



GLOBAL FRAUD TRENDS IN DIGITAL GOODS

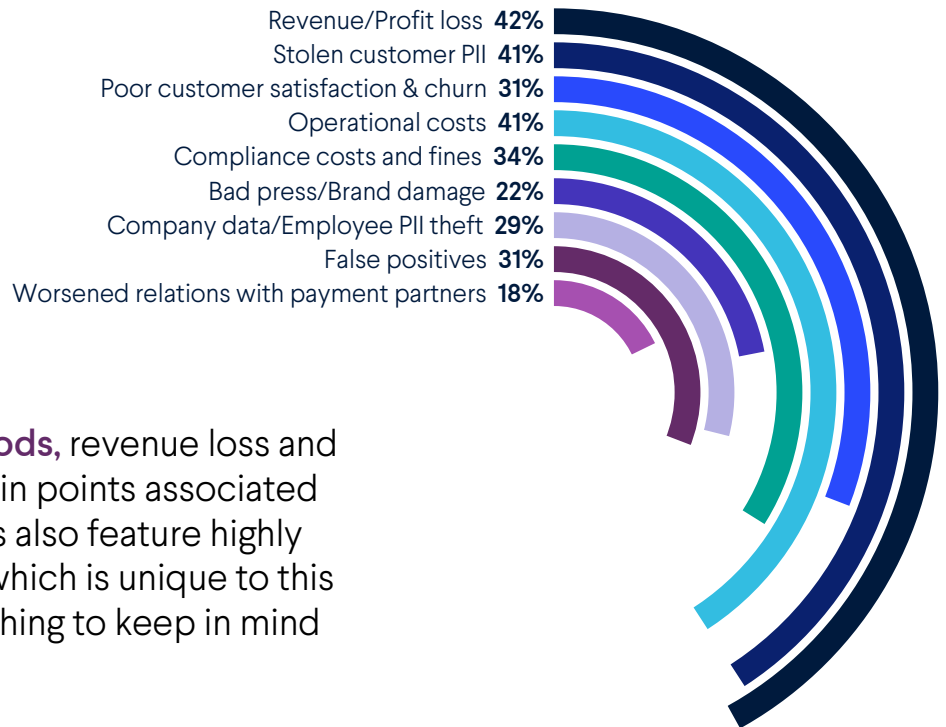
FRAUD & PAYMENTS REPORT 2025



ravelin.com

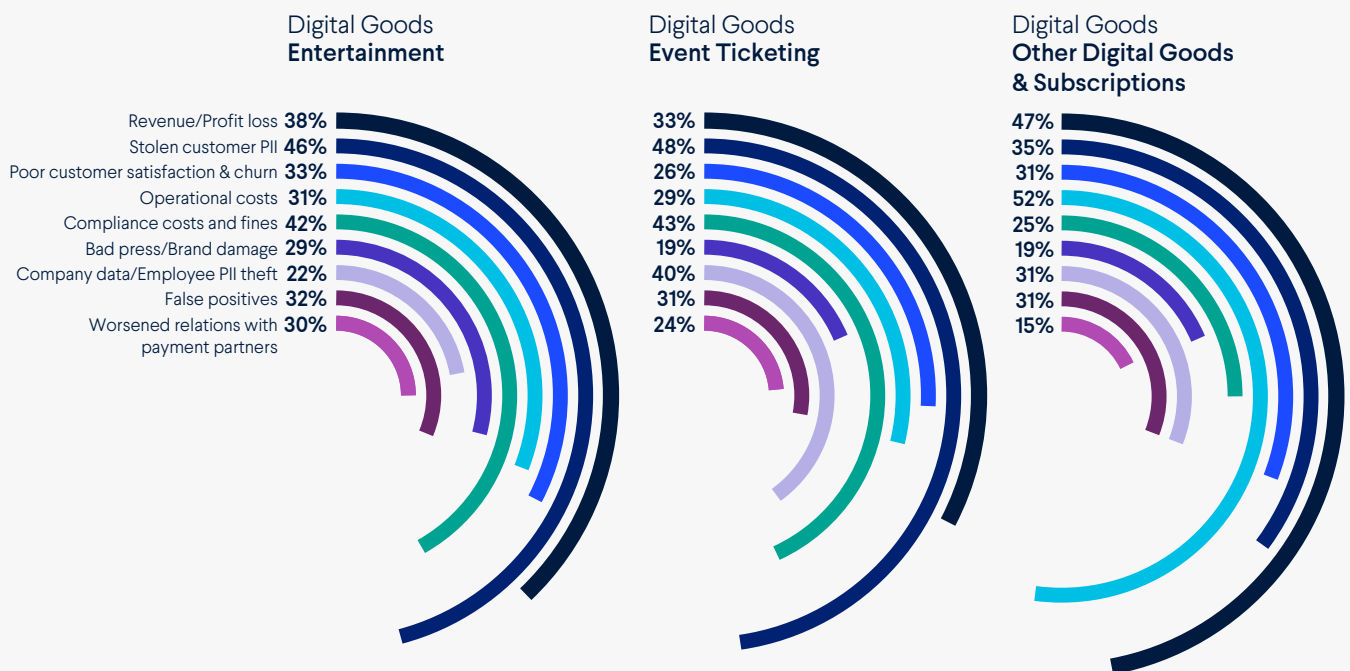
HOW IS FRAUD AFFECTING DIGITAL GOODS?

“WHICH OF THESE POTENTIAL CONSEQUENCES OF FRAUD HAVE AFFECTED YOUR COMPANY IN THE PAST 12 MONTHS?”



For merchants in Digital Goods, revenue loss and customer PII theft are key pain points associated with fraud. Operational costs also feature highly as a consequence of fraud, which is unique to this sector – and certainly something to keep in mind when planning your strategy.

