# Ravelin

# GLOBAL FRAUD TRENDS

## FRAUD & PAYMENTS SURVEY 2024

ravelin.com

# CONTENTS

# KEY FINDINGS

**fraud rose** for
## 75%
of companies

AI-powered
fraud affected
## 64%

**payment fraud** up for
## 69%

fraud **affected growth** for
## 52%

## $15m+
**lost annually** to fraud for **27%** of firms

## 45%
said shoppers are **more likely** to attempt abuse

## 39%
expect **brand image** damage

## 60%
received **negative** media coverage

## 66%
find ML useful in **prevention**

## 62%
predict a **rise** in fraud

## 59%
say **more should be done**

## 51%
say AI fraud will **stifle growth**

## 46%
of **c-suites** "very concerned"

# INTRODUCTION

Creating solutions for fraud prevention, payments optimization and secure growth, Ravelin sees value in understanding the online commerce landscape as deeply as possible. Research is one of the ways we do so – and whenever we can, we like to share our findings.

This is our Fraud & Payments Survey 2024, for which we surveyed 1457 professionals from around the globe working within key teams of enterprises that sell their products and services online, including fraud managers, senior leadership, payments and finance experts, and product managers.

We are presenting our findings in this report, with a focus on four key sectors of the online economy. We are also presenting some results by country, as well as by team where relevant.

We hope you find its insights illuminating and its information actionable.

For more details about our **methodology and demographics**, **please see page 50**

# FOREWORD BY OUR CEO, MARTIN SWEENEY

Online fraud shows no signs of slowing down. You didn't need me to tell you this. The speed of adoption of new tactics, techniques and technologies by fraudsters both amateur and professional is as breakneck as it is worrying. The democratization of fraud affects us all.

To battle it, **we need to be fully up to speed with its idiosyncrasies and trends**. This is true for every fraud prevention specialist – from the talented engineers who build solutions through to the fraud analyst conducting manual reviews and the Chief Risk Officer who is called to make the big decisions of fraud strategy and risk tolerance.

It's the fourth year we have conducted Ravelin's Fraud and Payments Survey, and it's not a task taken lightly. We're known

across ecommerce not just for our fraud prevention and payments solutions but for our industry expertise, inclusive of this annual survey. So my team put in their best, for one more year, and have made this one even better.

We focused Ravelin's 2024 Fraud and Payments Survey on better understanding the consequences of fraud, current and emerging fraud trends, the most effective tools and techniques, and industry insiders' expectations and predictions for the future.

We hope it is as insightful, informative and useful to you as the findings were to us. **In our industry, knowledge sharing is one of the most powerful tools in our arsenal**. After all, if the issue at hand is the democratization of fraud, maybe democratizing fraud prevention is the answer.

> "…if the issue at hand is the democratization of fraud, maybe democratizing fraud prevention is the answer.

# SECTION A

## THE CONSEQUENCES OF FRAUD

From stalled growth to revenue and lower staff morale, in this section, we're looking at the consequences of fraud. As well as the cost of fraud.

We're also expanding the conversation to the wider company. Which teams have a vested interest? Which metrics are affected beyond the obvious block rates and fraud rates?

Finally, we've tried to shed more light on reputational damage – an increasingly important result of fraudulent activity – and how it has affected brand image.

## 51.8%

of brands' growth stifled by fraud

## 45.8%

C-suites "very concerned" about fraud

## 27%

lose $15m+ to fraud per year

## 60%

featured in the media due to fraud

Revenue/profit loss  **38.9%**

Poor customer satisfaction & churn  **37.1%**

Stolen customer PII  **36.3%**

Bad press/brand damage (social & traditional media)  **34.5%**

Compliance costs and fines  **31.5%**

Stolen employee PII or company data theft  **29.8%**

Operational costs  **26.6%**

Worsened relations with payment partners  **23.5%**

False positives  **23.1%**
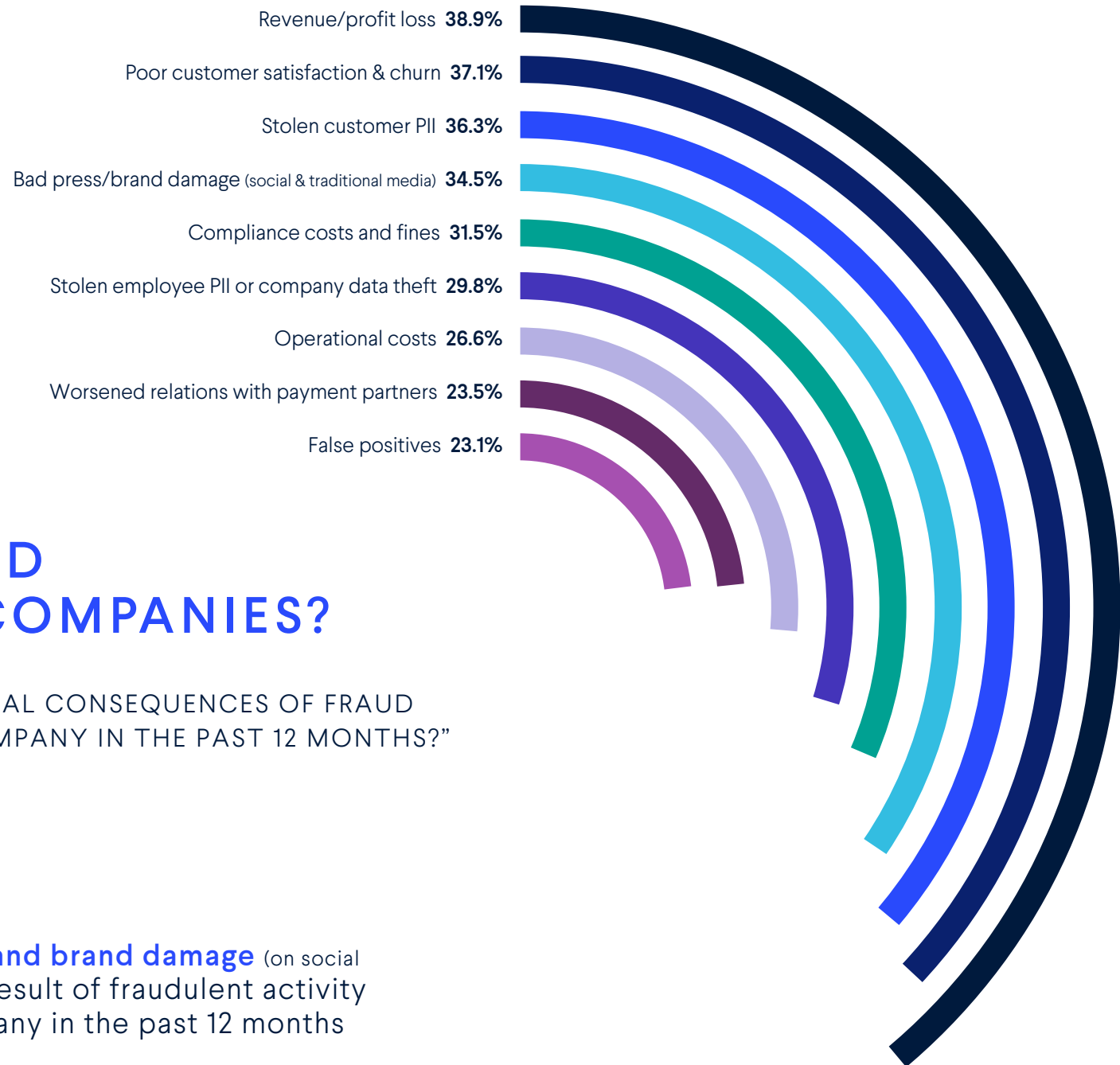
# HOW IS FRAUD AFFECTING COMPANIES?

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

## 34.5%
said that **bad press and brand damage** (on social or traditional media) as a result of fraudulent activity affected their company in the past 12 months

# IT'S BECOMING CLEAR THAT FRAUD AFFECTS EACH SECTOR DIFFERENTLY.

› **Revenue** is the top fraud-related pain point across the board (38.9%), topping the rankings for Retail (44.1%) and Marketplaces (36.7%).
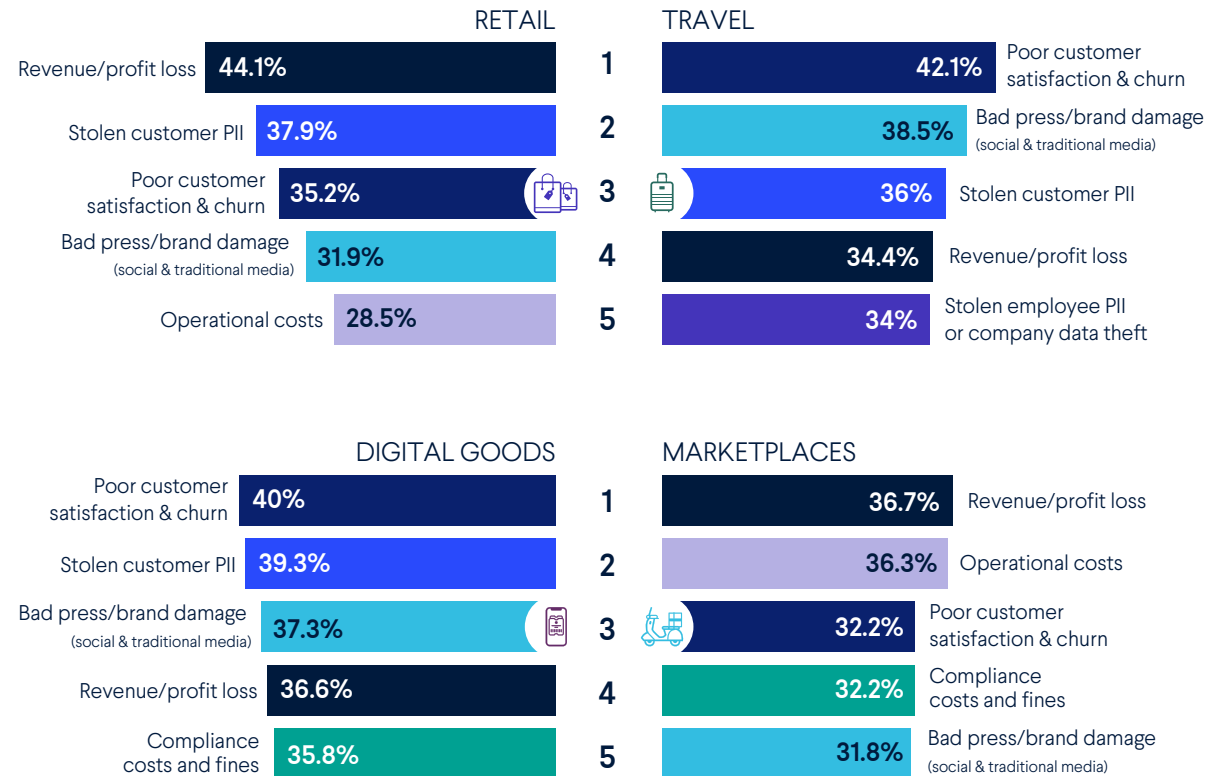
› **Bad press** is emerging as important – ranking second fraud pain point for Travel (38.5%). 34.5% of all merchants were affected.

› For Travel (42.1%) and Digital Goods (40%), the impact of fraud on **customer satisfaction** is significant. Easy online access to competitors could play a part.

› **Operational costs** are a big issue in Marketplaces (36.3%), including additional resources for disputes and account recovery.

› Fraud is taking a toll on **compliance** for Marketplaces (32.2%) and Digital Goods (35.8%) as they navigate requirements in different locales.

## TOP 5 PAIN POINTS FOR EACH SECTOR

### RETAIL

| | | |
|---|---|---|
| Revenue/profit loss | 44.1% | 1 |
| Stolen customer PII | 37.9% | 2 |
| Poor customer satisfaction & churn | 35.2% | 3 |
| Bad press/brand damage (social & traditional media) | 31.9% | 4 |
| Operational costs | 28.5% | 5 |

### TRAVEL

| | | |
|---|---|---|
| 1 | 42.1% | Poor customer satisfaction & churn |
| 2 | 38.5% | Bad press/brand damage (social & traditional media) |
| 3 | 36% | Stolen customer PII |
| 4 | 34.4% | Revenue/profit loss |
| 5 | 34% | Stolen employee PII or company data theft |

### DIGITAL GOODS

| | | |
|---|---|---|
| Poor customer satisfaction & churn | 40% | 1 |
| Stolen customer PII | 39.3% | 2 |
| Bad press/brand damage (social & traditional media) | 37.3% | 3 |
| Revenue/profit loss | 36.6% | 4 |
| Compliance costs and fines | 35.8% | 5 |

### MARKETPLACES

| | | |
|---|---|---|
| 1 | 36.7% | Revenue/profit loss |
| 2 | 36.3% | Operational costs |
| 3 | 32.2% | Poor customer satisfaction & churn |
| 4 | 32.2% | Compliance costs and fines |
| 5 | 31.8% | Bad press/brand damage (social & traditional media) |

## 37.1%
of all merchants saw customer satisfaction drop and/or customers churn due to fraudulent activity
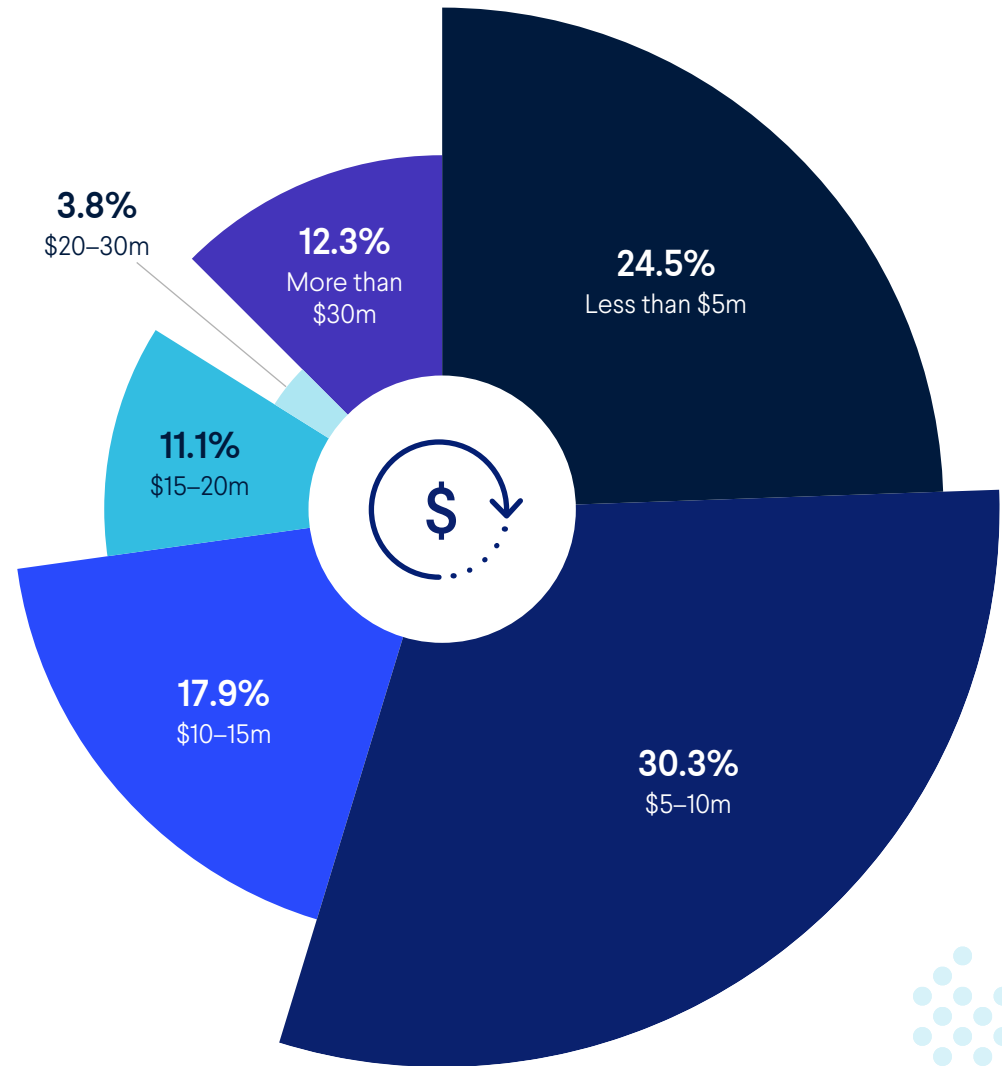
# THE COST OF FRAUD

"HOW MUCH DOES FRAUD COST YOUR COMPANY EVERY YEAR?"

