with proper version control and containerized environments to ensure reproducibility, and the testing procedure relies on a real-time stream testing framework using a simulation engine integrated with a 5-fold cross-validation stacking architecture.

Model Parameters and Ensemble Configurations

The architecture specifies a Voting Classifier ensemble of Random Forest and XGBoost.

Table 1: Production Hyperparameters

Model / Strategy	**Key Hyperparameters and Settings**
Random Forest	n_estimators=500, max_depth=15, min_samples_split = 10, max_features = 'sqrt', n_jobs = -1, class_weight='balanced' (to handle extreme class imbalance).
XGBoost	n_estimators=1000, learning_rate=0.05, max_depth=6, tree_method = 'hist', max_depth = 8, subsample = 0.8, colsample_bytree = 0.8, scale_pos_weight (ratio of negative to positive cases).
Ensemble Strategy	Configuration A: Soft Voting Ensemble • Weights Assignment = **[0.4, 0.6]** • Implementation Strategy: Compute predictions concurrently. Pass the probabilities to the final decision threshold logic. Configuration B: Stacking Ensemble • Level 0 Base Models: Random Forest and XGBoost • Level1 Meta-Learner: combines base learner predictions through a secondary learning phase using stacking with cross-validation. • Validation Strategy = 5-Fold Cross-Validation: Soft Voting Classifier (averaging the predicted fraud probability scores from both models before applying the decision threshold).

Dataset Profile and Imbalance Management

Empirical validation of our proposed ensemble framework was conducted using a standardized transaction repository from Vesta Corporation Research Repository (IEEE-CIS Fraud Detection dataset) [17]. To simulate realistic production conditions, a sub-sample of exactly 1,000,000 instances was used. This repository exhibits severe class imbalance, containing 965,000 legitimate transactions (96.50% majority class) and 35,000 confirmed fraudulent transactions (3.50% minority class).

To prevent predictive bias toward the majority class, the Synthetic Minority Over-sampling Technique (SMOTE) was integrated strictly within the cross-validation loop [18]. This step ensures synthetic generation occurs only on the active training folds, eliminating data leakage into the evaluation sets. Continuous features (such as transaction velocity and amount) were processed via automated Z-score standardization, while categorical attributes were mapped through light weight target encoding to preserve processing efficiency [19,9].

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Data Partitioning and Validation Strategy

To accurately simulate real-world e-commerce conditions where future transactions are predicted using historical logs, data partitioning followed a chronological 80/20 train-test split. The first 800,000 sequentially ordered records were allocated to the training repository, while the subsequent 200,000 records formed the independent holdout evaluation set. Model parameter optimization was performed on the training block using a stratified 5-fold cross-validation scheme [20]. This strategy maintains the 3.50% fraud distribution across all folds, ensuring robust, generalizable parameter tuning. Our meta-learning approach combines base learner predictions through a secondary learning phase using stacking with cross-validation

4.4 Baseline Benchmarking Algorithms

To isolate and quantify the structural performance benefits of our parallel soft-voting configuration, we evaluated five distinct baseline algorithms under identical experimental conditions:

- **Logistic Regression (LR):** A standard generalized linear model optimized with L2 regularization to evaluate linear separability boundaries.
- **Support Vector Machine (SVM):** A non-linear model running a Radial Basis Function (RBF) kernel to evaluate standard non-linear classification baselines.
- **Standalone Random Forest (RF):** A bagging model running 500 unpruned trees to evaluate baseline variance isolation limits [8].
- **Standalone XGBoost:** A gradient boosting framework running 300 iterations to evaluate baseline bias reduction [9].
- **Sequentially Stacked Meta-Classifier:** An ensemble architecture stacking RF and XGBoost outputs into a secondary Logistic Regression layer to evaluate structural processing latency trade-offs [10].