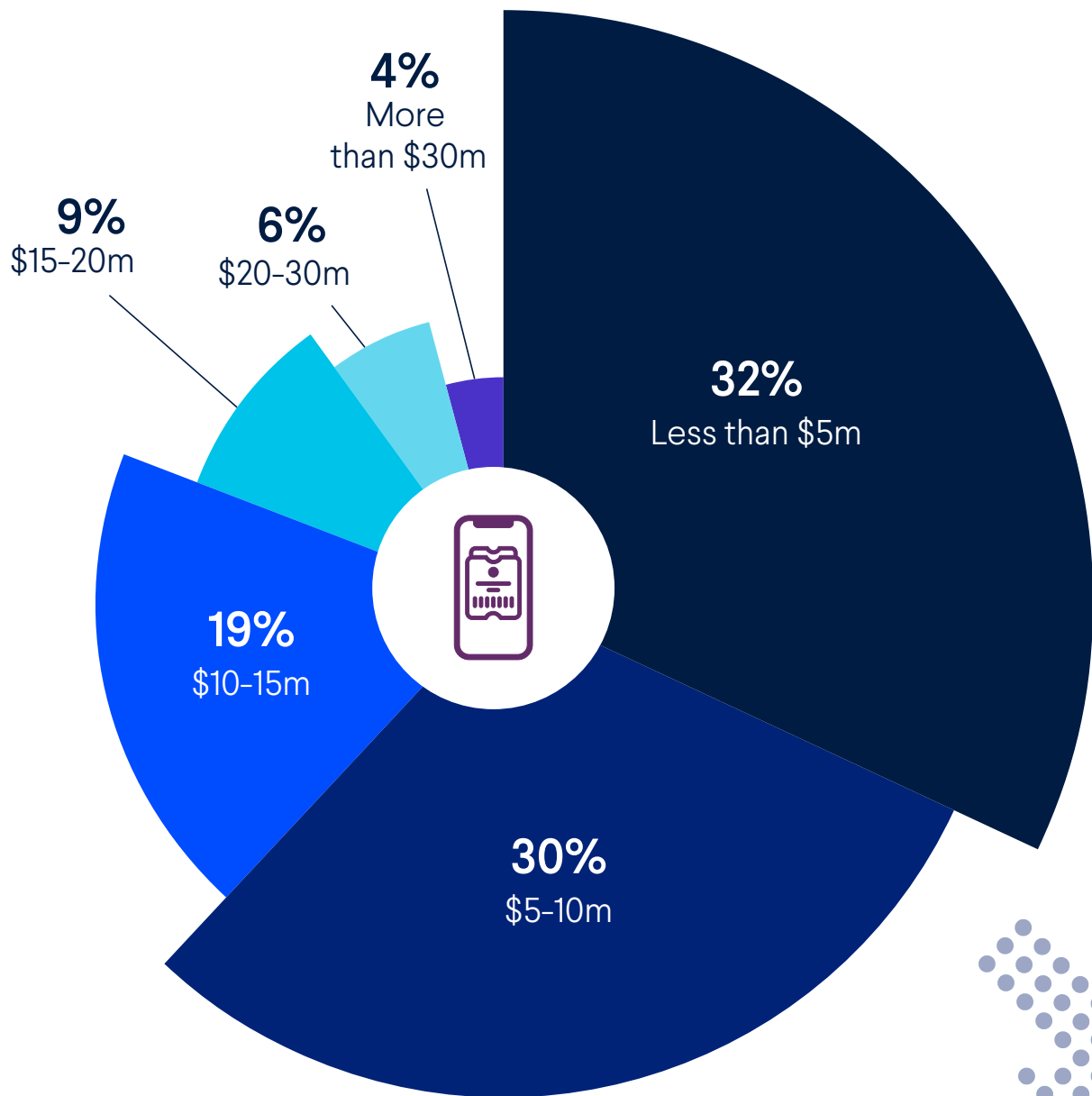
PER SUBSECTOR





THE COST OF FRAUD

“HOW MUCH DOES FRAUD COST
YOUR COMPANY PER YEAR? (IN USD)”



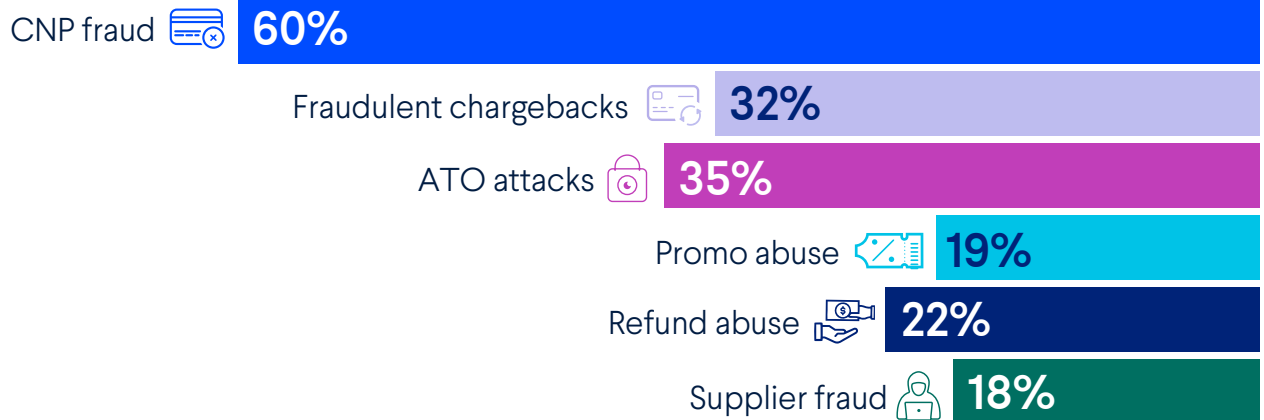
\$9.9m

a year is lost to fraud for the
average Digital Goods company*

*Estimated average based on the midpoint of each range, and \$40m used for “More than \$30m”.