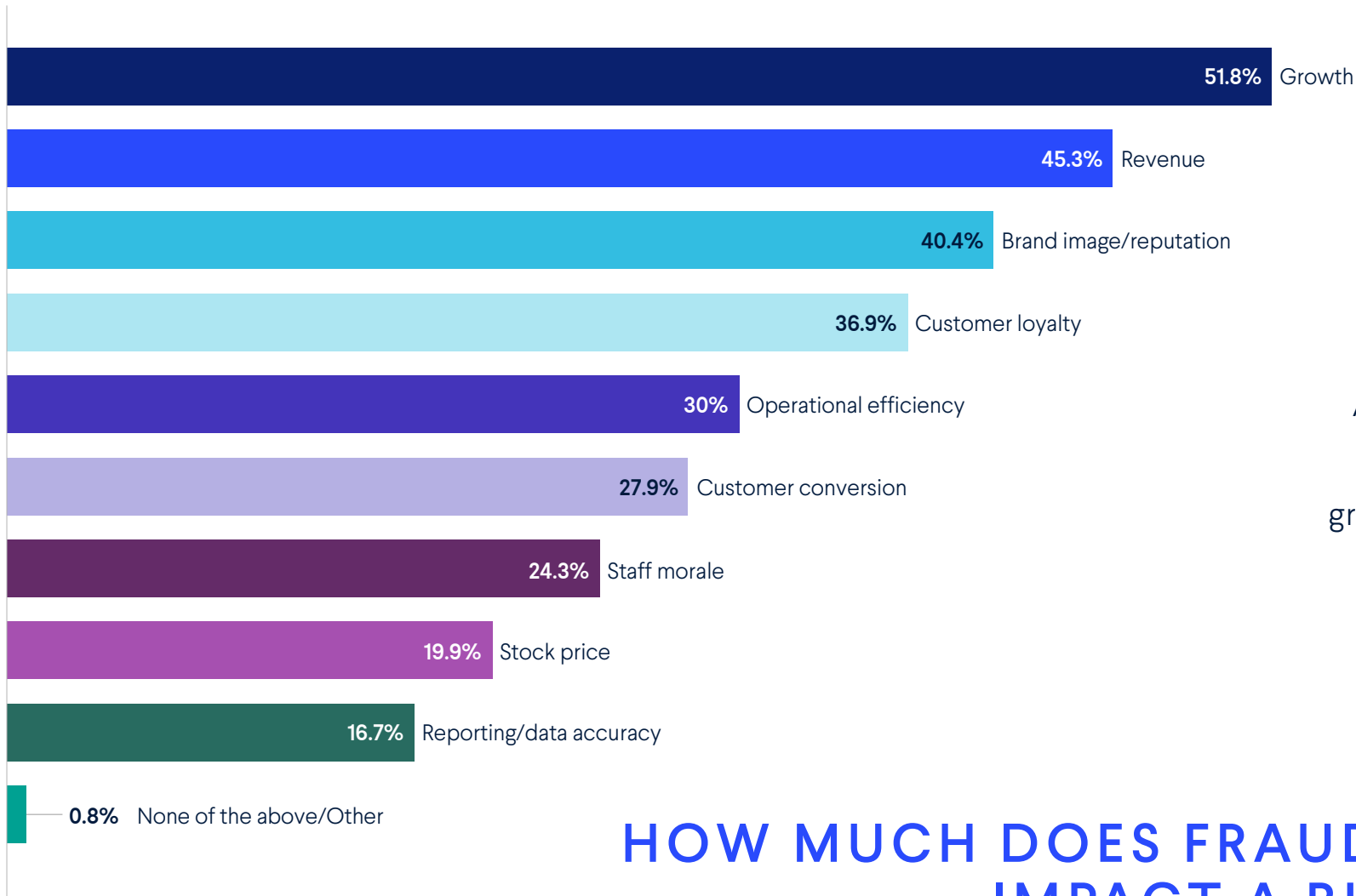"Fraud is an expensive and growing problem.

For finance leaders considering strategic moves to block fraud, better understanding the historical and projected cost of fraud for their company will drive better decisions."

Nick Lally, Ravelin CFO

**3.8%**
$20–30m

**12.3%**
More than $30m

**24.5%**
Less than $5m

**11.1%**
$15–20m

**17.9%**
$10–15m

**30.3%**
$5–10m

For over **27%** of companies, fraud costs **more than $15m** every year

51.8%  Growth

45.3%  Revenue

40.4%  Brand image/reputation

36.9%  Customer loyalty

30%  Operational efficiency

27.9%  Customer conversion

24.3%  Staff morale

19.9%  Stock price

16.7%  Reporting/data accuracy

0.8%  None of the above/Other

Across the board, responders said fraud affected growth the most, at

# 51.8%

# HOW MUCH DOES FRAUD *REALLY* IMPACT A BUSINESS?

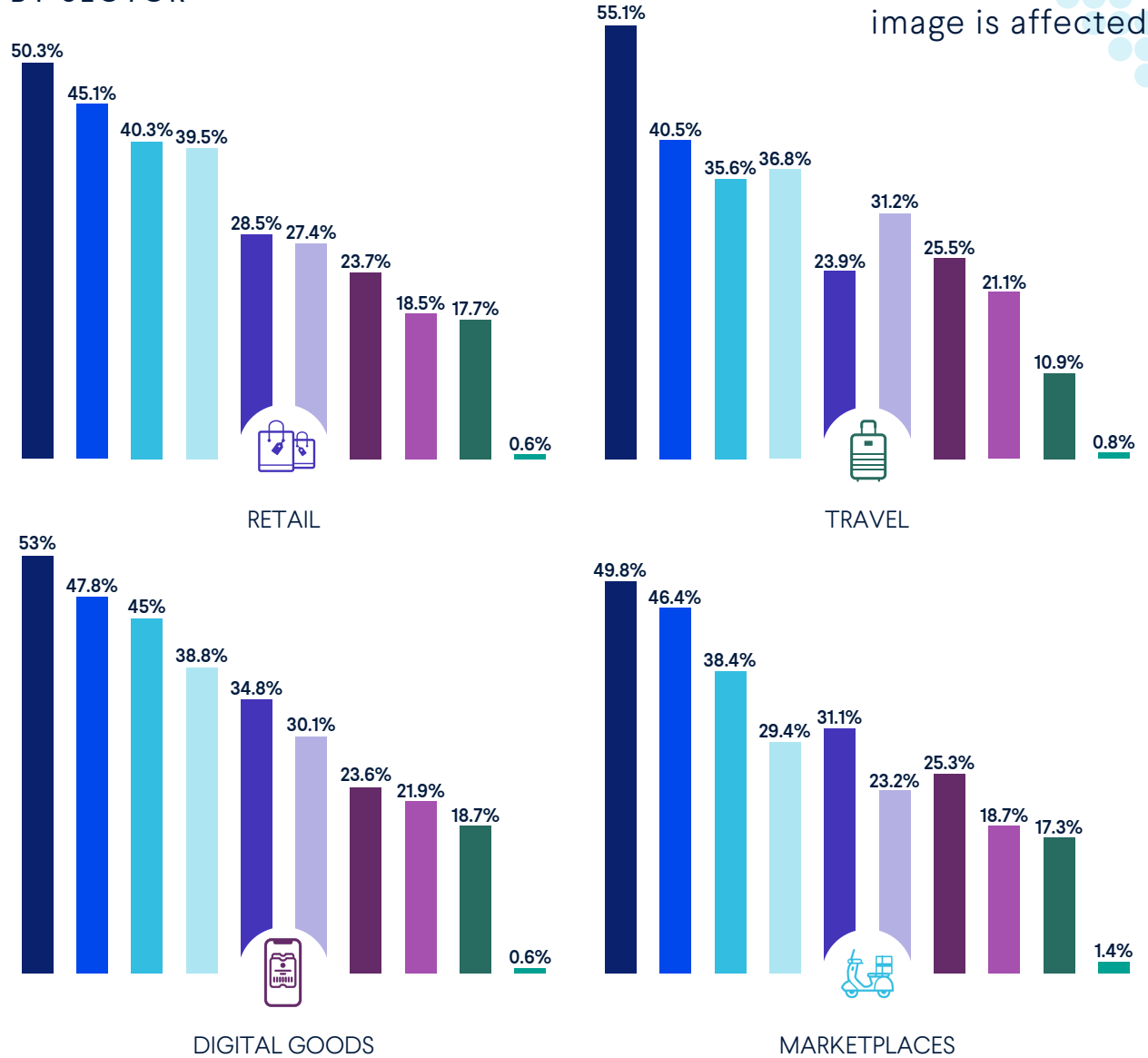"HAVE FRAUDULENT ACTIVITIES AFFECTED ANY OF THE FOLLOWING METRICS AND RESULTS AT YOUR COMPANY?"

"HAVE FRAUDULENT ACTIVITIES AFFECTED ANY OF THE FOLLOWING METRICS AND RESULTS AT YOUR COMPANY?"

## BY SECTOR

- ● Growth
- ● Revenue
- ● Brand image/reputation
- ● Customer loyalty
- ● Operational efficiency
- ● Customer conversion
- ● Staff morale
- ● Stock price
- ● Reporting/data accuracy
- ● None of the above/Other

For **40.4%**, brand image is affected

**RETAIL**

50.3% | 45.1% | 40.3% | 39.5% | 28.5% | 27.4% | 23.7% | 18.5% | 17.7% | 0.6%

**TRAVEL**

55.1% | 40.5% | 35.6% | 36.8% | 23.9% | 31.2% | 25.5% | 21.1% | 10.9% | 0.8%

**DIGITAL GOODS**

53% | 47.8% | 45% | 38.8% | 34.8% | 30.1% | 23.6% | 21.9% | 18.7% | 0.6%

**MARKETPLACES**

49.8% | 46.4% | 38.4% | 29.4% | 31.1% | 23.2% | 25.3% | 18.7% | 17.3% | 1.4%

**Retailers** have seen growth, revenue, image and loyalty affected. For **Travel**, conversion, loyalty and revenue stood out in the answers. **Digital Goods** trends match the Retail pattern quite closely, while **Marketplaces** focused more on operational efficiency, staff morale and revenue.

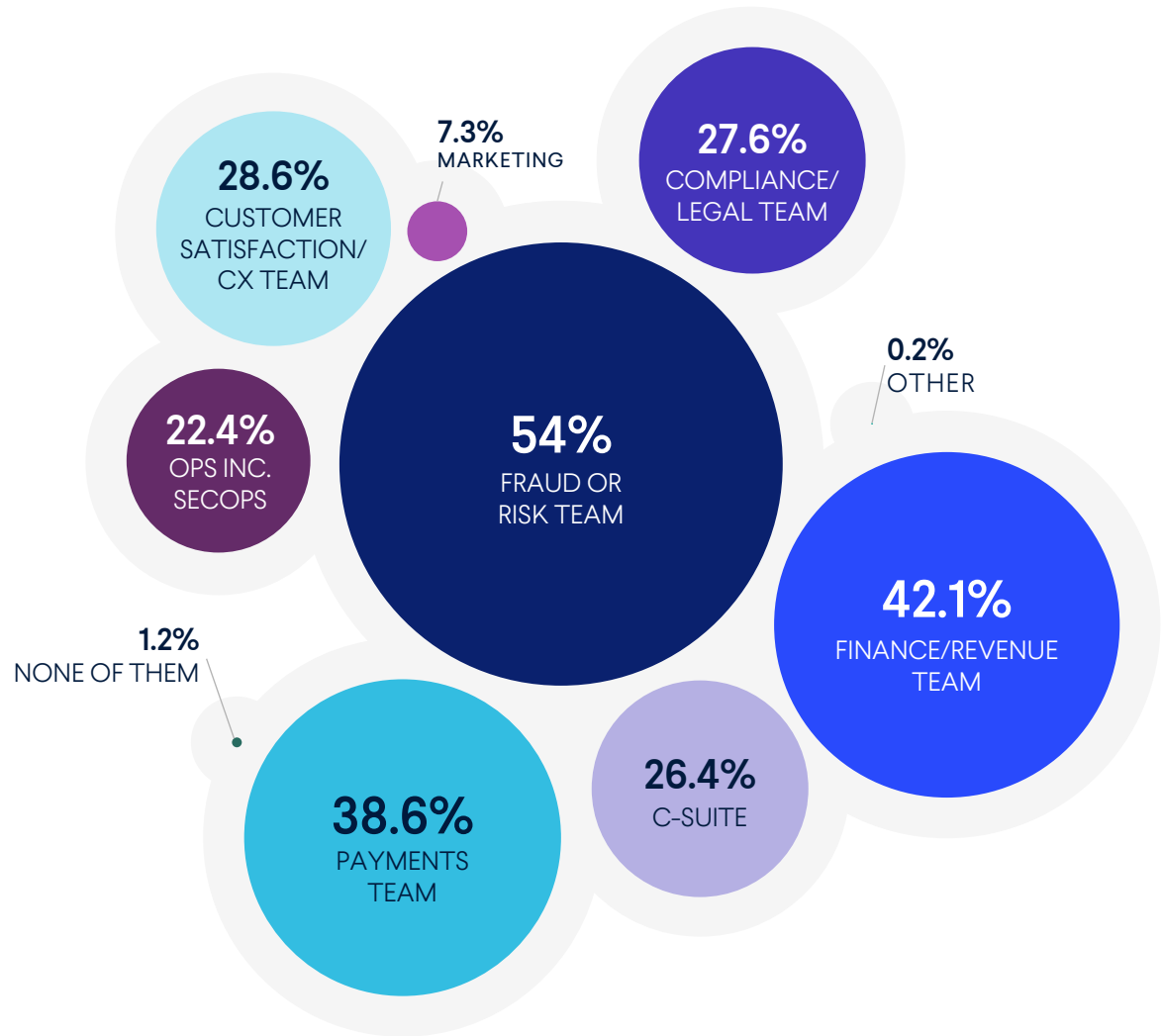**24.3%** say staff morale took a hit

# WHO CARES ABOUT FRAUD?

"HAVE ANY TEAMS AT YOUR COMPANY EXPRESSED CONCERNS ABOUT THE IMPACT OF FRAUD ON THEIR RESULTS OR OPERATIONS?"

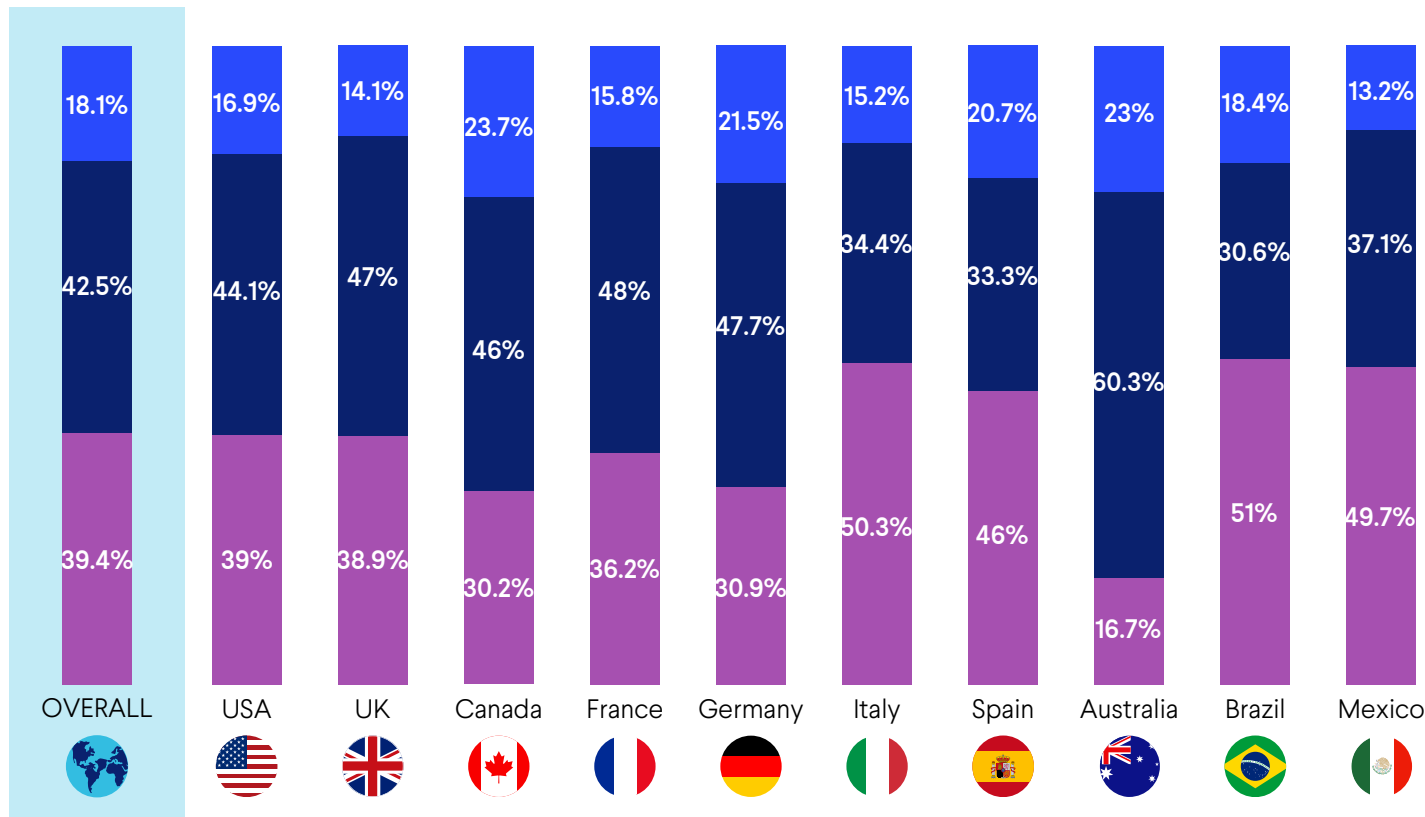Unquestionably, fraud is now a pain point for more than the Fraud or Risk team.

Colleagues across the company are noticing its consequences on their metrics – from **42.1%** of Finance to **27.6%** of the Customer Experience or Satisfaction team, **22.4%** of Operations and all the way to **7.3%** of Marketing.