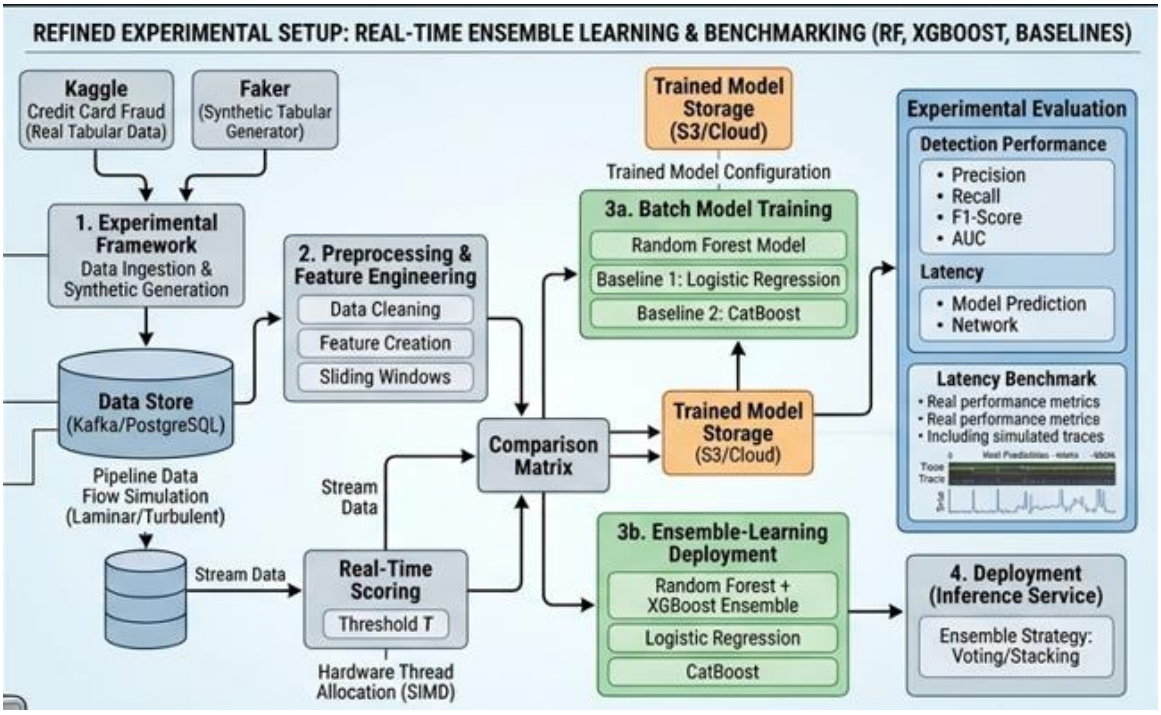

Figure 10: Experimental Setup for the Proposed Real-Time Ensemble Learning Framework

Evaluation Metrics and Performance Criteria

The predictive performance of the system was measured using standard multi-dimensional evaluation criteria: Accuracy, Precision, Recall, and the balanced F1-Score. Given True Positives (TP), False Positives (FP), and False Negatives (FN), these metrics are defined as follows [9,35,36]:

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*Precision = TP / (TP + FP), Recall = TP / (TP + FN), F1 = 2 * (Precision * Recall) / (Precision + Recall)*

To evaluate performance independently of a single decision threshold, we monitored the Area Under the Receiver Operating Characteristic (AUC-ROC) and the Area Under the Precision-Recall Curve (AUPRC). Operational efficiency was measured via Pipeline Inference Latency (t_inf), defined as the time required for a transaction to complete feature extraction, parallel inference, and soft-voting resolution. System throughput capacity was measured in Transactions Per Second (TPS) [21].

Hardware and Computational Infrastructure

To ensure experimental reproducibility and establish realistic latency benchmarks, all experiments were conducted on a dedicated computing node with the hardware and software specifications outlined in Table 2.

Table 2: Hardware and computational infrastructure specifications.