THE MOST EXPENSIVE TYPES OF ONLINE FRAUD FOR DIGITAL GOODS

“WHICH TYPE OF FRAUD COSTS YOUR BUSINESS THE MOST?
CHOOSE UP TO 2.”



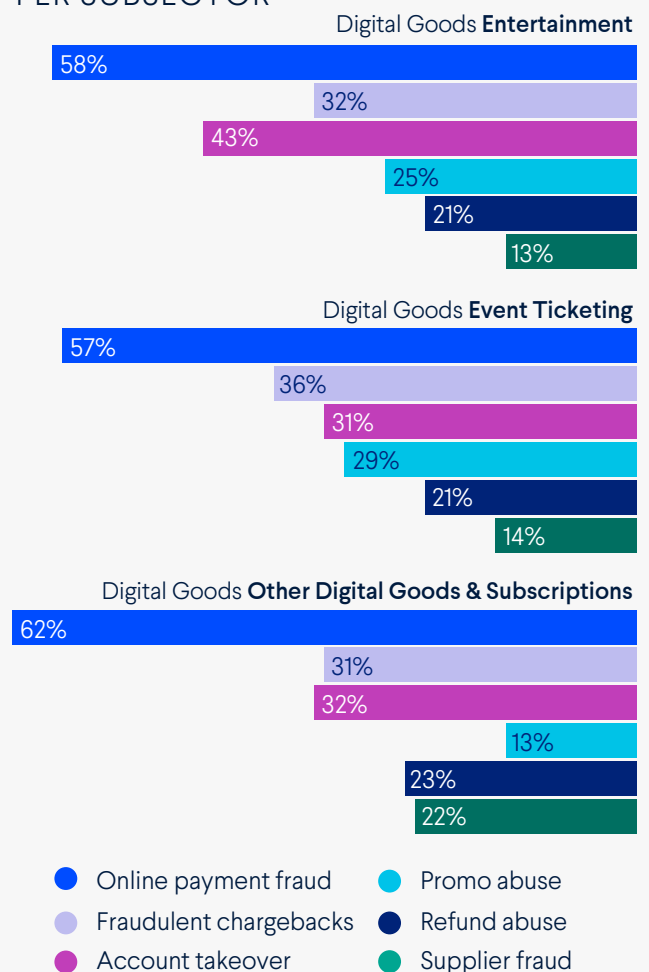
”

“Fraudsters have diversified, but traditional card fraud is still going strong.

It’s also obvious that merchants are facing difficulties understanding and quantifying newer types of fraud – for example, refund abuse.”

Mairtin O’Riada
Co-Founder & COO at Ravelin

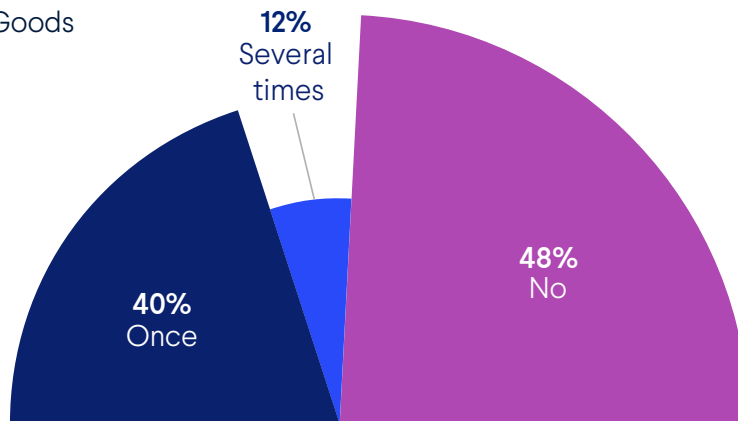
PER SUBSECTOR



FRAUD IN THE HEADLINES

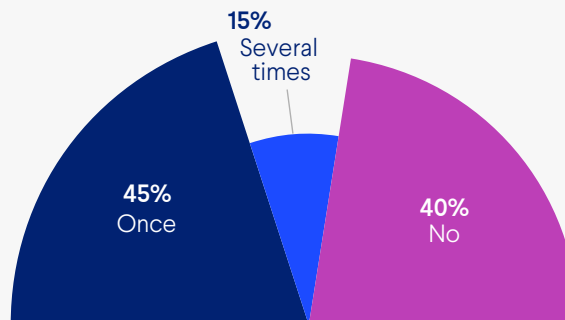
“HAS YOUR COMPANY BEEN FEATURED IN THE PRESS OR SOCIAL MEDIA AS A RESULT OF FRAUD IN THE PAST 12 MONTHS?”