**24.6%** of **C-suite** leaders have expressed concerns about how fraud impacts company results

**28.6%** CUSTOMER SATISFACTION/ CX TEAM

**7.3%** MARKETING

**27.6%** COMPLIANCE/ LEGAL TEAM

**22.4%** OPS INC. SECOPS

**54%** FRAUD OR RISK TEAM

**0.2%** OTHER

**42.1%** FINANCE/REVENUE TEAM

**1.2%** NONE OF THEM

**38.6%** PAYMENTS TEAM

**26.4%** C-SUITE

# FRAUD IS MAKING HEADLINES

"IN THE PAST 12 MONTHS, HAS YOUR COMPANY FEATURED IN THE PRESS OR SOCIAL MEDIA AS A RESULT OF FRAUD?"



| | OVERALL | USA | UK | Canada | France | Germany | Italy | Spain | Australia | Brazil | Mexico |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Yes, several times | 18.1% | 16.9% | 14.1% | 23.7% | 15.8% | 21.5% | 15.2% | 20.7% | 23% | 18.4% | 13.2% |
| Yes, once | 42.5% | 44.1% | 47% | 46% | 48% | 47.7% | 34.4% | 33.3% | 60.3% | 30.6% | 37.1% |
| No | 39.4% | 39% | 38.9% | 30.2% | 36.2% | 30.9% | 50.3% | 46% | 16.7% | 51% | 49.7% |

**English-speaking countries** seem to be leading the way in fraud-related publicity. In **Australia**, 83.3% of companies have made news because of fraud – as well as 69.7% in **Canada**.
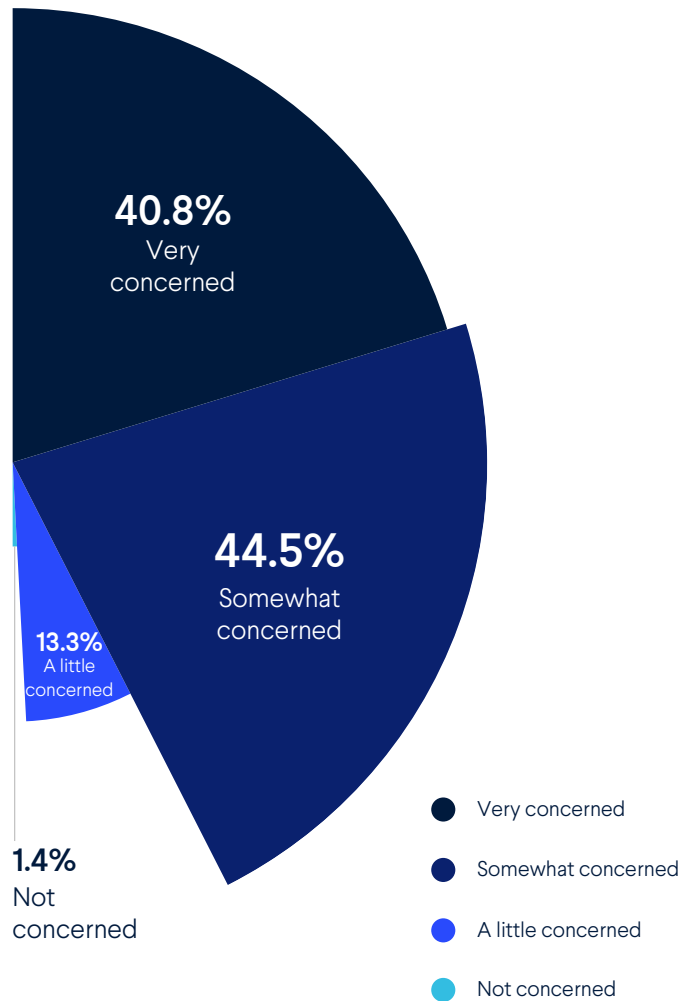
On the contrary, **Brazil, Italy and Spain** haven't seen as much of this type of activity.

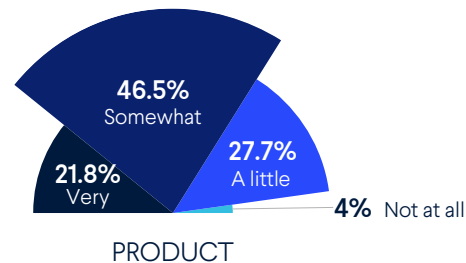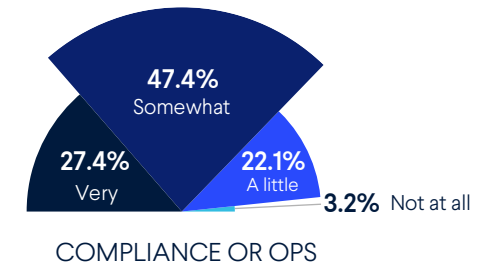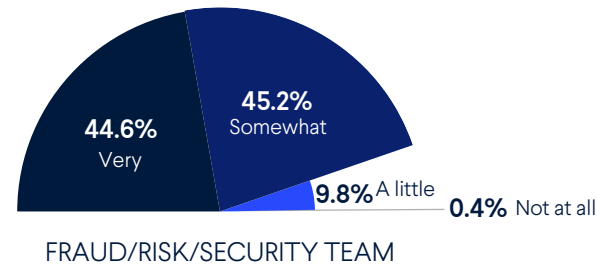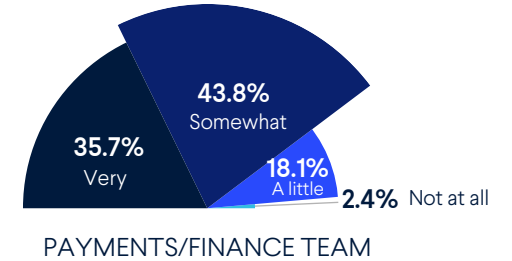● Yes, several times
● Yes, once
● No

# ARE WE WORRIED ABOUT FRAUD?

## "HOW CONCERNED ARE YOU ABOUT THE VOLUME OF FRAUD YOUR COMPANY FACES?"

**OVERALL**

**BY TEAM**

40.8% Very concerned

44.5% Somewhat concerned

13.3% A little concerned

1.4% Not concerned

- Very concerned
- Somewhat concerned
- A little concerned
- Not concerned

**C-SUITE**
- 45.8% Very
- 42.9% Somewhat
- 10% A little
- 1.3% Not at all

**PAYMENTS/FINANCE TEAM**
- 35.7% Very
- 43.8% Somewhat
- 18.1% A little
- 2.4% Not at all

**FRAUD/RISK/SECURITY TEAM**
- 44.6% Very
- 45.2% Somewhat
- 9.8% A little
- 0.4% Not at all

**COMPLIANCE OR OPS**
- 27.4% Very
- 47.4% Somewhat
- 22.1% A little
- 3.2% Not at all

**PRODUCT**
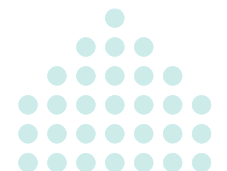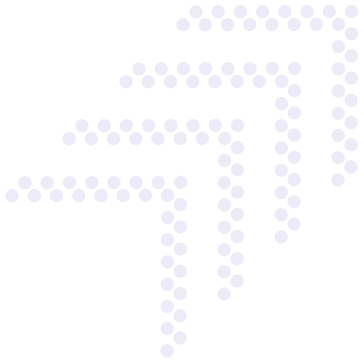- 21.8% Very
- 46.5% Somewhat
- 27.7% A little
- 4% Not at all

Marginally more **C-suite** are very concerned about fraud **(45.8%)** than fraud managers and analysts **(44.6%)**

# SECTION B

## CURRENT & EMERGING FRAUD TRENDS

In this section, we'll dive deep into the experiences of fraud managers, fraud analysts and other key stakeholders over the past year.

We'll break down fraud landscapes and new trends. What are the biggest pain points in each industry? Are customers more likely to attempt abuse than previously?

We'll also identify emerging trends linked to AI, friendly fraud and beyond.

**74.8%**
report an increase in fraud

**69.3%**
saw a rise in payment fraud
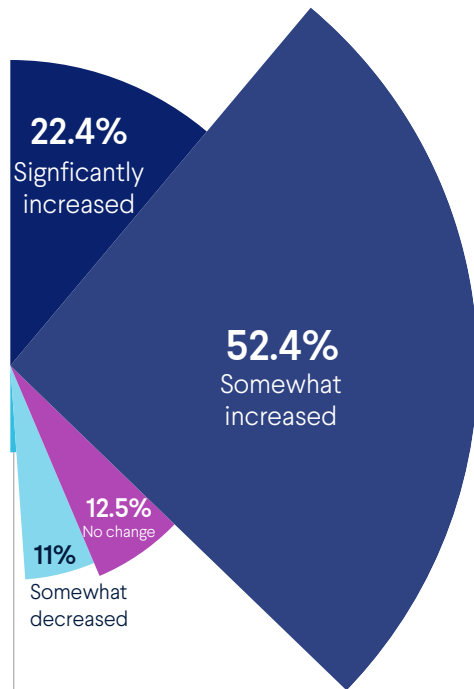
**63.6%**
already hit by AI-powered fraud

**44.9%**
say first-party fraud increased

# IS FRAUD ON THE UP?

"IN THE PAST 12 MONTHS, HAVE YOU NOTICED A CHANGE IN THE AMOUNT OF FRAUD THAT AFFECTS YOUR COMPANY?"
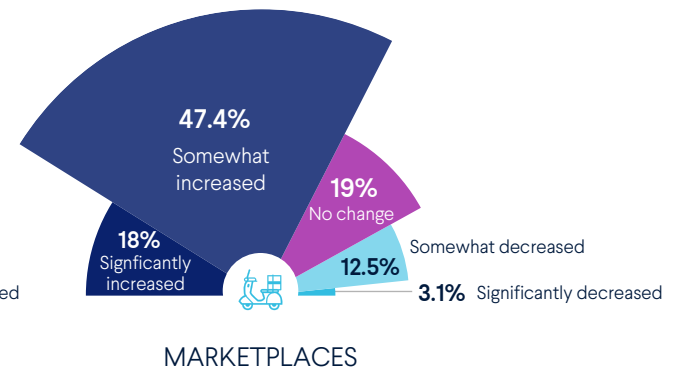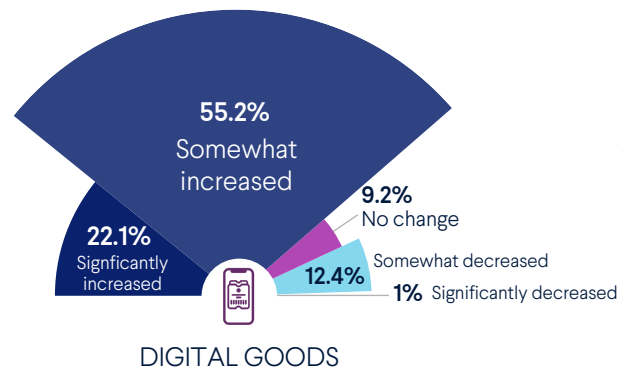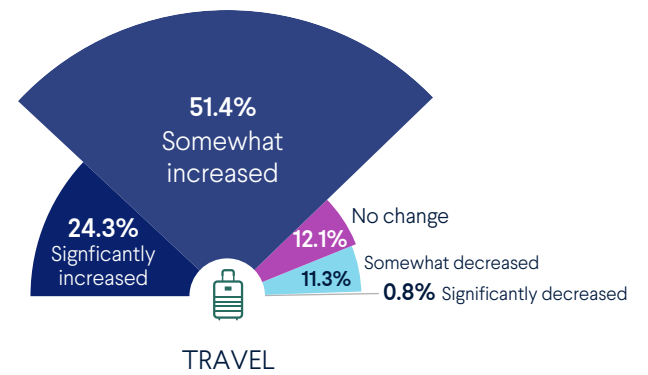
## OVERALL

**22.4%**
Signficantly increased

**52.4%**
Somewhat increased

**12.5%**
No change

**11%**
Somewhat decreased

**1.8%**
Significantly decreased

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

## BY SECTOR

**53.4%**
Somewhat increased

**24.1%**
Signficantly increased

No change
**11.6%**

Somewhat decreased
**8.9%**

**2.1%** Significantly decreased

RETAIL

**51.4%**
Somewhat increased

**24.3%**
Signficantly increased

No change
**12.1%**

Somewhat decreased
**11.3%**

**0.8%** Significantly decreased

TRAVEL

**55.2%**
Somewhat increased

**22.1%**
Signficantly increased

**9.2%**
No change

**12.4%**
Somewhat decreased

**1%** Significantly decreased

DIGITAL GOODS

**47.4%**
Somewhat increased

**18%**
Signficantly increased

**19%**
No change

Somewhat decreased
**12.5%**

**3.1%** Significantly decreased

MARKETPLACES

Although increases were reported in all four sectors, **Digital Goods** companies were the ones who observed the biggest rise in fraud, with 77.3% in total noticing some level of increase.

**Marketplaces** have seen the biggest drops in fraud, with 15.6% saying they have seen decreases.

# IS FRAUD ON THE UP?

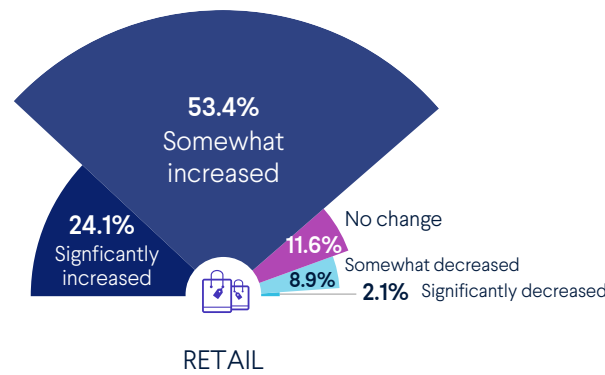## "IN THE PAST 12 MONTHS, HAVE YOU NOTICED A CHANGE IN THE AMOUNT OF FRAUD THAT AFFECTS YOUR COMPANY?"

### BY COUNTRY

**USA**
- 22.8%
- 43.4%
- 19.1%
- 13.2%
- 1.5%

**UK**
- 32.7%
- 51.3%
- 10%
- 6%

**Canada**
- 23.4%
- 58.9%
- 7.8%
- 9.9%

**France**
- 17.8%
- 58.6%
- 15.8%
- 7.2%
- 0.7%

**Germany**
- 26.8%
- 49%
- 12.1%
- 12.1%

**Italy**
- 15.2%
- 55%
- 17.2%
- 9.9%
- 2.6%

**Spain**
- 22%
- 59.3%
- 10.7%
- 6.7%
- 1.3%

**Australia**
- 29.9%
- 53.5%
- 7.1%
- 9.4%

**Brazil**
- 12.9%
- 46.9%
- 14.3%
- 18.4%
- 7.5%

**Mexico**
- 21.2%
- 47.7%
- 9.9%
- 17.2%
- 4%

Legend:
- Significantly increased
- Somewhat increased
- No change
- Somewhat decreased
- Significantly decreased
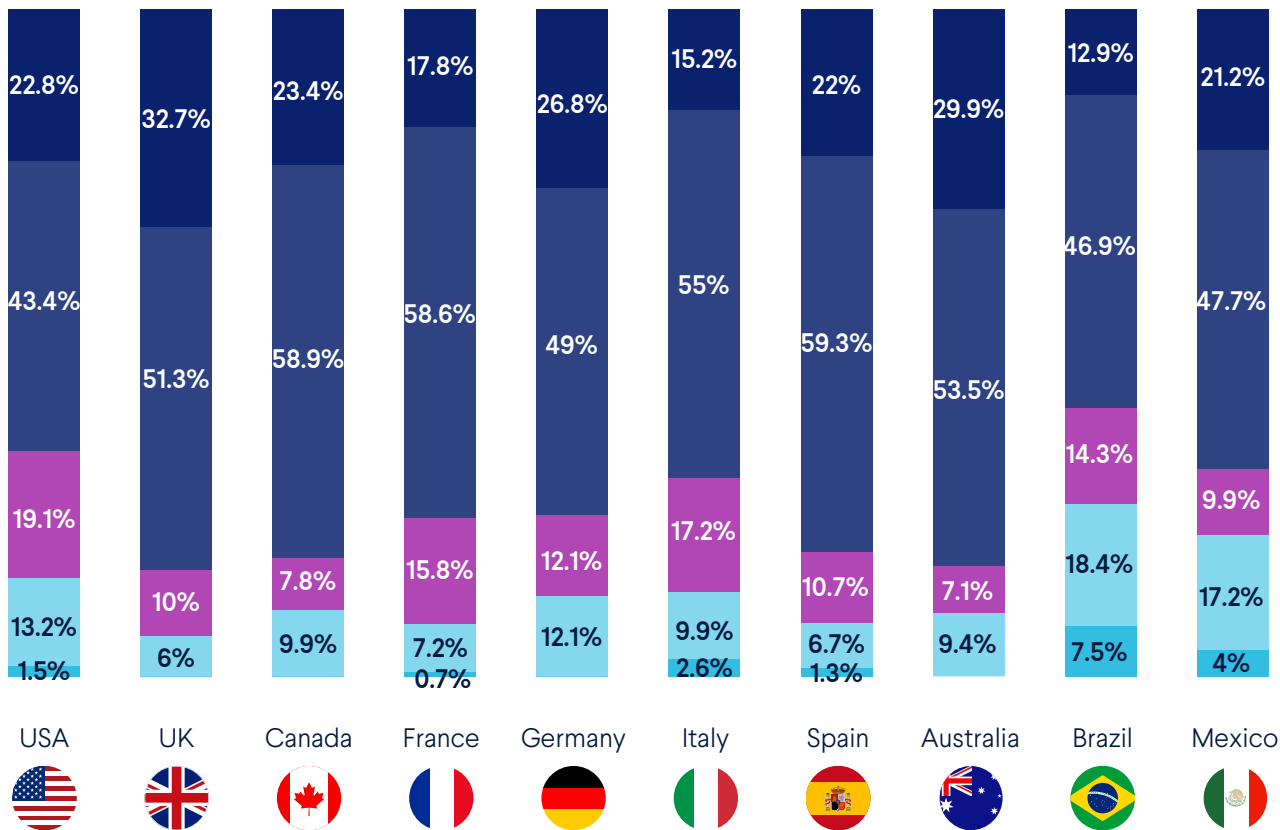
**Overall**, fraud has increased for 74.8% – but certain locales seem to have it under control, with 25.9% of participants in **Brazil** reporting decreases.
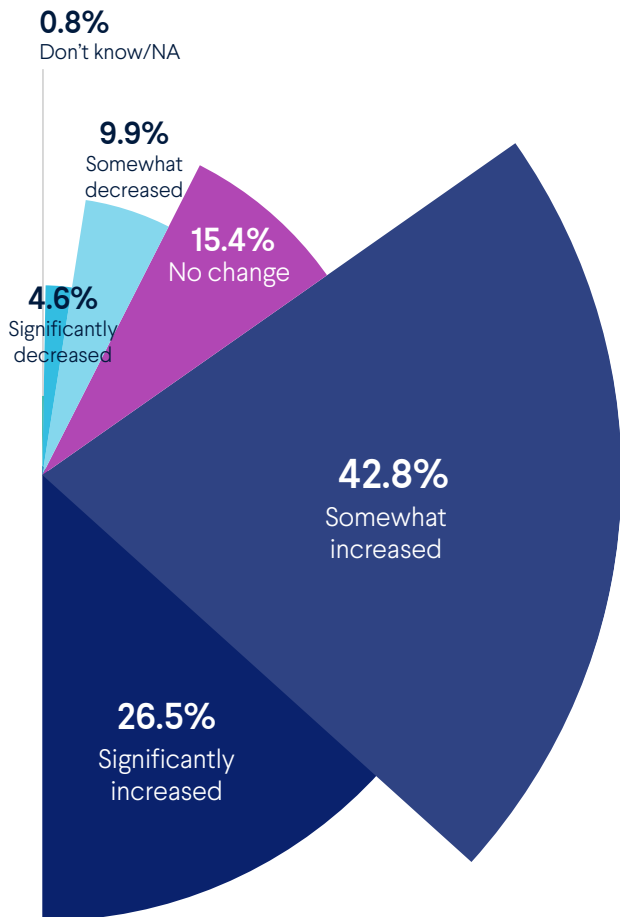
On the contrary, 84% of those in the **UK** have seen an increase, significant or not.