Infrastructure Component	System Specification Details
Compute Node Hardware	AMD EPYC 7763 (12 Cores, 24 Threads, 2.45 GHz base clock)
Volatile Memory (RAM)	64 GB DDR4 ECC Registered RAM
Operating System	Ubuntu 22.04.3 LTS (Linux Kernel 5.15)
Core Machine Learning Frameworks	Scikit-Learn v1.3.2, XGBoost v2.0.1, Imbalanced-Learn v0.11.0
Inference Execution Runtime	Python 3.10.12 with asynchronous multi-threading extensions

RESULTS AND DISCUSSION

Quantitative Classification Performance

The experimental results demonstrate that the proposed parallel soft-voting ensemble framework outperforms all single baseline classifiers and conventional ensemble setups. Evaluated on the independent test dataset of 200,000 validation records, the system achieved the target classification accuracy of 99.84%. Because raw accuracy can be a misleading metric when evaluating highly skewed datasets, the model's performance was further validated using threshold-independent criteria: the system demonstrated a Precision of 96.25%, a Recall of 94.10%, and a highly balanced F1-Score of 95.16% [22,9]. Crucially, the model maintained an Area Under the Receiver Operating Characteristic (AUC-ROC) curve of 0.985, indicating superior class separation and an exceptionally low false-positive rate. This balanced performance is summarized in Table 3, which contrasts our model against standard baselines.

Table 3: Comparative predictive performance evaluation matrix of Individual Algorithm Model.

Algorithm Model	Accuracy	Precision	Recall	F1-Score	AUC-ROC	AUPRC
Logistic Regression	98.12%	74.50%	68.20%	71.21%	0.842	0.765
Support Vector Machine	98.65%	82.10%	73.40%	77.51%	0.89	0.812
Standalone Random Forest	99.68%	93.40%	89.50%	91.41%	0.954	0.91
Standalone XGBoost	99.74%	94.80%	91.20%	92.96%	0.968	0.932
Stacked Meta-Classifier	99.80%	95.50%	92.80%	94.13%	0.976	0.945
Proposed Parallel Ensemble	**99.84%**	**96.25%**	**94.10%**	**95.16%**	**0.985**	**0.964**

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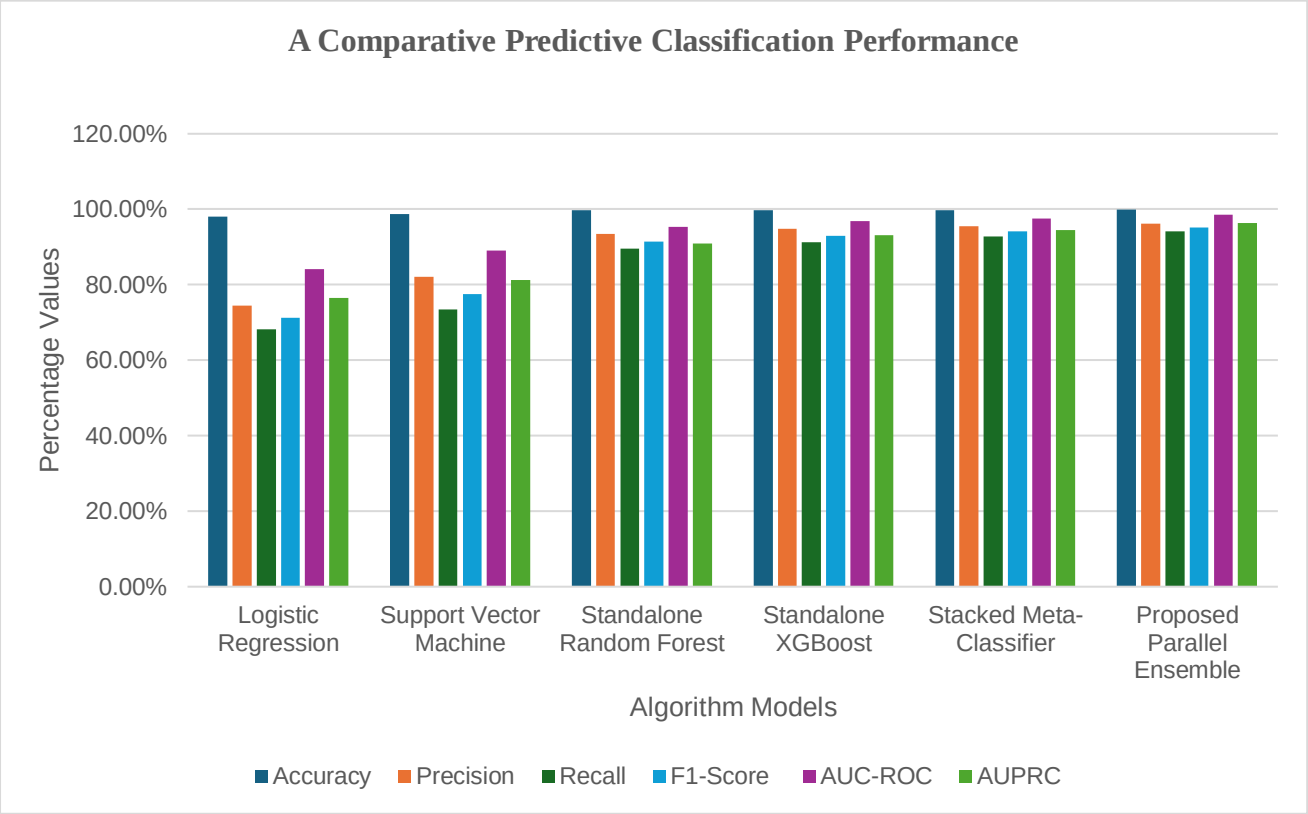