Digital Goods
Overall

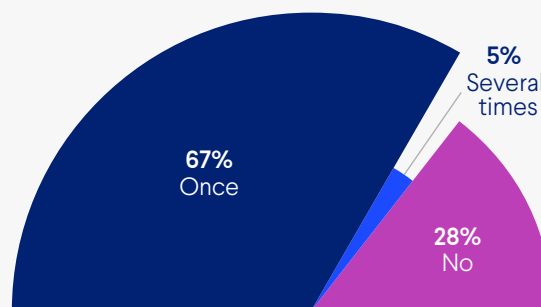


PER SUBSECTOR

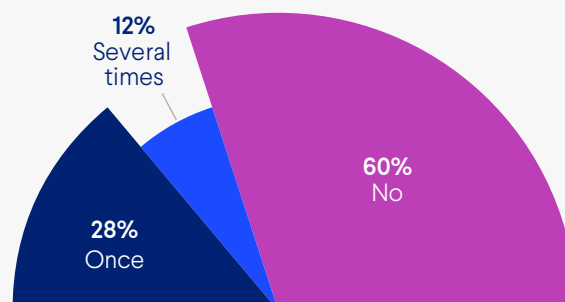
Digital Goods
Entertainment



Digital Goods
Event Ticketing

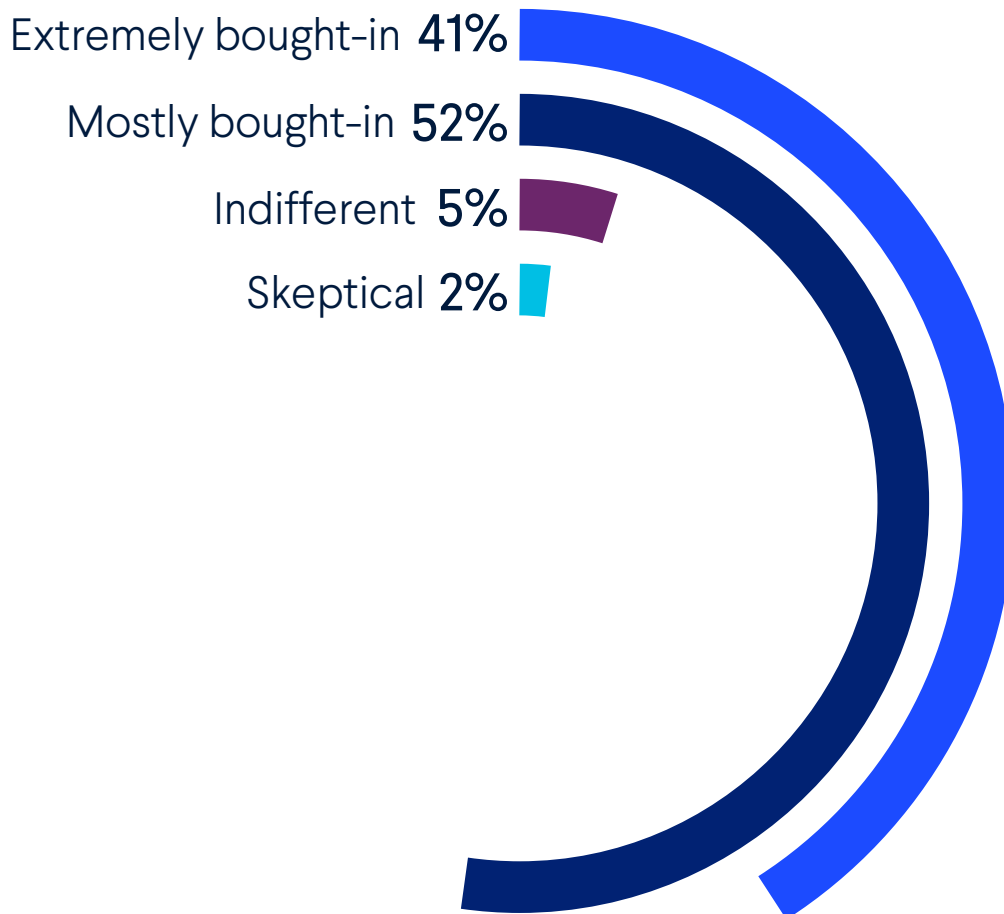


Digital Goods
Other Digital Goods
& Subscriptions



LEADERS' ATTITUDES TO FRAUD

"HOW BOUGHT-IN ARE LEADERS AT YOUR COMPANY ON THE IMPORTANCE OF STOPPING FRAUD/OR ABUSE?"



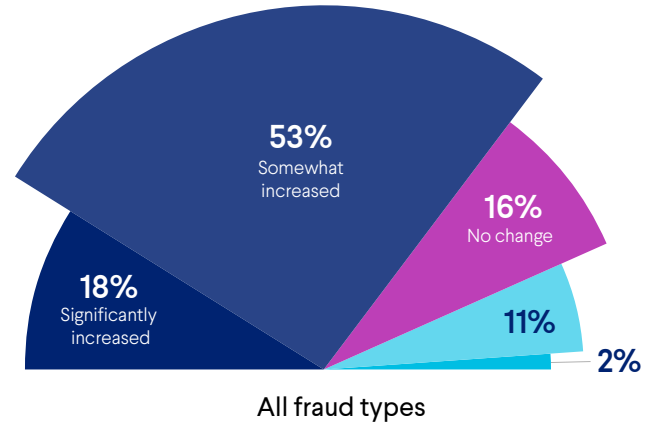
"Mainstream media has been paying more attention to fraud and cybersecurity more generally – with more reports as a result.

Merchants would be wise to consider the impact fraud has on their brand image, including social media mentions and discussions."