# FRAUD PAIN POINT #1: ONLINE PAYMENT FRAUD

"HOW HAS EACH OF THESE FRAUD TYPES CHANGED AT YOUR COMPANY IN THE PAST 12 MONTHS?
**ONLINE PAYMENT FRAUD (E.G. STOLEN CARDS)**"

**0.8%**
Don't know/NA

**9.9%**
Somewhat
decreased

**4.6%**
Significantly
decreased

**15.4%**
No change

**42.8%**
Somewhat
increased

**26.5%**
Significantly
increased

| | Significantly increased | Somewhat increased | No change | Somewhat decreased | Significantly decreased | Don't know/ NA |
|---|---|---|---|---|---|---|
| RETAIL | 30.6% | 39.9% | 16.4% | 8.3% | 4% | 0.8% |
| TRAVEL | 26.3% | 44.5% | 14.6% | 9.3% | 4.9% | 0.4% |
| DIGITAL GOODS | 26.6% | 44.8% | 12.7% | 10.7% | 4.7% | 0.5% |
| MARKETPLACES | 19.0% | 43.9% | 18% | 12.1% | 5.2% | 1.7% |

# FRAUD PAIN POINT #2: CHARGEBACK FRAUD

"HOW HAS EACH OF THESE FRAUD TYPES CHANGED AT YOUR COMPANY IN THE PAST 12 MONTHS?
FRAUDULENT CHARGEBACKS (FRIENDLY FRAUD)"
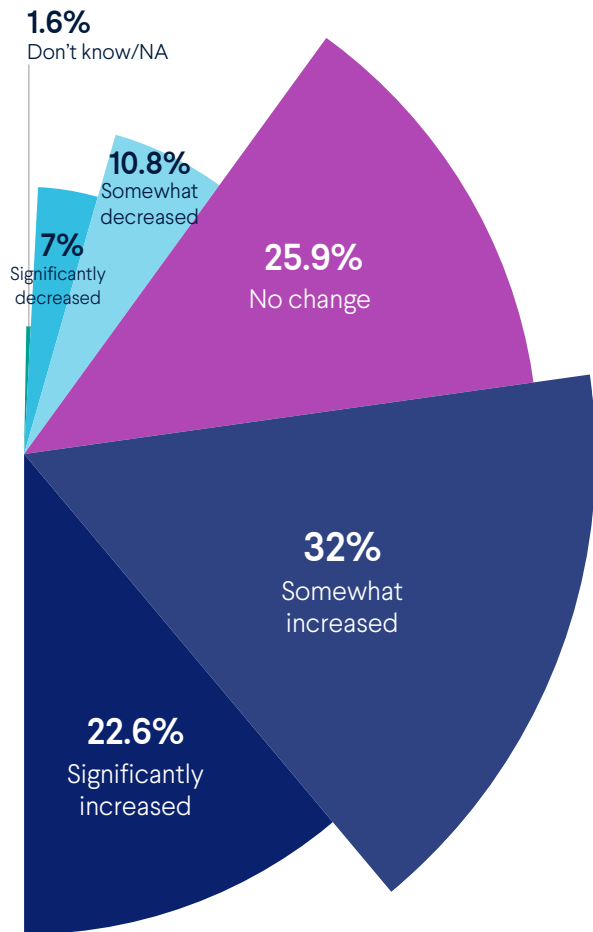
**1.6%**
Don't know/NA

**10.8%**
Somewhat
decreased

**7%**
Significantly
decreased

**25.9%**
No change

**32%**
Somewhat
increased

**22.6%**
Significantly
increased

| | Significantly increased | Somewhat increased | No change | Somewhat decreased | Significantly decreased | Don't know/ NA |
|---|---|---|---|---|---|---|
| RETAIL | 23.1% | 35.5% | 24.3% | 9.6% | 6.2% | 1.3% |
| TRAVEL | 27.5% | 26.3% | 24.3% | 12.6% | 7.7% | 1.6% |
| DIGITAL GOODS | 23.9% | 31.6% | 25.6% | 10.7% | 7.2% | 1% |
| MARKETPLACES | 15.9% | 31.1% | 30.8% | 11.8% | 7.6% | 2.8% |

# FRAUD PAIN POINT #3: ACCOUNT TAKEOVER ATTACKS (ATO)

"HOW HAS EACH OF THESE FRAUD TYPES CHANGED AT YOUR COMPANY IN THE PAST 12 MONTHS? ACCOUNT TAKEOVER ATTACKS)"
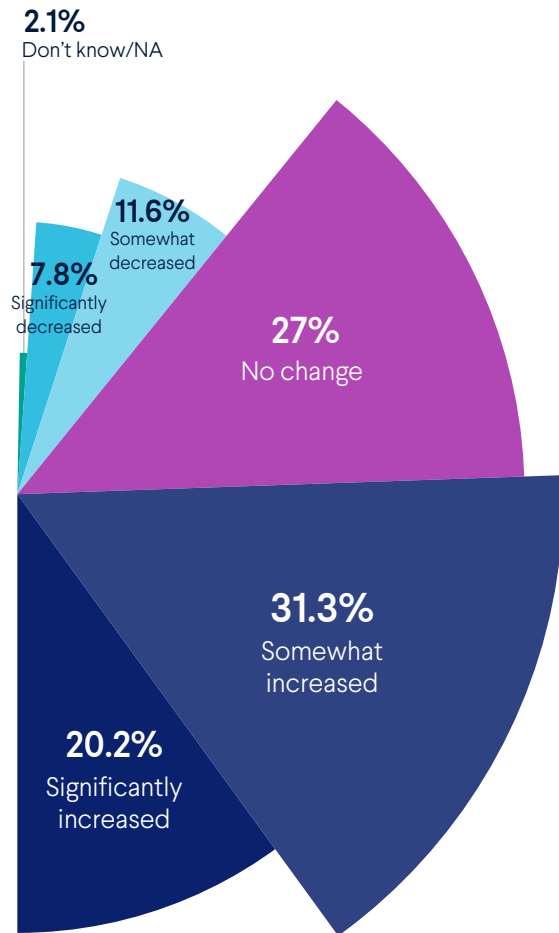
**2.1%** Don't know/NA

**11.6%** Somewhat decreased

**7.8%** Significantly decreased

**27%** No change

**31.3%** Somewhat increased

**20.2%** Significantly increased

| | Significantly increased | Somewhat increased | No change | Somewhat decreased | Significantly decreased | Don't know/ NA |
|---|---|---|---|---|---|---|
| RETAIL | 19.3% | 33.5% | 26.8% | 10.6% | 7.7% | 2.1% |
| TRAVEL | 23.5% | 29.1% | 25.9% | 12.6% | 6.9% | 2% |
| DIGITAL GOODS | 20.6% | 32.1% | 26.9% | 12.9% | 6.7% | 0.7% |
| MARKETPLACES | 18.3% | 28% | 28.7% | 10.7% | 10% | 4.2% |

# FRAUD PAIN POINT #4: PROMO, VOUCHER AND POLICY ABUSE

"HOW HAS EACH OF THESE FRAUD TYPES CHANGED AT YOUR COMPANY IN THE PAST 12 MONTHS?
PROMO, VOUCHER AND RELATED POLICY ABUSE"
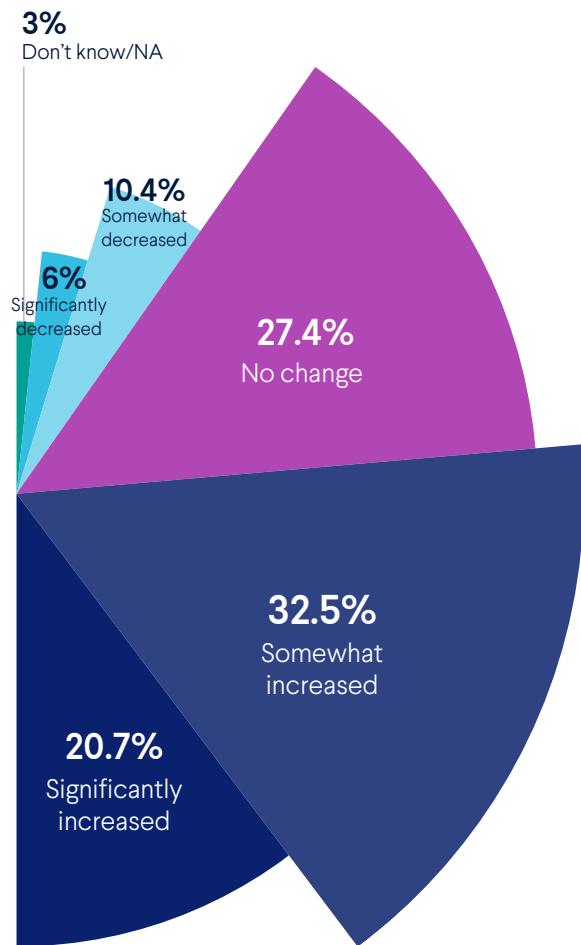
**3%**
Don't know/NA

**10.4%**
Somewhat decreased

**6%**
Significantly decreased

**27.4%**
No change

**32.5%**
Somewhat increased

**20.7%**
Significantly increased

| | Significantly increased | Somewhat increased | No change | Somewhat decreased | Significantly decreased | Don't know/ NA |
|---|---|---|---|---|---|---|
| RETAIL | 22.5% | 32.4% | 27.7% | 10.8% | 3.7% | 2.9% |
| TRAVEL | 21.5% | 34% | 27.9% | 9.7% | 4.9% | 2% |
| DIGITAL GOODS | 20.4% | 36.1% | 23.6% | 10.2% | 8.2% | 1.5% |
| MARKETPLACES | 17% | 26.6% | 31.5% | 10.7% | 8.3% | 5.9% |

# FRAUD PAIN POINT #5: REFUND ABUSE

"HOW HAS EACH OF THESE FRAUD TYPES CHANGED AT YOUR COMPANY IN THE PAST 12 MONTHS?
**REFUND ABUSE**"
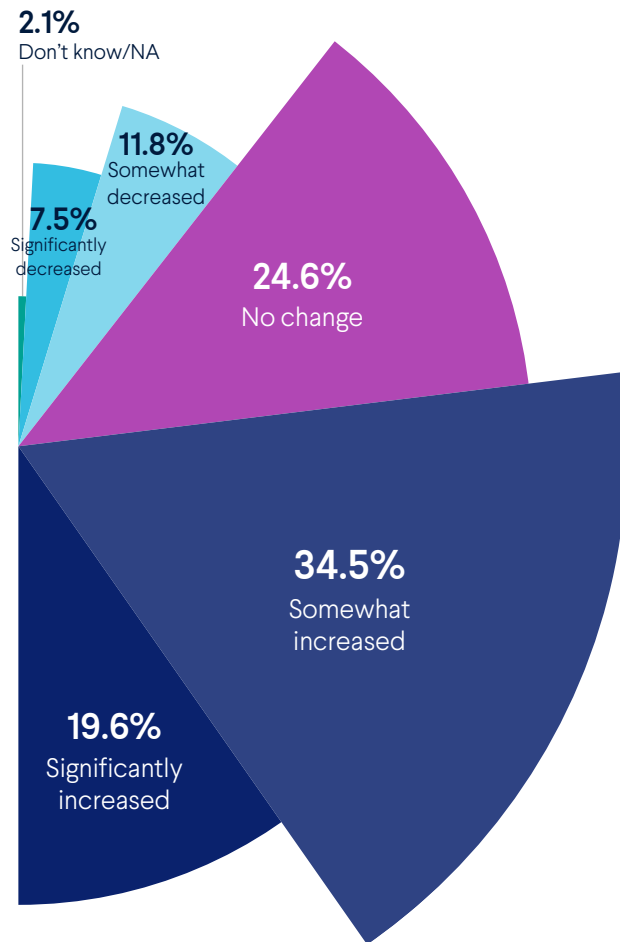
**2.1%** Don't know/NA

**11.8%** Somewhat decreased

**7.5%** Significantly decreased

**24.6%** No change

**34.5%** Somewhat increased

**19.6%** Significantly increased

| | Significantly increased | Somewhat increased | No change | Somewhat decreased | Significantly decreased | Don't know/ NA |
|---|---|---|---|---|---|---|
| RETAIL | 20.4% | 37.8% | 24.7% | 9.2% | 6.2% | 1.7% |
| TRAVEL | 21.1% | 25.5% | 25.1% | 15% | 11.7% | 1.6% |
| DIGITAL GOODS | 23.4% | 34.8% | 20.9% | 12.9% | 6.7% | 1.2% |
| MARKETPLACES | 11.4% | 35.6% | 29.4% | 12.1% | 7.3% | 4.2% |

# FRAUD PAIN POINT #6: SUPPLIER, PARTNER & SELLER FRAUD

"HOW HAS EACH OF THESE FRAUD TYPES CHANGED AT YOUR COMPANY IN THE PAST 12 MONTHS?
SUPPLIER, PARTNER OR SELLER FRAUD"
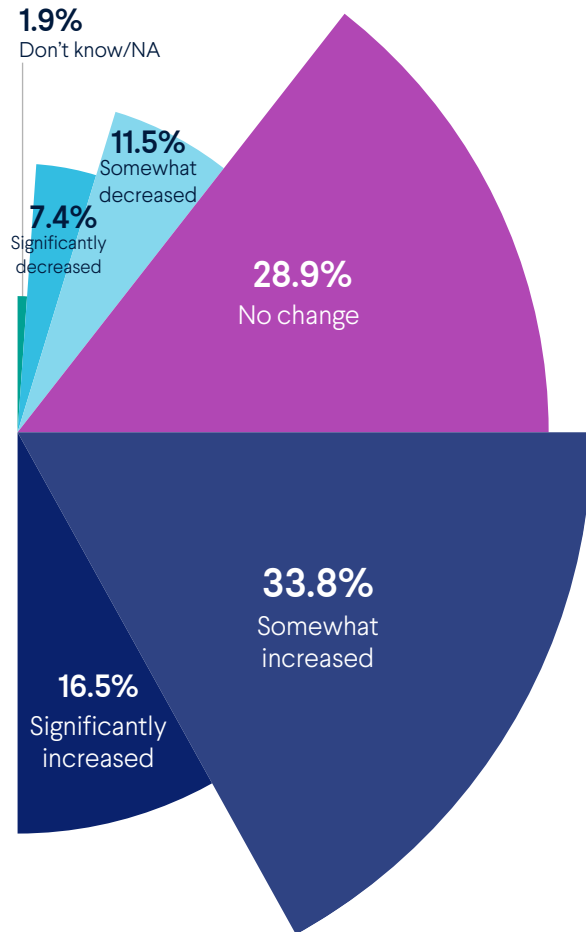
**1.9%**
Don't know/NA

**11.5%**
Somewhat decreased

**7.4%**
Significantly decreased

**28.9%**
No change

**33.8%**
Somewhat increased

**16.5%**
Significantly increased

| | Significantly increased | Somewhat increased | No change | Somewhat decreased | Significantly decreased | Don't know/ NA |
|---|---|---|---|---|---|---|
| RETAIL | 17.7% | 30.6% | 32.2% | 10.6% | 7.1% | 1.7% |
| TRAVEL | 20.2% | 35.6% | 28.3% | 7.7% | 7.7% | 0.4% |
| DIGITAL GOODS | 15.7% | 37.8% | 24.9% | 15.2% | 5.2% | 1.2% |
| MARKETPLACES | 12.1% | 32.5% | 29.1% | 11.1% | 10.7% | 4.5% |

# ARE FRAUDSTERS ALREADY USING AI AGAINST MERCHANTS?

"ARE YOU AWARE OF ANY FRAUDSTER ACTIVITY INVOLVING ANY TYPE OF AI TECHNOLOGY (E.G. LLMS, MACHINE LEARNING, SYNTHETIC IDS, ETC) ATTEMPTED AGAINST YOUR COMPANY IN THE PAST 12 MONTHS?"

From synthetic identities to LLM-powered automation and machine learning, predictions about artificial intelligence-enabled fraud have been everywhere. In reality, **AI fraud is already here**, and affecting us, both directly and indirectly.

**Digital goods (71.1%)** and **Travel and Hospitality (70.4%)** have seen the most action so far, yet all four market sectors are affected.