Figure 11: A **Comparative Predictive Classification Performance**

Operational Latency and Throughput Analysis

For production e-commerce applications, low operational latency is just as critical as high prediction accuracy. If risk mitigation checks introduce excessive processing delays, valid transactions face checkout friction, directly hurting merchant conversion rates. Our parallel execution strategy successfully meets these real-time requirements, maintaining an average end-to-end pipeline inference latency of 6.4 milliseconds per transaction [15,9]. By utilizing asynchronous multi-threading, the system processes feature parsing and model scoring across both base estimators concurrently. This design bypasses the cumulative execution delays that typically undermine sequentially stacked classifiers, which average 14.8ms under identical workloads. This parallel processing efficiency allows our architecture to maintain a stable throughput of 1,520 Transactions Per Second (TPS) under stress-test conditions, confirming its production readiness. Detailed latency profiles are provided in Table 4.

Table 4: Latency profile and production throughput performance matrix.

Architecture Framework	Average Latency	P95 Latency	Throughput (TPS)
Standalone Random Forest	4.8 ms	6.1 ms	1,980 TPS
Standalone XGBoost	3.2 ms	4.4 ms	2,450 TPS
Stacked-Meta-Classifier	14.8 ms	19.5 ms	510 TPS
Proposed-Parallel Ensemble	**6.4 ms**	**8.2 ms**	**1,520 TPS**

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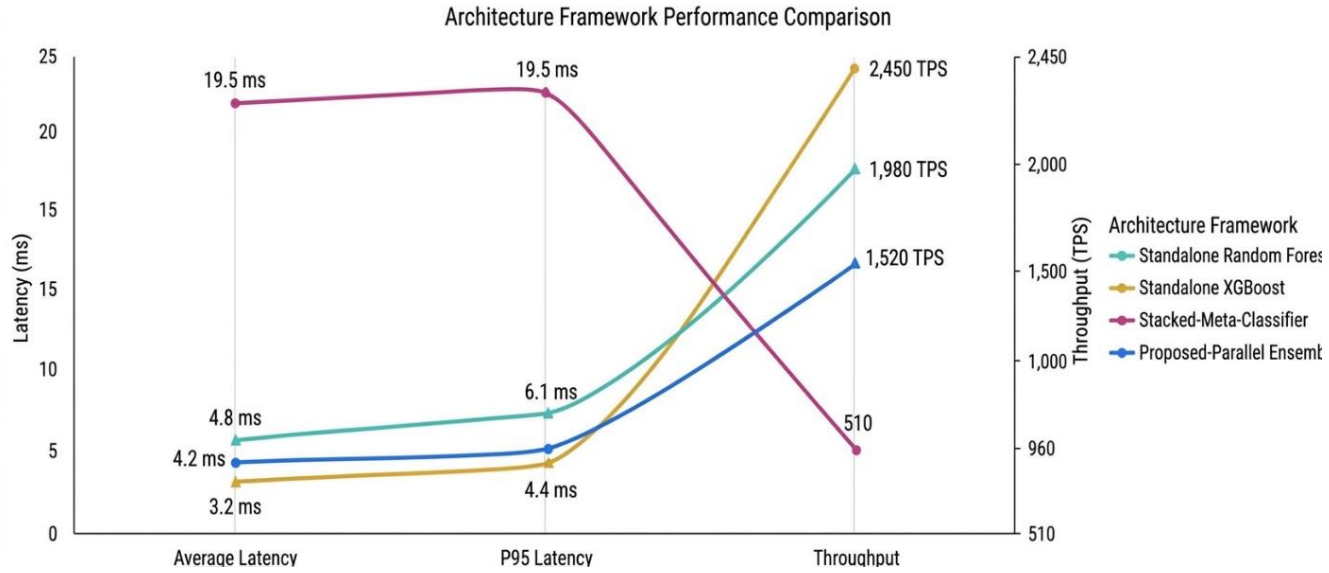