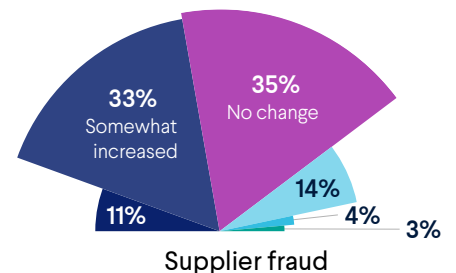
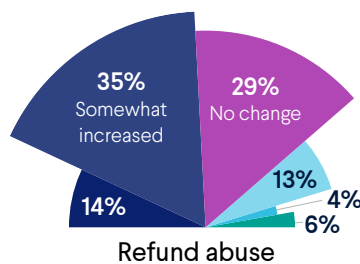
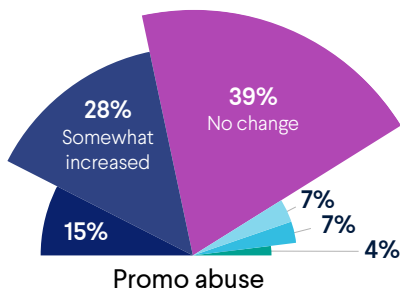
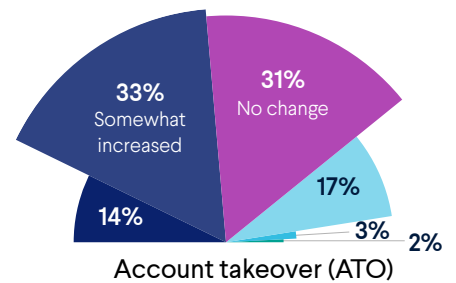
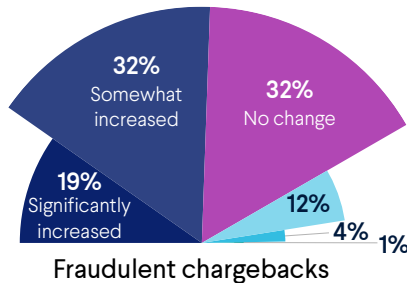
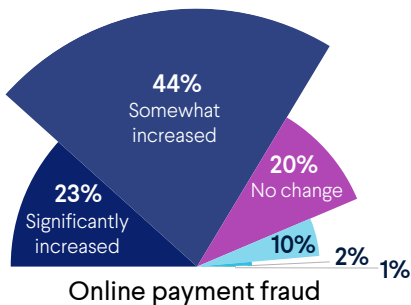
Nick Lally
Co-Founder & CFO at Ravelin

FRAUD IS INCREASING ACROSS THE BOARD FOR DIGITAL GOODS

“IN THE PAST 12 MONTHS, HAVE YOU NOTICED A CHANGE IN THE VOLUME OF FRAUD THAT AFFECTS YOUR COMPANY?”



● Significantly increased ● Somewhat increased ● No change ● Somewhat decreased ● Significantly decreased ● Don't know/NA



FRAUD TRENDS IN DIGITAL GOODS SUBSECTORS

Digital Goods **Entertainment**



Digital Goods **Event Ticketing**



Digital Goods **Other Digital Goods & Subscriptions**



● Significantly increased
● Somewhat increased
● No change
● Somewhat decreased
● Significantly decreased

TRENDS IN CHARGEBACKS AND DISPUTES

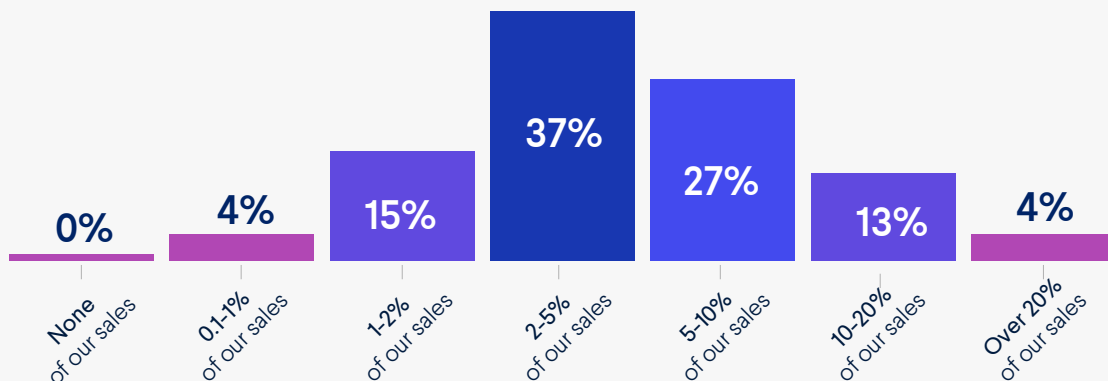
THE AVERAGE DIGITAL GOODS MERCHANT

challenges
38% of disputes...

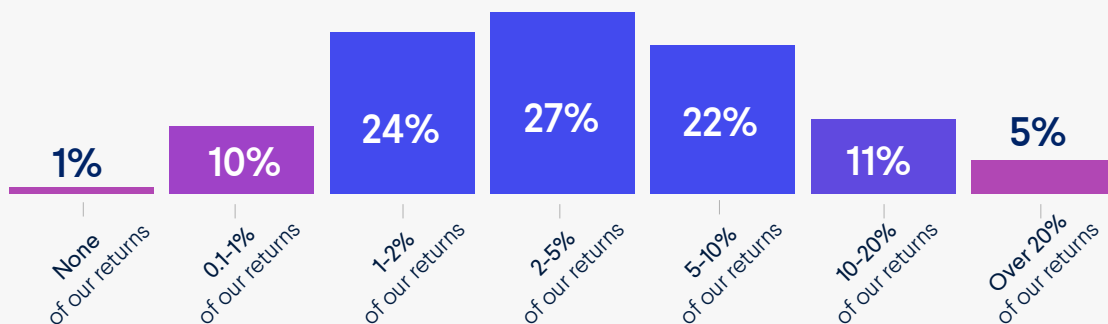
...and is successful with
45% of them

TRENDS IN REFUNDS & REFUND ABUSE

“IN THE PAST 12 MONTHS, WHAT PERCENTAGE OF YOUR SALES DID YOU RECEIVE REFUND REQUESTS ON?”



“IN THE PAST 12 MONTHS, WHAT PERCENTAGE OF ALL RETURNS OR REFUNDS DO YOU ESTIMATE TO BE A RESULT OF POLICY ABUSE?”



FIRST-PARTY FRAUD & ABUSE TRENDS

“HAVE YOU NOTICED A CHANGE IN CUSTOMER/LEGITIMATE CARDHOLDER BEHAVIOR OVER THE PAST 12 MONTHS?”