## OVERALL

- 7.7% Not sure
- 28.8% No
- 63.6% Yes

## PER SECTOR

**RETAIL**
- 8.1% Not sure
- 28.7% No
- 63.2% Yes

**TRAVEL**
- 5.3% Not sure
- 24.3% No
- 70.4% Yes

**DIGITAL GOODS**
- 5.2% Not sure
- 23.6% No
- 71.1% Yes

**MARKETPLACES**
- 12.5% Not sure
- 39.8% No
- 47.8% Yes
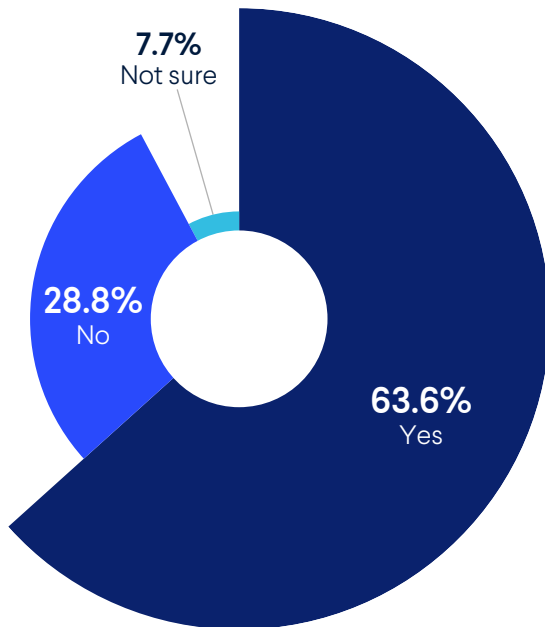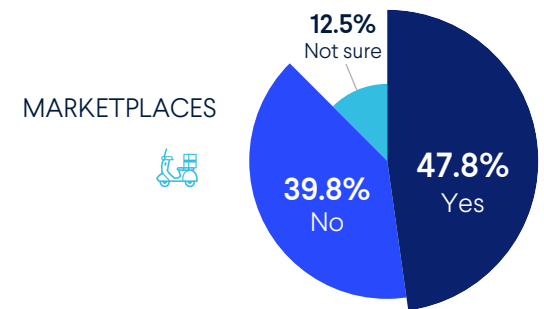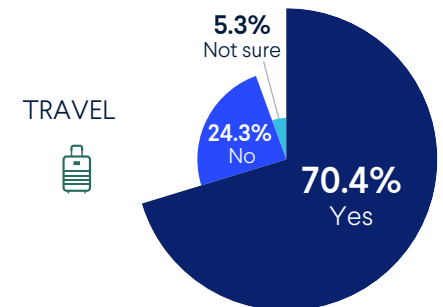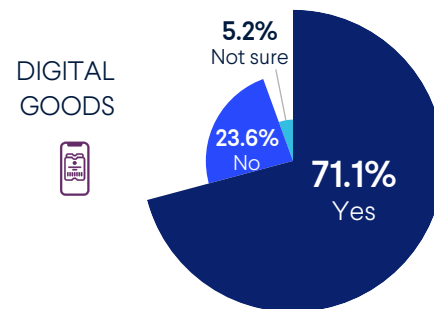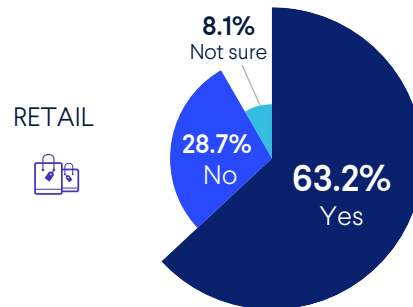
# WHAT FRAUD IS THE WORST?

"WHICH OF THESE TYPES OF FRAUD POSE THE MOST RISK TO YOUR BUSINESS?*"



| 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| 2.18 | 3.16 | 3.21 | 3.85 | 4.12 | 4.49 |
| CNP fraud | ATO attacks | Chargeback fraud | Policy abuse | Refund abuse | Supplier fraud |
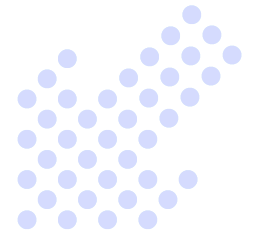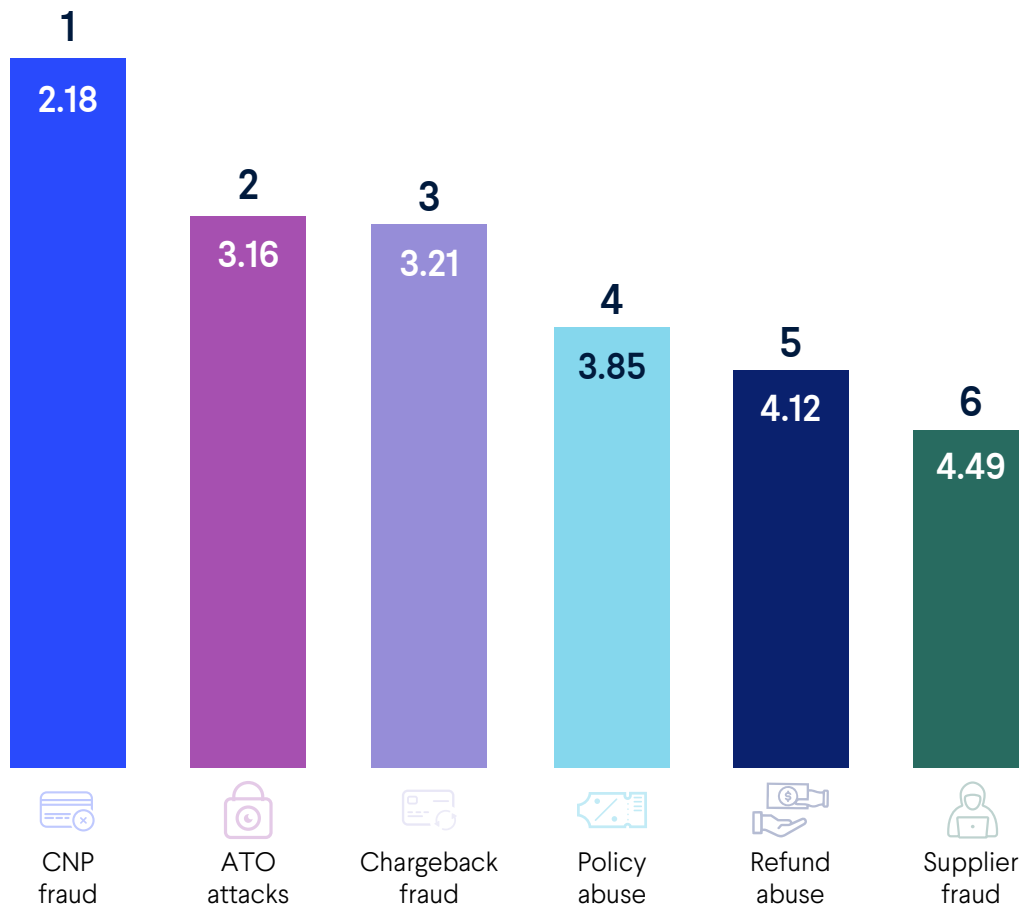
Across the board, **payment fraud, ATO** and **chargebacks** topped the chart, with the latter sometimes competing for second place.

In Brazil, Spain and the UK, respondents were **more likely to choose payment fraud** as their number one risk. In Mexico, **supplier fraud** seems to be more of a concern than elsewhere, with refund abuse coming in last instead (see next page).

*The numbers in the columns are the mean ranking participants gave each type of fraud.

## "WHICH OF THESE TYPES OF FRAUD POSE THE MOST RISK TO YOUR BUSINESS?*"

### BY COUNTRY

**USA**
| CNP fraud | ATO attacks | Chargebacks | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|
| 2.10 | 2.95 | 3.40 | 3.90 | 4.04 | 4.60 |

**UK**
| CNP fraud | ATO attacks | Chargebacks | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|
| 2.04 | 3.35 | 3.31 | 3.65 | 3.97 | 4.69 |

**Canada**
| CNP fraud | ATO attacks | Chargebacks | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|
| 2.50 | 3.08 | 3.01 | 3.57 | 4.12 | 4.72 |

**France**
| CNP fraud | ATO attacks | Chargebacks | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|
| 2.16 | 3.56 | 3.31 | 3.71 | 3.83 | 4.43 |

**Germany**
| CNP fraud | ATO attacks | Chargebacks | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|
| 2.15 | 3.02 | 3.23 | 3.61 | 4.46 | 4.54 |

**Italy**
| CNP fraud | ATO attacks | Chargebacks | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|
| 2.14 | 3.32 | 2.74 | 3.92 | 4.15 | 4.72 |

**Spain**
| CNP fraud | ATO attacks | Chargebacks | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|
| 1.99 | 3.14 | 3.12 | 4.01 | 4.13 | 4.62 |

**Australia**
| CNP fraud | ATO attacks | Chargebacks | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|
| 2.50 | 3.14 | 3.09 | 3.90 | 3.81 | 4.56 |

**Brazil**
| CNP fraud | ATO attacks | Chargebacks | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|
| 1.92 | 3.24 | 2.87 | 4.36 | 4.34 | 4.26 |

**Mexico**
| CNP fraud | ATO attacks | Chargebacks | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|
| 2.32 | 3.24 | 3.48 | 3.78 | 4.29 | 3.89 |

*The numbers in the columns are the mean ranking participants gave each type of fraud.

# IS FIRST-PARTY FRAUD ON THE RISE – AND WHERE?
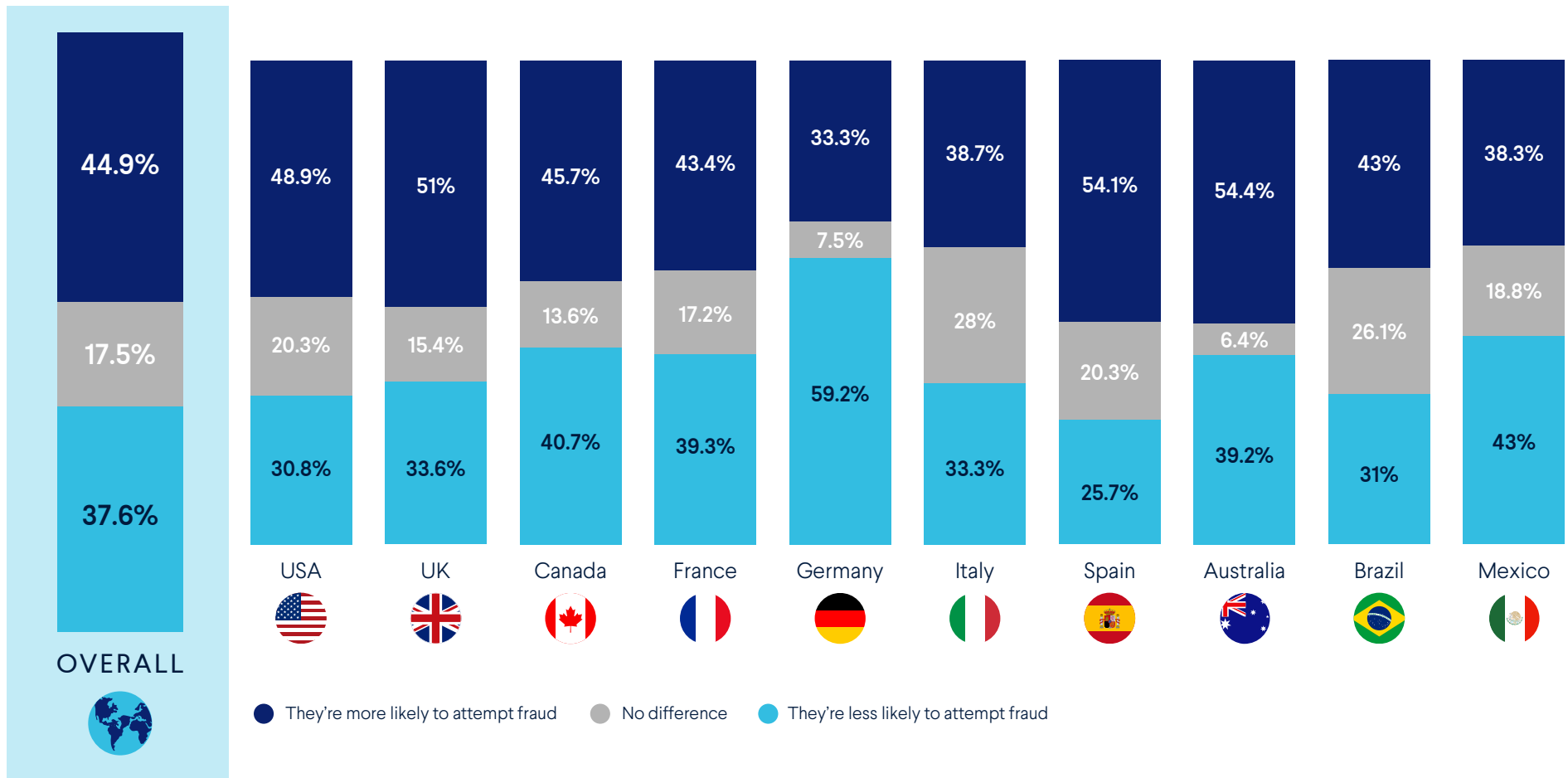
"HAVE YOU NOTICED A CHANGE IN CUSTOMER/LEGITIMATE CARDHOLDER BEHAVIOR OVER THE PAST 12 MONTHS?"

According to respondents, **Germany seems to have friendly fraud somewhat under control**, with 59.2% saying first parties are less likely to attempt it.

Topping the list of friendly fraudsters are **Australia, Spain and the UK**, with up to 54.4% estimating customers are more likely to attempt fraud now.

**OVERALL**
- 44.9%
- 17.5%
- 37.6%

| | USA | UK | Canada | France | Germany | Italy | Spain | Australia | Brazil | Mexico |
|---|---|---|---|---|---|---|---|---|---|---|
| They're more likely to attempt fraud | 48.9% | 51% | 45.7% | 43.4% | 33.3% | 38.7% | 54.1% | 54.4% | 43% | 38.3% |
| No difference | 20.3% | 15.4% | 13.6% | 17.2% | 7.5% | 28% | 20.3% | 6.4% | 26.1% | 18.8% |
| They're less likely to attempt fraud | 30.8% | 33.6% | 40.7% | 39.3% | 59.2% | 33.3% | 25.7% | 39.2% | 31% | 43% |

● They're more likely to attempt fraud  ● No difference  ● They're less likely to attempt fraud

# TRENDS IN CHARGEBACKS AND DISPUTES

## "ON AVERAGE, WHAT PERCENTAGE OF CHARGEBACK REQUESTS DO YOU CHALLENGE/DISPUTE?"

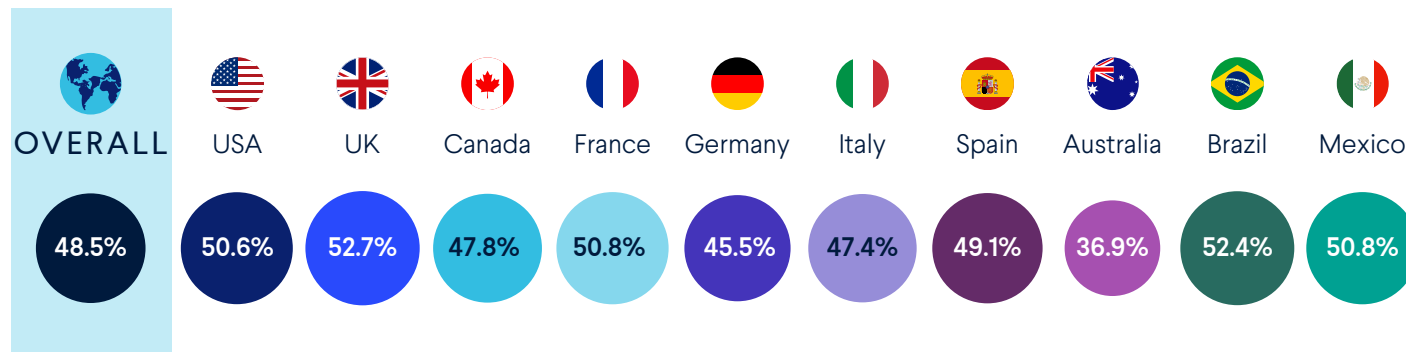| OVERALL | USA | UK | Canada | France | Germany | Italy | Spain | Australia | Brazil | Mexico |
|---------|------|------|--------|--------|---------|-------|-------|-----------|--------|--------|
| 42.1% | 46.8% | 50.3% | 47% | 39.7% | 39.7% | 34.1% | 41.3% | 38.3% | 40.1% | 43.4% |
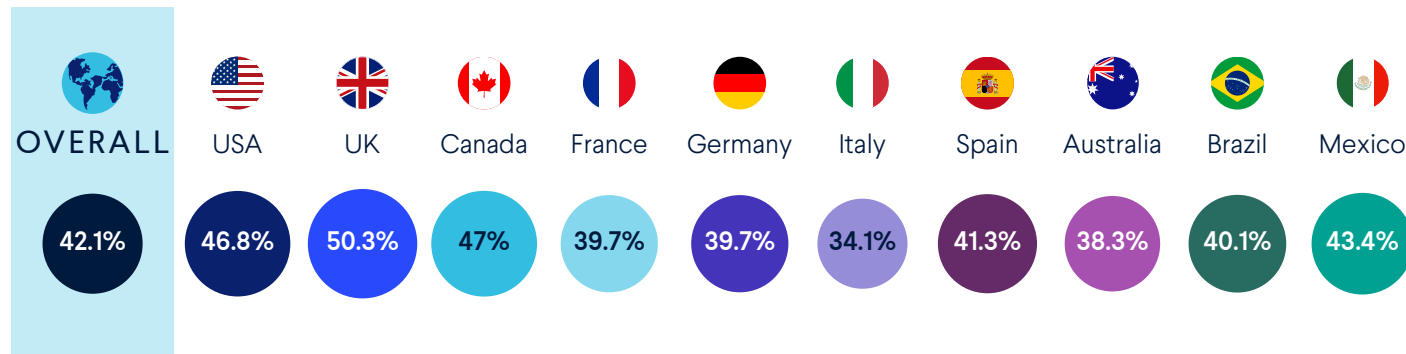
On average, merchants challenge **42.1%** of disputes – and are successful with just **48.5%** of them

## "OF ALL THE CHARGEBACKS YOU CHALLENGE, APPROXIMATELY HOW MANY ARE YOU SUCCESSFUL WITH?"

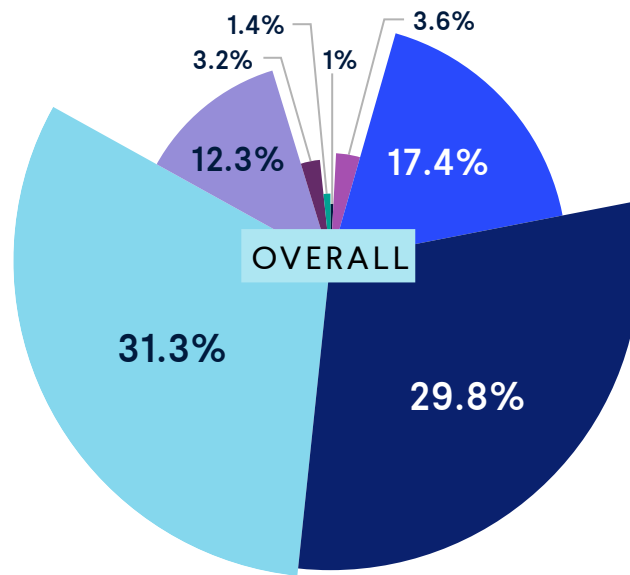| OVERALL | USA | UK | Canada | France | Germany | Italy | Spain | Australia | Brazil | Mexico |
|---------|------|------|--------|--------|---------|-------|-------|-----------|--------|--------|
| 48.5% | 50.6% | 52.7% | 47.8% | 50.8% | 45.5% | 47.4% | 49.1% | 36.9% | 52.4% | 50.8% |

UK merchants are both the most likely to challenge a dispute **(50.3%)** and the most likely to be successful **(52.7%)**

# REFUND AND REFUND ABUSE TRENDS

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

"WHAT PERCENTAGE OF YOUR RETURNS/REFUNDS DO YOU ESTIMATE TO BE LINKED TO POLICY ABUSE?"