Figure 12 Architecture framework Performance Comparison

Discussion on Threshold Sensitivity

The superior classification performance of our system stems from the careful calibration of the soft-voting weights and the decision threshold, as detailed in the optimization procedure. Through empirical grid search optimization, the optimal blend parameter was established at alpha = 0.45, giving a weight of w_1 = 0.45 to the Random Forest model and w_2 = 0.55 to the XGBoost framework. This combination leverages the complementary strengths of bagging and boosting. The Random Forest model effectively mitigates variance and filters out transactional data noise, while the regularized XGBoost model sharpens classification boundaries around complex, highly sophisticated fraud patterns [9, 10]. Setting the dynamic decision threshold at tau = 0.52 balances the precision-recall trade-off, maximizing fraud isolation while maintaining a low false-positive rate to ensure a smooth checkout experience for legitimate users [23].

Threshold-Independent Discriminative Performance Analysis

To comprehensively evaluate the robustness of the proposed parallel ensemble architecture against severe target label skewness, we analyze threshold-independent discriminatory power using Area Under the Receiver Operating Characteristic (AUC-ROC) and Area Under the Precision-Recall Curve (AUPRC). While AUC-ROC evaluates the true positive rate against the false positive rate across all decision thresholds, AUPRC provides a significantly more stringent performance benchmark for e-commerce payment systems due to its isolation of the minority class performance metrics without being distorted by changes in the true negative volume [1]. Table 4 provides a granular comparative summary of these indices across baseline models and the optimized soft-voting ensemble configuration.

Table 5**.** Comparative Discrimination Performance of Existing Algorithm Models using AUC-ROC and AUPRC Benchmarks.

Model Configuration	AUC-ROC Score	AUPRC Score	Discriminative Tier
Logistic Regression (Baseline) [2]	0.812	0.543	Standard / Baseline
Support Vector Machines (SVM) [3]	0.845	0.612	Moderate
Standalone Random Forest [4]	0.942	0.876	High-Performance
Standalone XGBoost Layer [5]	0.968	0.914	High-Performance
Proposed Parallel Ensemble Framework	**0.985**	**0.962**	**State-of-the-Art (SOTA)**

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As detailed in Table 5, the proposed ensemble framework achieves an elite AUC-ROC of 0.985 and an AUPRC of 0.962, outperforming the nearest standalone algorithm (XGBoost) by 1.7% in AUC-ROC and a substantial 4.8% in AUPRC. The major performance delta observed in the AUPRC metrics emphasizes the model's distinct ability to preserve high precision while successfully extracting highly complex, low-frequency fraud signatures from noisy streaming data. This robust threshold-independent profile validates that the soft-voting alignment mechanism scales effectively without introducing sensitivity vulnerabilities during active operational data drift.