PER SUBSECTOR

Digital Goods **Entertainment**



Digital Goods **Event Ticketing**



Digital Goods **Other Digital Goods & Subscriptions**



- They're more likely to attempt opportunistic fraud
- No difference observed
- They're less likely to attempt opportunistic fraud

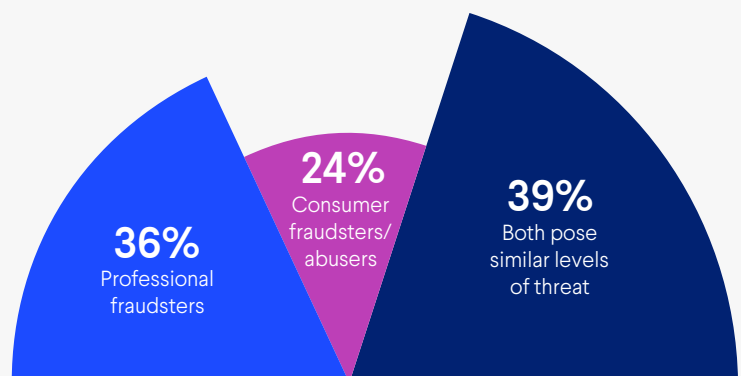
Digital Goods **Overall**



FRAUDSTER VS CONSUMER THREAT

PERCEIVED THREAT HIERARCHY

- 1 The use of stolen cards by fraudsters
- 2 Account takeover attempts by criminals
- 3 False claims for refunds by consumers
- 4 Supplier fraud by criminals
- 5 Promo abuse by consumers
- 6 False claims for chargebacks by consumers



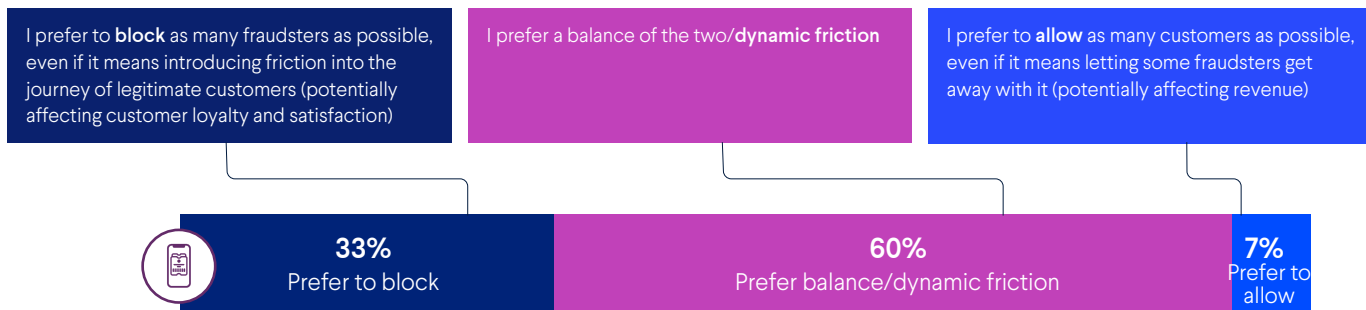
AI IN FRAUD PREVENTION

“ARE YOU CURRENTLY USING MACHINE LEARNING (ML), LARGE LANGUAGE MODELS (LLM) OR ANY OTHER AI TECH TO DETECT/PREVENT FRAUD?”

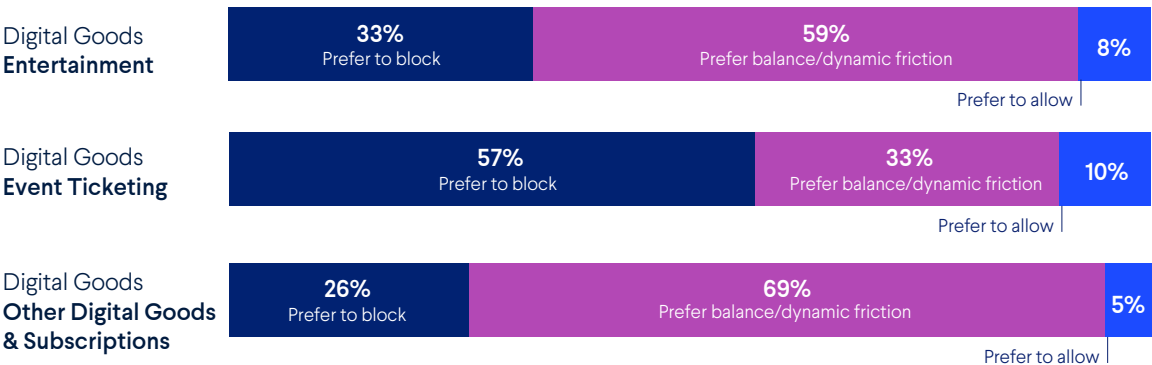


FRICION VS SECURITY: A MERCHANT’S DILEMMA

“WHERE DO YOU STAND ON FRICTION VS SECURITY WHEN IT COMES TO ONLINE PURCHASES?”



PER SUBSECTOR



DIGITAL GOODS APPROACHES TO REFUNDS & RETURNS

“ARE QUICK AND SEAMLESS REFUNDS IMPORTANT TO YOUR BUSINESS MODEL AND/OR CUSTOMERS?”