Legend:
- None
- 0.1–1%
- 1–2%
- 2–5%
- 5–10%
- 10–20%
- Over 20%
- Don't know/NA

**Left pie (OVERALL):** 3.6%, 1%, 1.4%, 3.2%, 12.3%, 31.3%, 29.8%, 17.4%

**46.8%** of merchants receive refund requests on more than **5%** of their sales

**Right pie (OVERALL):** 1.9%, 2.3%, 3.5%, 7.6%, 13.2%, 21.2%, 26.6%, 23.7%
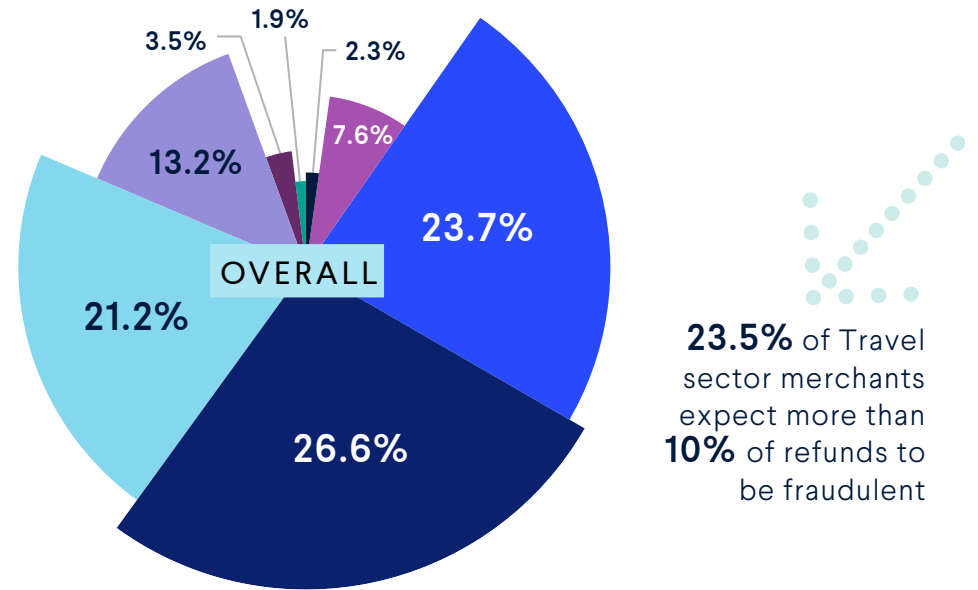
**23.5%** of Travel sector merchants expect more than **10%** of refunds to be fraudulent

## Left table

| | None | 0.1–1% | 1–2% | 2–5% | 5–10% | 10–20% | Over 20% | Don't know/NA |
|---|---|---|---|---|---|---|---|---|
| RETAIL | 0.6% | 3.5% | 18.1% | 31.7% | 30.9% | 11.4% | 3.1% | 0.8% |
| TRAVEL | 0% | 2.8% | 12.6% | 31.6% | 38.1% | 13% | 2% | 0% |
| DIGITAL GOODS | 1% | 2.5% | 17.2% | 30.6% | 30.1% | 14.9% | 3.5% | 0.2% |
| MARKETPLACES | 2.4% | 5.9% | 20.8% | 23.9% | 27.7% | 9.7% | 4.2% | 5.5% |

## Right table

| | None | 0.1–1% | 1–2% | 2–5% | 5–10% | 10–20% | Over 20% | Don't know/NA |
|---|---|---|---|---|---|---|---|---|
| RETAIL | 2.3% | 8.7% | 22.9% | 27% | 22.2% | 12.1% | 3.9% | 1% |
| TRAVEL | 0.8% | 6.5% | 25.1% | 24.7% | 19% | 21.1% | 2.4% | 0.4% |
| DIGITAL GOODS | 2% | 7% | 25.4% | 25.6% | 23.1% | 12.9% | 2.5% | 1.5% |
| MARKETPLACES | 2% | 7% | 25.4% | 25.6% | 23.1% | 12.9% | 2.5% | 1.5% |
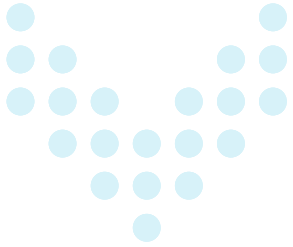
# SECTION C

## FIGHTING FRAUD

What are the tools and strategies we use to fight fraud in 2024? A panoply of fraud experts have chimed in, and we're presenting the takeaways.

In this section, you will also learn how companies have used different tools to minimize risk.

Importantly, we're also looking at blockers: what stops us from fighting fraud more efficiently – and perhaps what might help us get buy-in from internal stakeholders and collaborate better.

## 66.2%
find ML useful against fraud

## 80.4%
take action vs policy abuse

## 58.6%
believe more should be done to stop fraud

## 39.4%
find budget the #1 obstacle to this

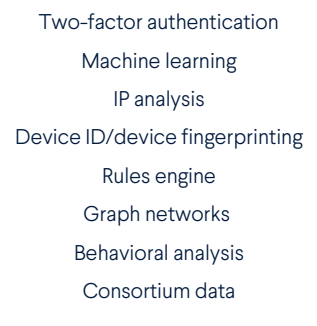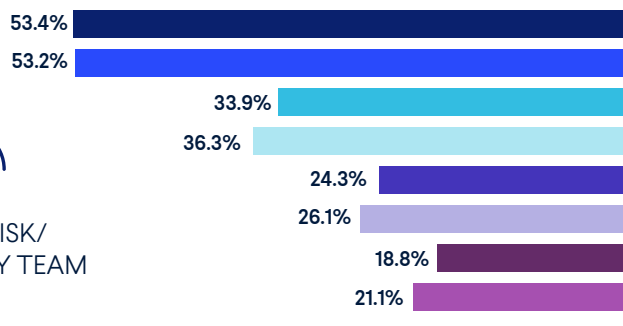| | |
|---|---|
| Two-factor authentication | **54.1%** |
| Machine learning | **47%** |
| IP analysis | **38.6%** |
| Device ID/device fingerprinting | **37.5%** |
| Rules engine | **25.4%** |
| Graph networks | **24.6%** |
| Behavioral analysis | **19.1%** |
| Consortium data | **17.4%** |

# THE FRAUD FIGHTER'S ARSENAL

## "WHICH OF THE FOLLOWING TOOLS DO YOU FIND THE MOST EFFECTIVE FOR FIGHTING FRAUD?"

Across the board, 2FA – which includes technologies such as **3D Secure** and **biometrics** – is in the lead as the most popular fraud-thwarting tool. The level of public awareness of 2FA explains this, as does the focus on payments security for many roles and functions.
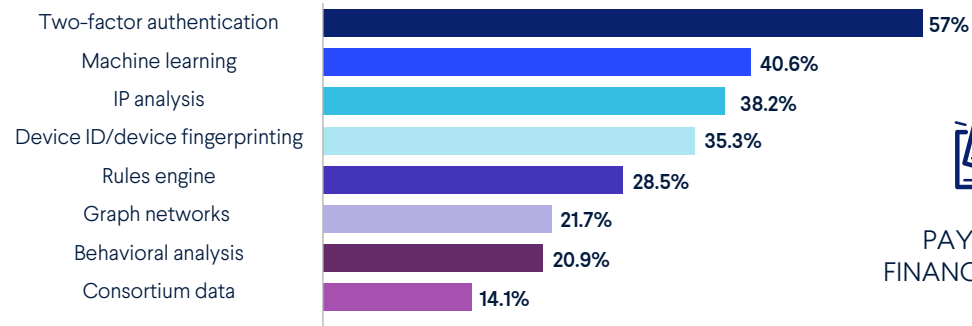
## "WHICH OF THE FOLLOWING TOOLS DO YOU FIND THE MOST EFFECTIVE FOR FIGHTING FRAUD?"
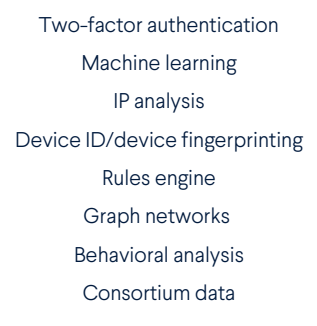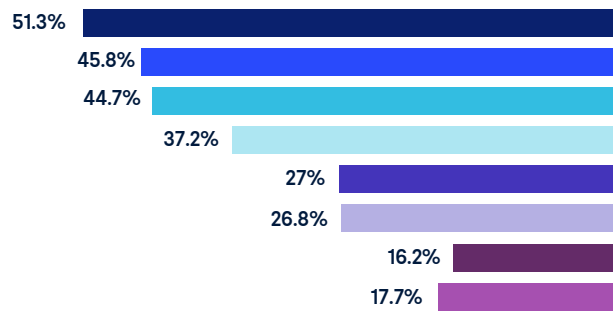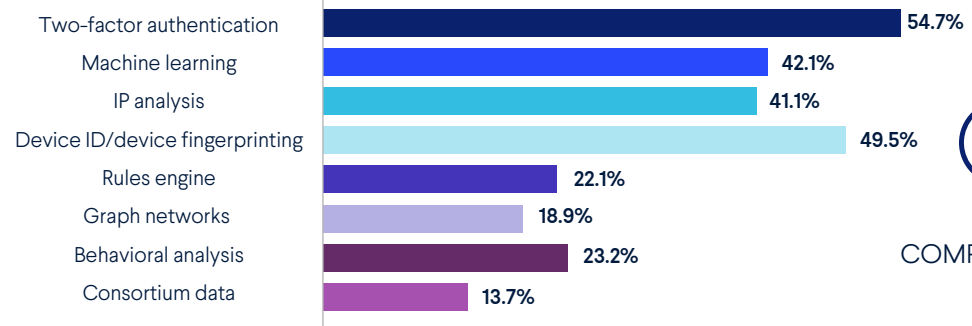## WHAT DO DIFFERENT TEAMS THINK?

**FRAUD/RISK/ SECURITY TEAM**

| Tool | Value |
|---|---|
| Two-factor authentication | 53.4% |
| Machine learning | 53.2% |
| IP analysis | 33.9% |
| Device ID/device fingerprinting | 36.3% |
| Rules engine | 24.3% |
| Graph networks | 26.1% |
| Behavioral analysis | 18.8% |
| Consortium data | 21.1% |

**PAYMENTS/ FINANCE TEAM**

| Tool | Value |
|---|---|
| Two-factor authentication | 57% |
| Machine learning | 40.6% |
| IP analysis | 38.2% |
| Device ID/device fingerprinting | 35.3% |
| Rules engine | 28.5% |
| Graph networks | 21.7% |
| Behavioral analysis | 20.9% |
| Consortium data | 14.1% |

**C-SUITE**

| Tool | Value |
|---|---|
| Two-factor authentication | 51.3% |
| Machine learning | 45.8% |
| IP analysis | 44.7% |
| Device ID/device fingerprinting | 37.2% |
| Rules engine | 27% |
| Graph networks | 26.8% |
| Behavioral analysis | 16.2% |
| Consortium data | 17.7% |

**COMPLIANCE OR OPS**

| Tool | Value |
|---|---|
| Two-factor authentication | 54.7% |
| Machine learning | 42.1% |
| IP analysis | 41.1% |
| Device ID/device fingerprinting | 49.5% |
| Rules engine | 22.1% |
| Graph networks | 18.9% |
| Behavioral analysis | 23.2% |
| Consortium data | 13.7% |

**PRODUCT**

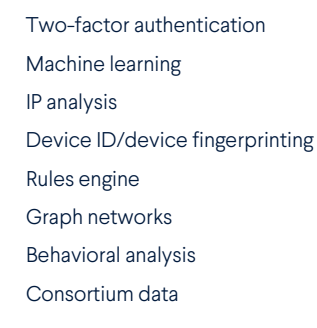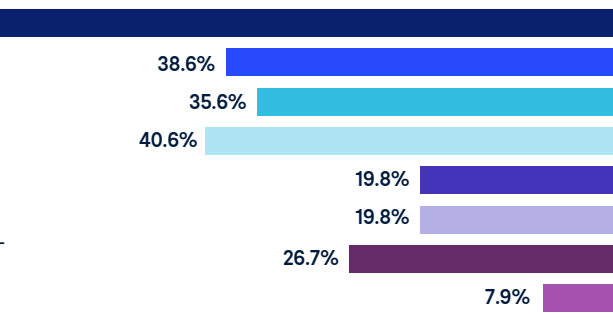| Tool | Value |
|---|---|
| Two-factor authentication | 62.4% |
| Machine learning | 38.6% |
| IP analysis | 35.6% |
| Device ID/device fingerprinting | 40.6% |
| Rules engine | 19.8% |
| Graph networks | 19.8% |
| Behavioral analysis | 26.7% |
| Consortium data | 7.9% |

It's interesting that fraud team members, such as fraud analysts and fraud managers, are **the only team** equally as likely to vote for machine learning as an effective tool against fraud as for 2FA.
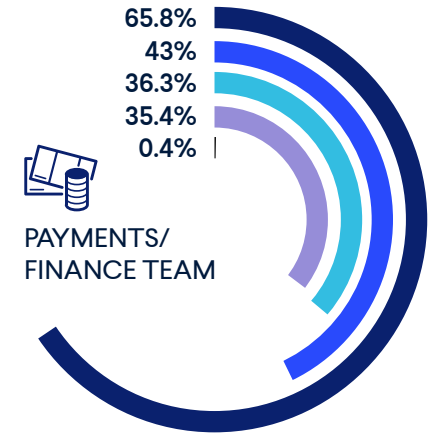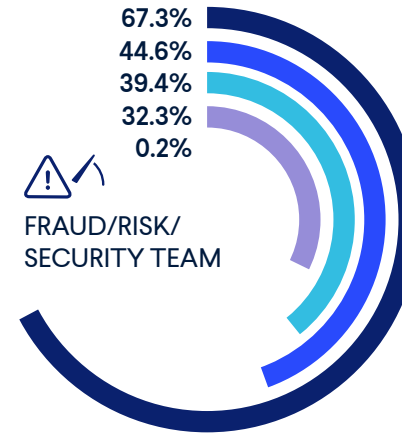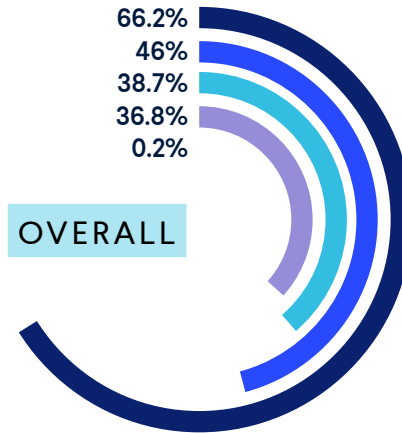
There could thus be benefit in **disseminating information about the usefulness of ML** and similar technologies in the fight against fraud to the wider company, if not the public.

# AI VS FRAUD

"WHICH OF THESE TYPES OF ARTIFICIAL INTELLIGENCE DO YOU BELIEVE ARE OR COULD BE USEFUL IN THE FIGHT AGAINST FRAUD?"

With 66.2% of fraud professionals in agreement, **machine learning comes out on top** as the most useful implementation of AI for fraud prevention.

It's interesting to note the **popularity of LLMs and big data analysis with the C-suite**, who were the biggest supporters of this option at 54.2%. Perhaps exploring LLM use against fraud could **boost buy-in from senior leadership** – for instance, creating fraud rules using natural language, per the new feature in Ravelin's solutions.