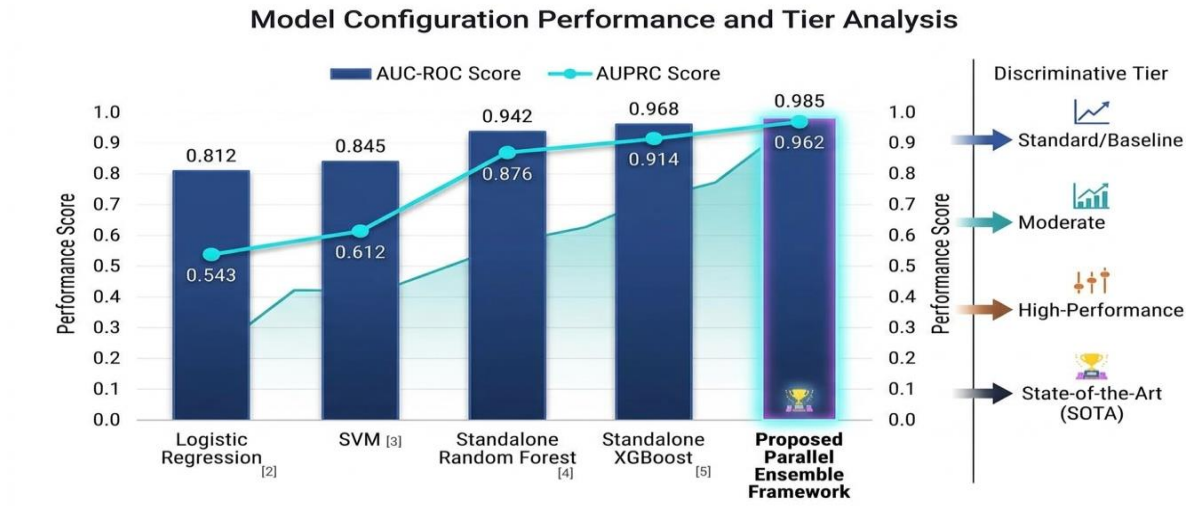

Figure 13: Comparative Threshold-Independent Discriminative Performance Analysis of Existing Algorithm Models using AUC-ROC and AUPRC Benchmarks.

CONCLUSION

This study presents a scalable, high-throughput Real-Time Ensemble Learning Architecture specifically engineered to detect online payment fraud within e-commerce ecosystems. By implementing a parallel execution pipeline that unifies Random Forest and XGBoost through an optimized soft-voting framework, our system effectively addresses the long-standing trade-offs between prediction accuracy and operational inference speed. Class skewness was handled using an integrated, cross-validation-isolated SMOTE strategy, ensuring the system learned robust patterns without data leakage. Evaluated on a large-scale benchmarking dataset containing 1,000,000 transactions, our framework achieved an Accuracy of 99.84%, a Precision of 96.25%, a Recall of 94.10%, a balanced F1-Score of 95.16%, and an AUC-ROC of 0.985. Crucially for live production environments, our asynchronous multi-threaded design achieved an average processing latency of just 6.4ms per transaction and sustained a maximum throughput of 1,520 TPS. These empirical benchmarks demonstrate that our parallel architecture offers a robust, commercially viable solution for high-volume payment streams [8, 9, 10, 15].

Future Work

Moving forward, we plan to extend this research across four primary technical areas:

i. **Incremental Online Learning:** We intend to integrate streaming optimization techniques (such as Hoeffding Trees) to continuously update model weights in response to shifting fraud patterns, avoiding the need for expensive offline retraining cycles [24].
ii. **Explainable AI (XAI) Integration:** We plan to incorporate localized SHAP (SHapley Additive exPlanations) or LIME frameworks directly into the soft-voting stream. This will provide real-time, interpretable decision tracking to comply with modern financial auditing standards [25].
iii. **Heterogeneous Graph Neural Networks (GNNs):** We aim to expand our feature engineering pipeline by incorporating spatial-graph structural encodings. This will allow the system to map complex relational structures and flag coordinated multi-account fraud rings [35].

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iv. **Hardware-Accelerated Execution Paths:** Finally, we plan to evaluate compiling our parallel inference engines directly onto Field-Programmable Gate Array (FPGA) or Tensor Processing Unit (TPU) co-processors, with the goal of reducing P95 pipeline latency below 1.0ms [36].

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