89% Yes

11% No

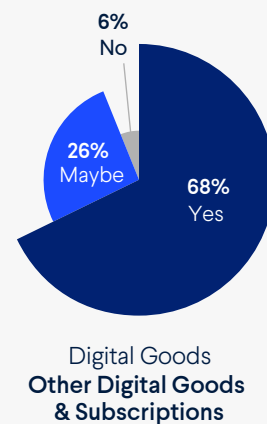
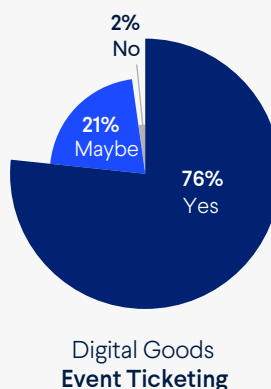
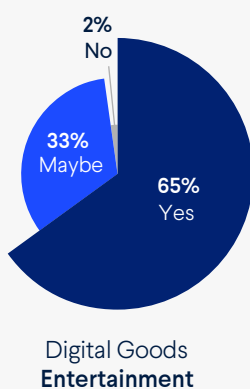
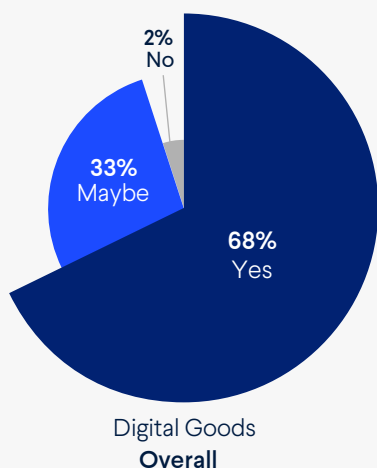
“DO YOU USE TECHNOLOGY TO ASSESS WHICH CUSTOMERS ARE TRUSTWORTHY TO BETTER MANAGE THEIR REFUND/RETURNS EXPERIENCE?”

81% Yes

19% No

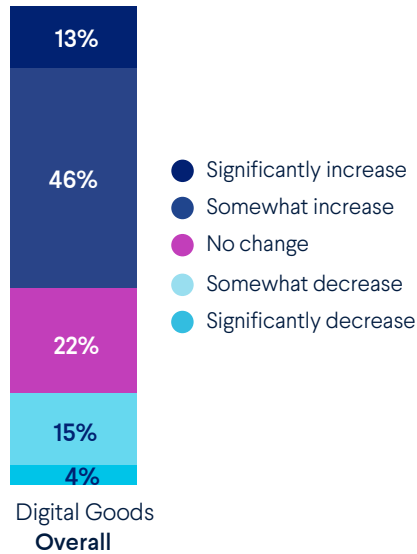
COULD WE TRY HARDER?

“DO YOU BELIEVE YOUR COMPANY SHOULD BE DOING MORE TO BATTLE FRAUD?”

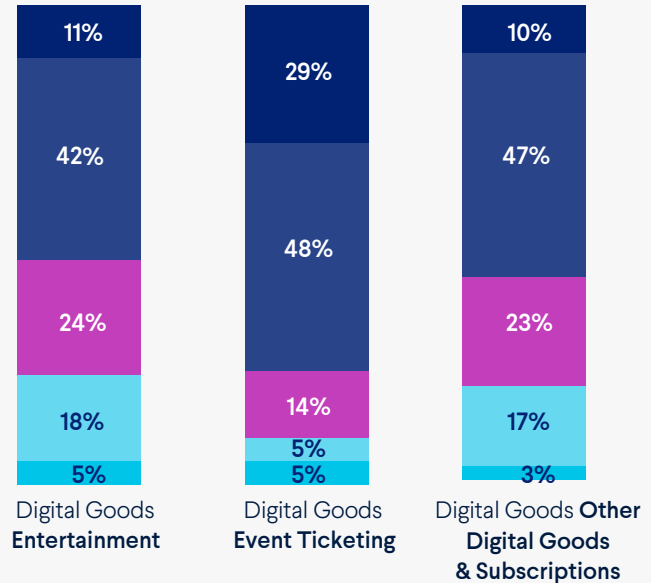


THE FUTURE OF FRAUD

“DO YOU EXPECT FRAUD AGAINST YOUR COMPANY TO INCREASE OR DECREASE IN THE NEXT 12 MONTHS?”



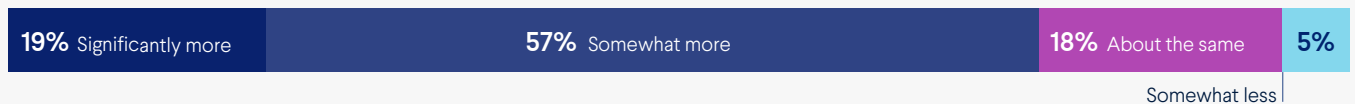
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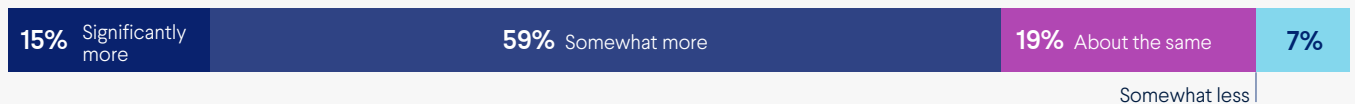
FUTURE FRAUD SPEND

“IN THE NEXT 12 MONTHS, DO YOU EXPECT TO SPEND MORE OR LESS ON COMBATING FRAUD, INCLUDING TOOLS/SOLUTIONS, CONTRACTORS, FRAUD LOSS, RESOURCES, ETC.?”