**OVERALL**
66.2% / 46% / 38.7% / 36.8% / 0.2%

**FRAUD/RISK/ SECURITY TEAM**
67.3% / 44.6% / 39.4% / 32.3% / 0.2%

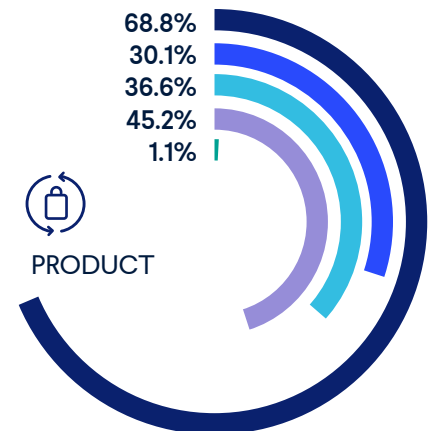**PAYMENTS/ FINANCE TEAM**
65.8% / 43% / 36.3% / 35.4% / 0.4%

- Machine learning (ML)
- Large language models (LLMs)
- Generative adversarial networks (GANs)
- Big data analysis
- Other

**C-SUITE**
64.7% / 54.2% / 39.3% / 41.1% / 1.2%

**COMPLIANCE OR OPS**
64.8% / 37.4% / 40.7% / 37.4%

**PRODUCT**
68.8% / 30.1% / 36.6% / 45.2% / 1.1%
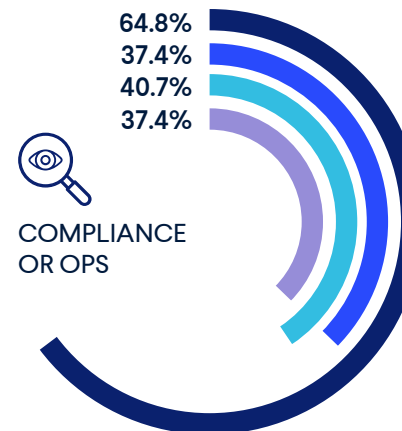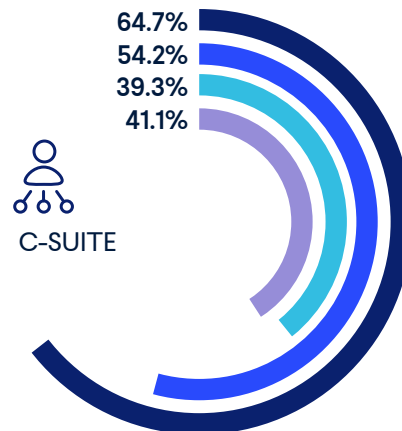
# ARE WE TRYING TO STOP REFUND AND POLICY ABUSE?

"ARE YOU TAKING SPECIFIC MEASURES AGAINST REFUND, PROMO AND OTHER POLICY ABUSE?
**IF SO, WHAT MEASURES ARE YOU TAKING?**"



**OVERALL**
- 19.6% No
- 80.4% Yes
- 57.2%
- 55.6%
- 50.5%
- 34.1%

**RETAIL**
- 17.8% No
- 82.2% Yes
- 60.6%
- 53.8%
- 51.2%
- 36.8%

**TRAVEL**
- 20.4% No
- 79.6% Yes
- 52.8%
- 60%
- 47.2%
- 26.7%

**DIGITAL GOODS**
- 18.1% No
- 81.9% Yes
- 57.3%
- 56.7%
- 51.7%
- 31.8%

**MARKETPLACES**
- 24.7% No
- 75.3% Yes
- 54.2%
- 53.2%
- 50.2%
- 39.4%
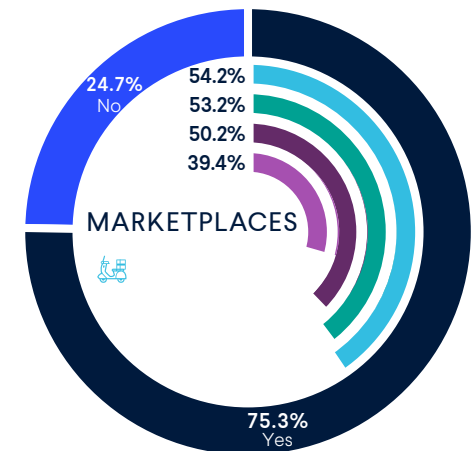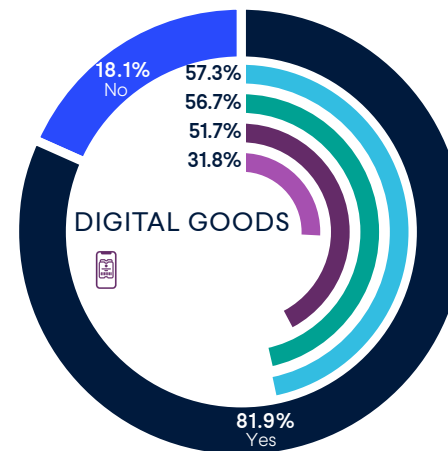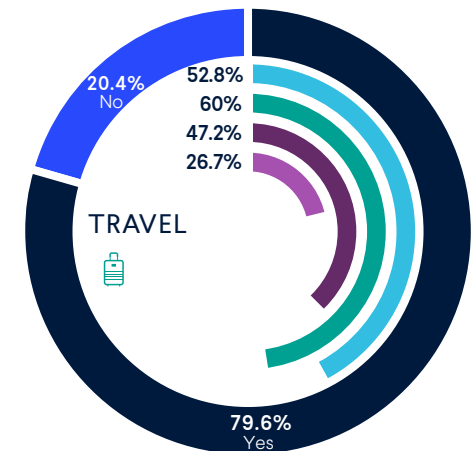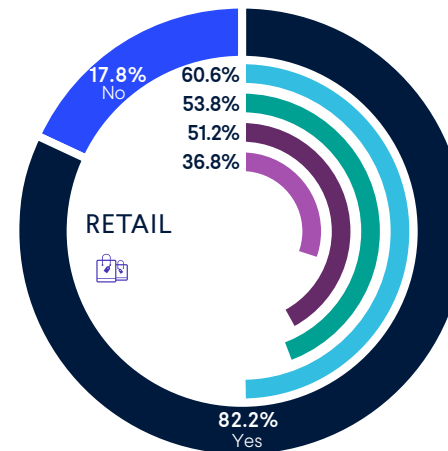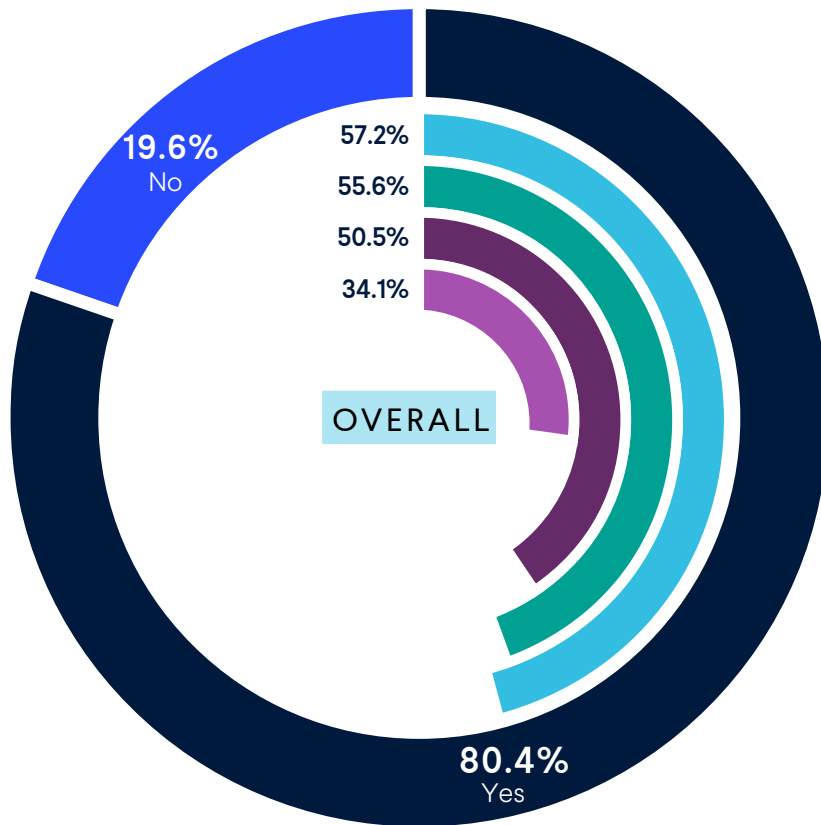
Legend:
- Software and tools
- Manual review of incidents
- Changing T&Cs
- Personalized codes/deals

# SHOULD WE BE TAKING MORE ACTION AGAINST FRAUD?

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

OVERALL

**6.4%** No

**35%** Maybe

**58.6%** Yes

BY TEAM

FRAUD/RISK/SECURITY TEAM

**6.7%** No

**33%** Maybe

**60.3%** Yes

PAYMENTS/FINANCE TEAM

**6.9%** No

**36.2%** Maybe

**56.9%** Yes

C-SUITE

**5.8%** No

**33.9%** Maybe

**60.3%** Yes

COMPLIANCE OR OPS

**8.4%** No

**40%** Maybe

**51.6%** Yes

PRODUCT

**4%** No

**43%** Maybe

**53%** Yes
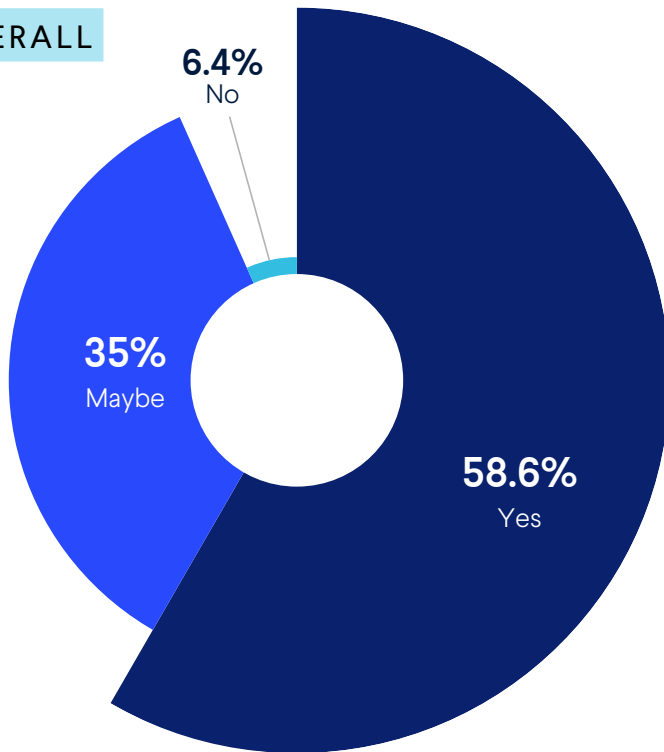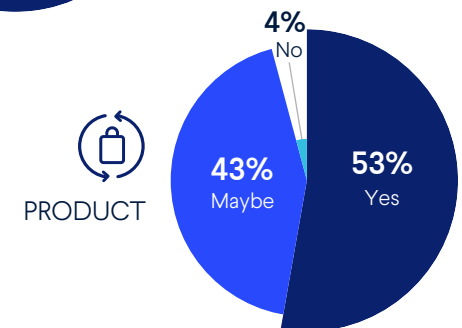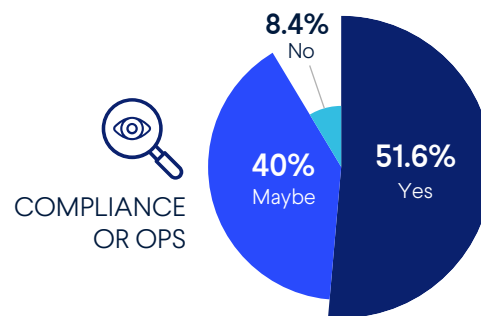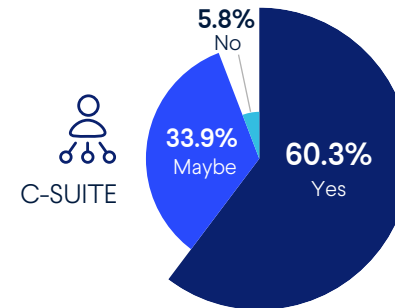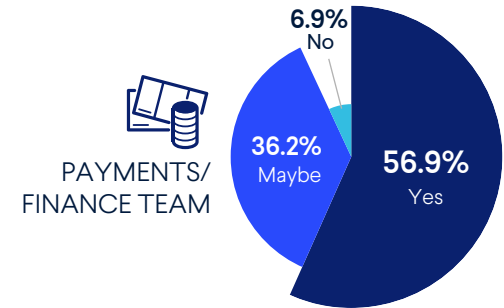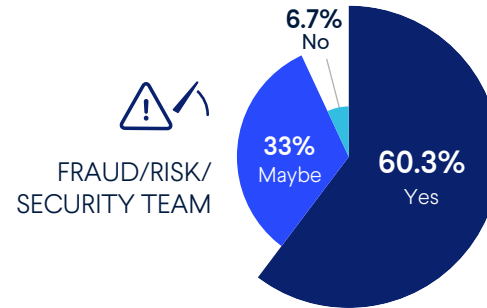
**Unexpected allies?** Exactly as many C-level execs think they should be doing more to stop fraud as Fraud team members, at

# 60.3%

39.4%
38.2%
35.9%
33.1%
31.5%  31.4%
21.8%
4%

Budget
Concerns about friction/churn
Lack of awareness of benefits from other teams
Lack of financial decision maker buy-in
Lack of leadership buy-in
Concerns about our public image
Operational inefficiency
We are as effective as we could be
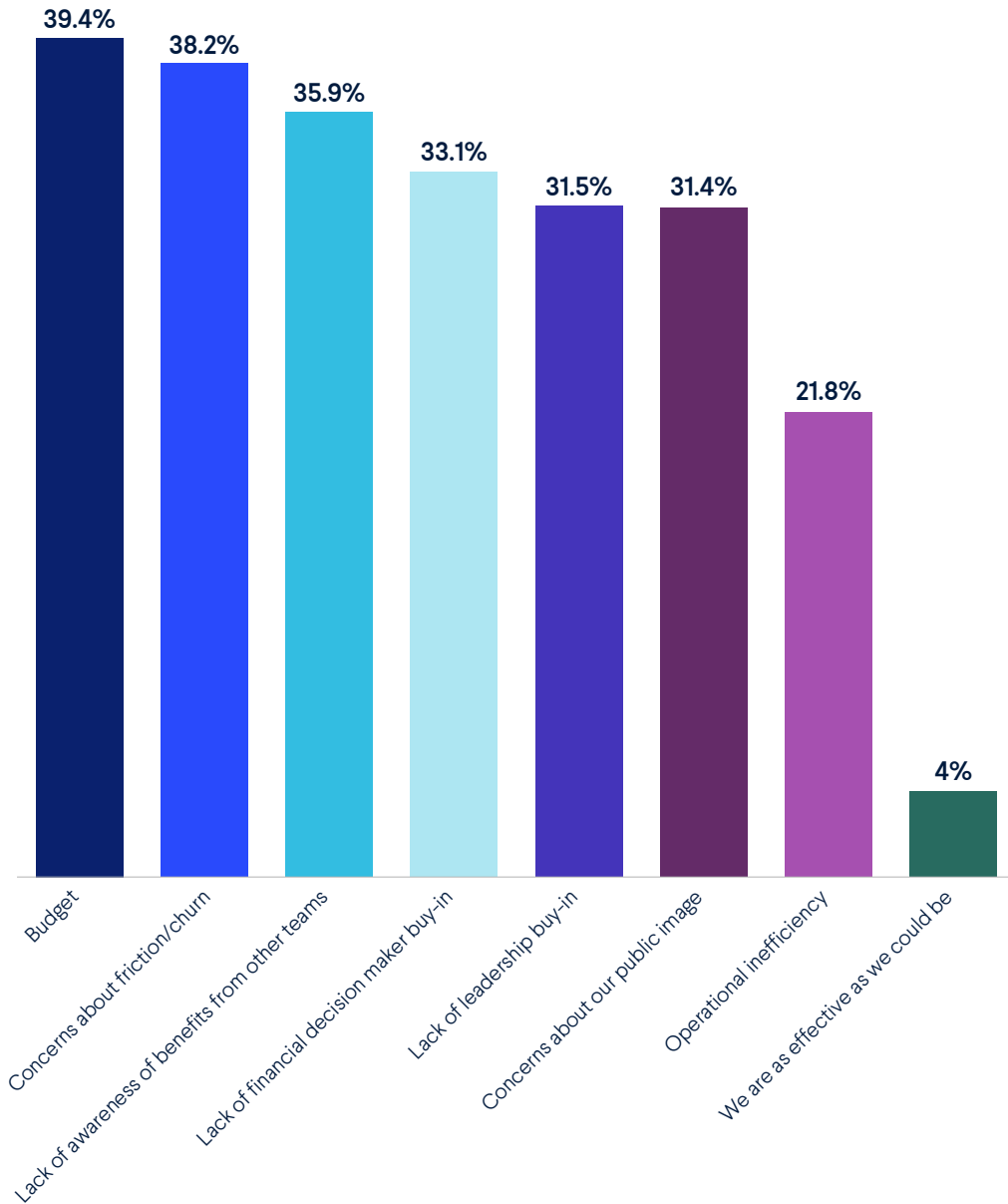
# SO, WHAT'S STOPPING US?

"IN YOUR OPINION, WHAT STOPS YOUR COMPANY FROM BEING MORE EFFECTIVE IN FIGHTING FRAUD?"

There are telling variations in teams' understanding of obstacles to fighting fraud effectively.

While almost everyone agrees that budget is the biggest blocker, C-suite and Payments **see potential friction as a blocker** – perhaps owing to less-well-deployed or legacy anti-fraud solutions.

## 38.9%
of C-suite identify
**friction & churn** as the
**#1 blocker** to a more
effective anti-fraud strategy
– the only team who didn't
put budget at the top

"IN YOUR OPINION, WHAT STOPS YOUR COMPANY FROM BEING MORE EFFECTIVE IN FIGHTING FRAUD?"
WHAT DO DIFFERENT TEAMS THINK?