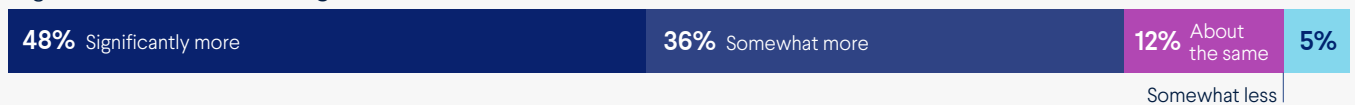
Digital Goods Overall



Digital Goods Entertainment



Digital Goods Event Ticketing

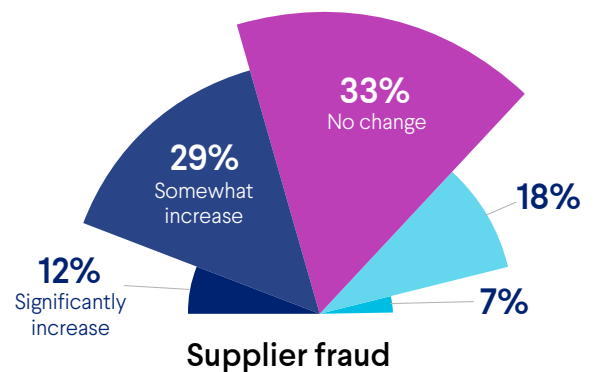
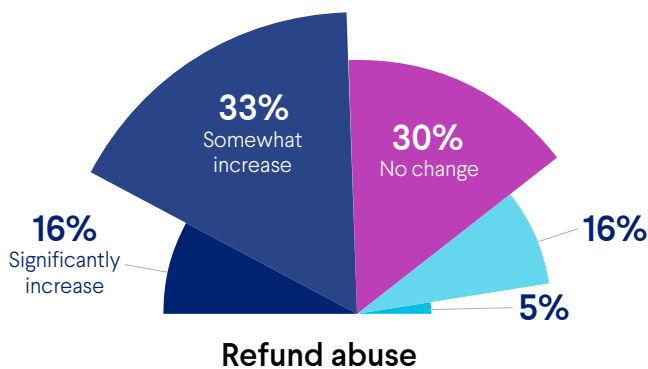
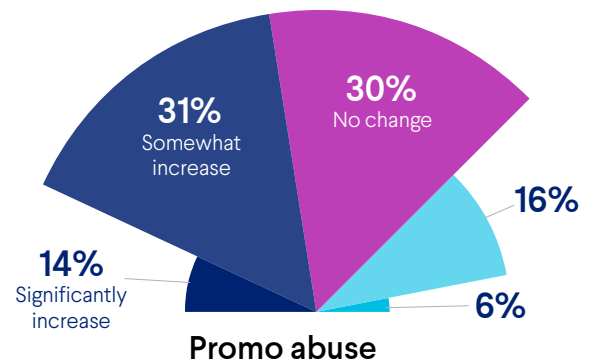
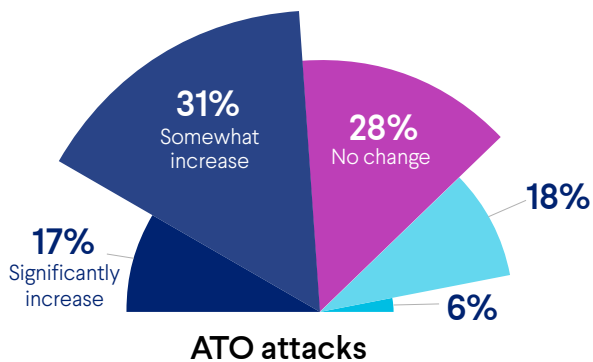
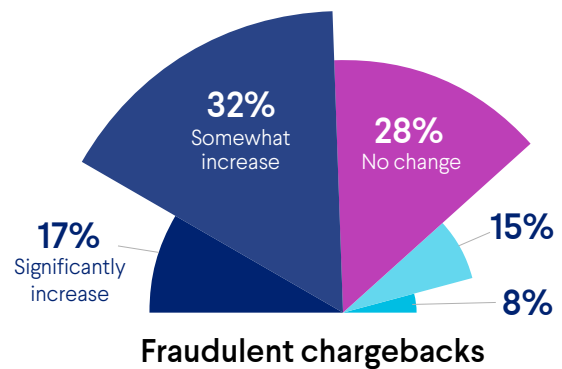
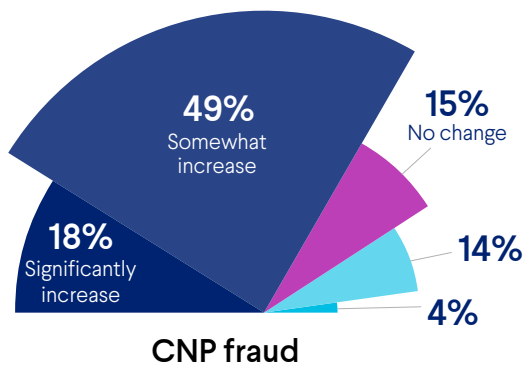


Digital Goods Other Digital Goods & Subscriptions



FUTURE FRAUD TRENDS IN DIGITAL GOODS

“WHICH TYPES OF FRAUD DO YOU THINK WILL INCREASE IN THE NEXT 12 MONTHS, AND BY HOW MUCH?”



Online fraud can be a challenge for Digital Goods.

Ravelin has built solutions to address all these pain points, learning from your historical data to inform a fraud prevention strategy that works for your specific landscape – and no-one else's.

Get in touch today to chat about payment fraud, account takeover attacks, refund abuse, voucher, promo & policy abuse, transaction optimization, 3D Secure, link analysis or supplier fraud.

Book a call at ravelin.com/contact-us.



10.7bn

fraud scores a year calculated

\$62bn

in transactions processed

340+

merchants protected

METHODOLOGY & DEMOGRAPHICS

In January 2025, Ravelin commissioned research provider Qualtrics to carry out an online survey of 1466 fraud and payments professionals from around the world, with a focus on the UK, USA, Canada, France, Germany, Italy, Spain, Australia, Brazil, and Mexico.

Participants belonged to the C-suite or Fraud/Risk, Finance/Payments, Compliance/Operations or Product teams of enterprises in the following industries: Retail, Travel & Hospitality, Digital Goods, Marketplaces. Survey participants all worked for businesses with more than \$50 million in annual revenue and/or over 500 employees, which sell their products either online or both online and offline.

They were asked questions around their observations, attitudes and predictions related to fraud and payments in the past 12 months, at present, as well as in the future.

Any 2024 data referenced is from Ravelin's Global Fraud Trends: Fraud & Payments Survey 2025.

Thank you for reading our Global Fraud Trends Report.

Questions? Comments?
Please write to marketing@ravelin.com.

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