- Budget
- Concerns about friction/churn
- Lack of awareness of benefits from other teams
- Lack of financial decision maker buy-in
- Lack of leadership buy-in
- Concerns about our public image
- Operational inefficiency
- We are as effective as we could be

**FRAUD/RISK/SECURITY TEAM**
43%, 41.3%, 37.7%, 37%, 33.6%, 32%, 18.9%, 2.5%

**PAYMENTS/FINANCE TEAM**
38.6%, 34.1%, 34.5%, 30.5%, 27.3%, 25.7%, 24.1%, 6%

**C-SUITE**
34.7%, 38.9%, 35%, 31.9%, 33%, 34.5%, 21%, 5.3%

**COMPLIANCE OR OPS**
41.1%, 27.4%, 37.9%, 25.3%, 30.5%, 28.4%, 26.3%, 5.3%

**PRODUCT**
40.6%, 37.6%, 31.7%, 30.7%, 24.8%, 31.7%, 30.7%
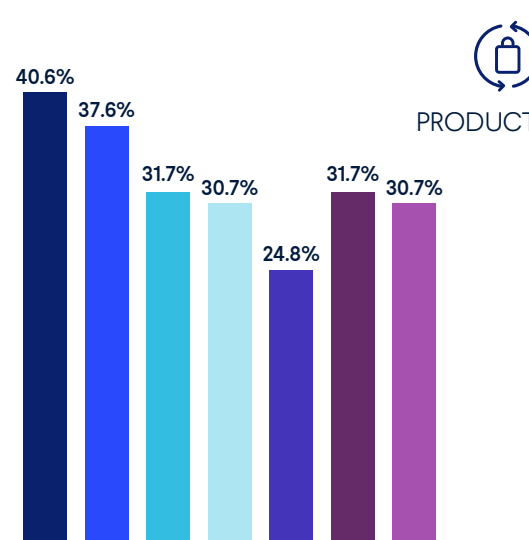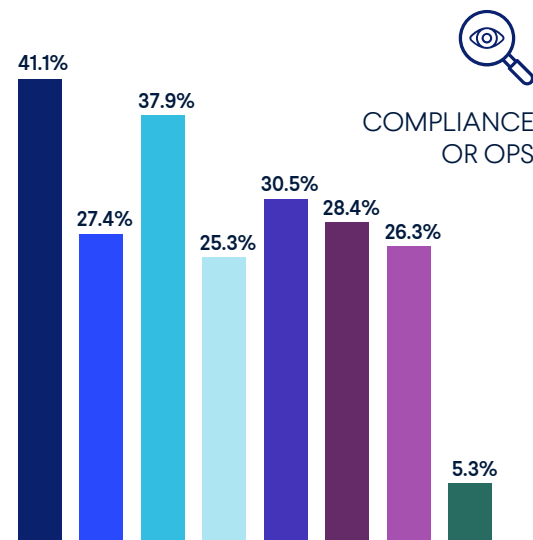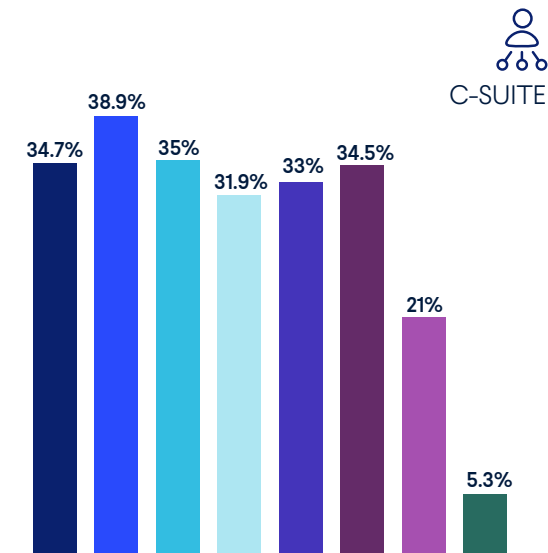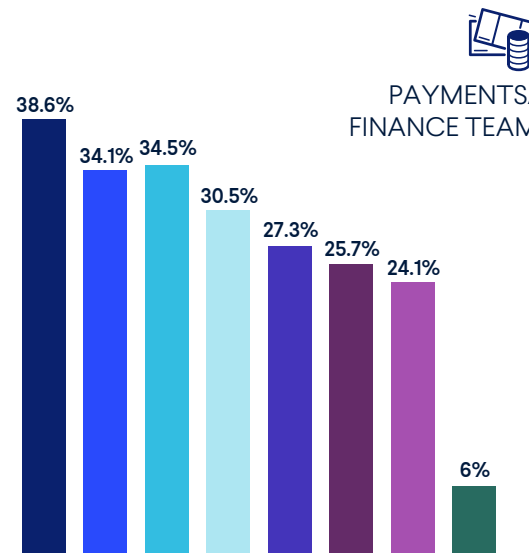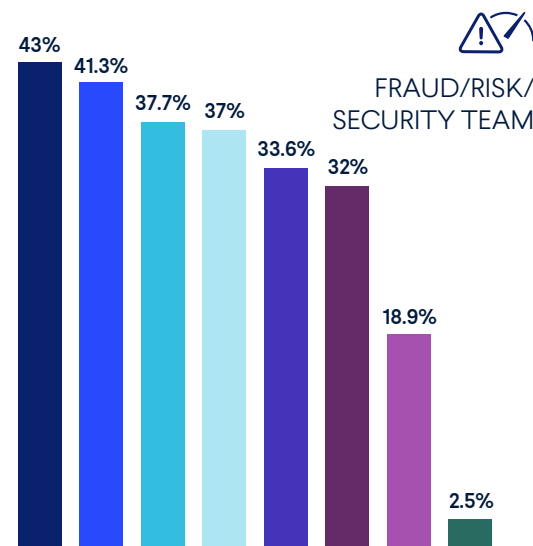
"Lack of awareness" was a popular answer across the board, at 35.9% overall and as high as 37.9% for certain teams.

"We could all benefit from aligning on what efficient fraud prevention can achieve, and how."

Martin Sweeney, Ravelin CEO
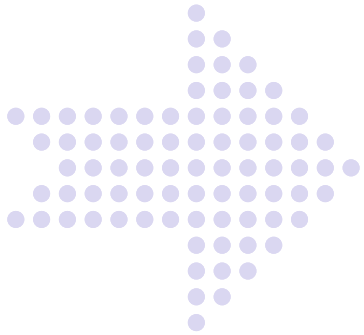
# SECTION D

## THE FUTURE OF FRAUD

In the final section of our survey, we set our sights firmly on the future of fraud.

Which types of fraud are expected to be on the rise and what are we doing about them? How will the popularization of AI impact the threat landscape?

We'll also look at what fraud, risk and payments professionals responded when asked one key question: What's the biggest fraud challenge coming up for your company?

## 61.5%
predict a rise
in fraud

## 78.6%
expect the cost of
fraud to rise

## 50.5%
think AI fraud will
affect growth

## 39.2%
expect brand
image damage from
AI fraud

# IS FRAUD SET TO SOAR?

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



OVERALL

- Significantly increase
- Somewhat increase
- About the same
- Somewhat decrease
- Significantly decrease

| | OVERALL | RETAIL | TRAVEL | DIGITAL GOODS | MARKETPLACES |
|---|---|---|---|---|---|
| Significantly increase | 18.1% | 20.8% | 23.9% | 15.2% | 12.5% |
| Somewhat increase | 43.4% | 38.9% | 49.8% | 47.5% | 40.5% |
| About the same | 16.3% | 16.8% | 10.1% | 16.2% | 21.1% |
| Somewhat decrease | 16.7% | 16% | 14.2% | 18.7% | 17.6% |
| Significantly decrease | 5.4% | 7.5% | 2% | 2.5% | 8.3% |
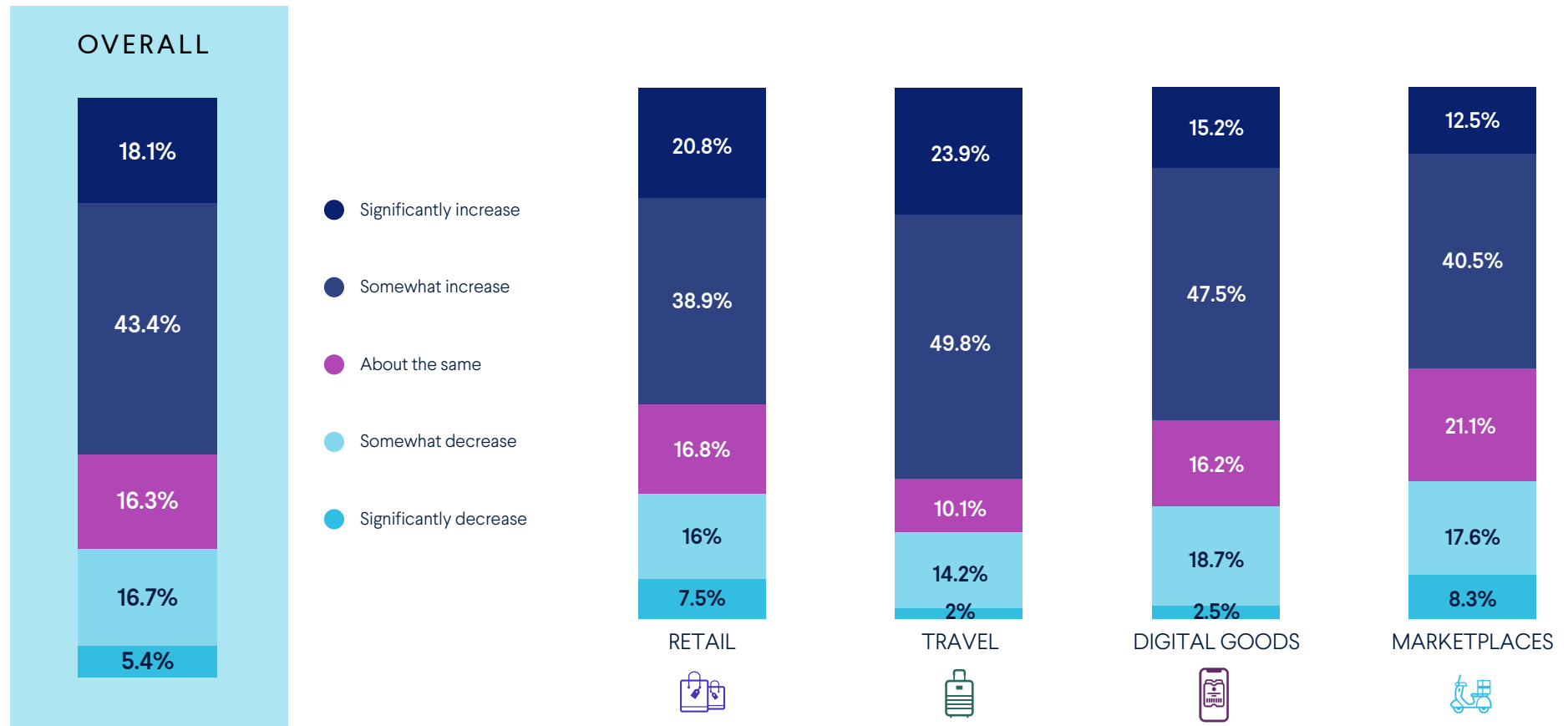
**Marketplaces are the most optimistic**, with just 53% of respondents expecting any type of increase vs an overall 61.5%.

**73.7% of Travel & Hospitality** professionals expect an increase in fraud in the next year.

# IS THE COST OF FRAUD EXPECTED TO INCREASE?

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

80.4% of the Travel industry expect their fraud-related costs to **increase or significantly increase** in the next year.

Most optimistic (or frugal?) are Marketplaces, where 6.9% in total anticipate **some level of decrease** in fraud spend and fraud-incurred losses.
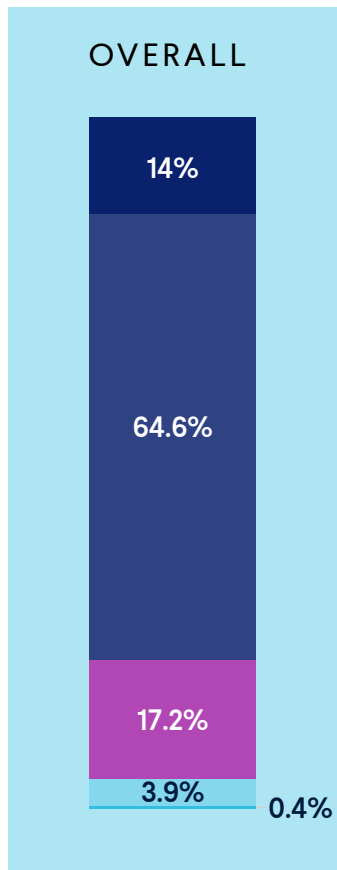


OVERALL

14%
64.6%
17.2%
3.9%    0.4%

- Significantly increase
- Somewhat increase
- About the same
- Somewhat decrease
- Significantly decrease

RETAIL
14.9%
63.5%
17%
3.9%    0.8%

TRAVEL
19.4%
61.1%
15.4%
3.6%    0.4%

DIGITAL GOODS
11.9%
70.6%
15.4%
2%

MARKETPLACES
10.5%
61%
21.6%
6.6%    0.3%
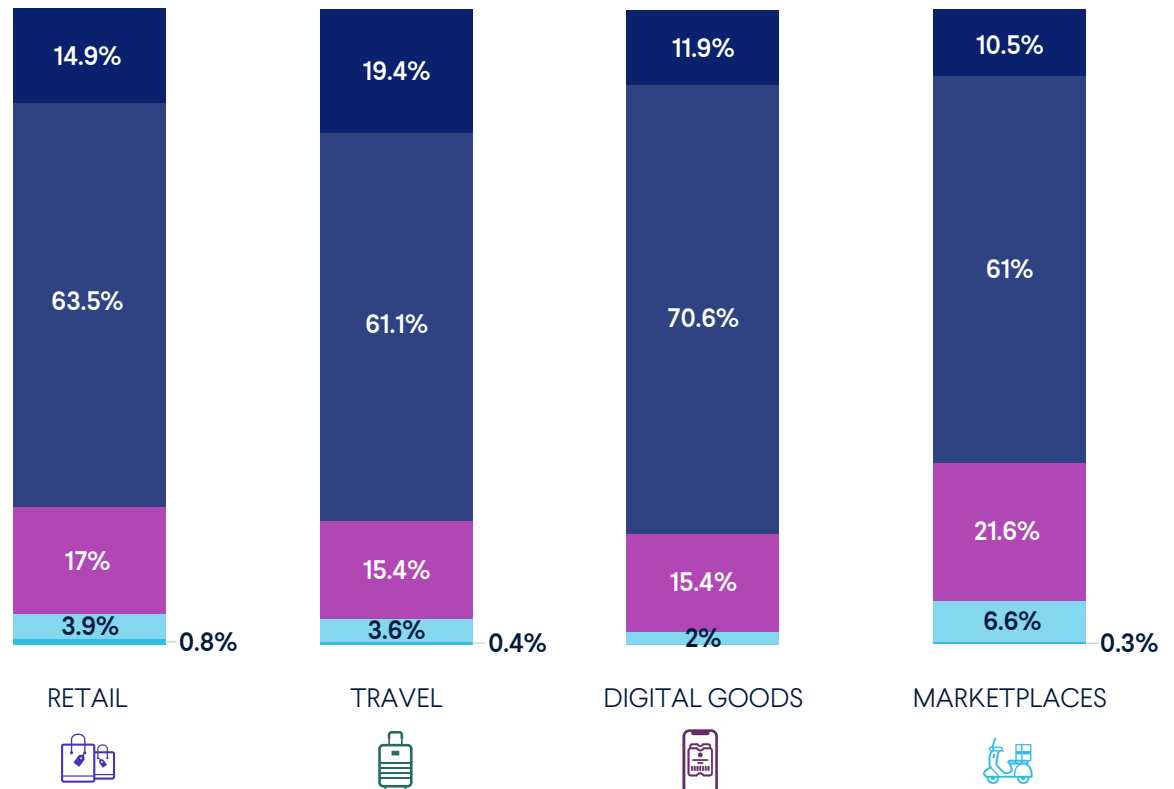
# WHAT FRAUD CHALLENGES ARE EXPERTS ANTICIPATING?

At **65.6%** in total, **payment fraud** tops the charts for all sectors

"WHICH TYPES OF FRAUD DO YOU THINK WILL INCREASE IN THE COMING 12 MONTHS, AND BY HOW MUCH?"



| | Online payment fraud | Chargeback fraud | ATO attacks | Promo/policy abuse | Refund abuse | Supplier/partner fraud |
|---|---|---|---|---|---|---|
| Significantly increase | 25.6% | 22.6% | 19.2% | 20% | 19.9% | 15.5% |
| Somewhat increase | 40% | 32.3% | 29.9% | 31.1% | 32% | 32.3% |
| About the same | 16.8% | 22.7% | 27.3% | 26.1% | 23.3% | 26.6% |
| Somewhat decrease | 12.3% | 15% | 15.6% | 14.4% | 15.6% | 16.2% |
| Significantly decrease | 5.2% | 7.5% | 8% | 8.4% | 9.1% | 9.4% |

**Legend:**
- Significantly increase
- Somewhat increase
- About the same
- Somewhat decrease
- Significantly decrease

# "WHICH TYPES OF FRAUD DO YOU THINK WILL INCREASE IN THE COMING 12 MONTHS, AND BY HOW MUCH?"

## BY SECTOR

### RETAIL

| | CNP fraud | Chargebacks | ATO | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|---|
| Significantly increase | 27.7% | 21.5% | 19.8% | 21.7% | 20.6% | 16.7% |
| Somewhat increase | 38.7% | 33.7% | 32.1% | 31.3% | 32.2% | 29.4% |
| About the same | 16.6% | 24.4% | 25.7% | 24.2% | 25.8% | 26.9% |
| Somewhat decrease | 10.8% | 12.6% | 14.8% | 13.3% | 13.8% | 16.9% |
| Significantly decrease | 6.2% | 7.9% | 7.6% | 9.5% | 7.6% | 10.2% |

### TRAVEL

| | CNP fraud | Chargebacks | ATO | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|---|
| Significantly increase | 26% | 30.5% | 19.3% | 21% | 24.5% | 19.8% |
| Somewhat increase | 42.3% | 28.9% | 25.5% | 31.3% | 25.7% | 29.6% |
| About the same | 16.3% | 17.5% | 29.6% | 26.3% | 21.2% | 25.5% |
| Somewhat decrease | 10.6% | 15.9% | 16.5% | 16% | 17.8% | 16.9% |
| Significantly decrease | 4.9% | 7.3% | 9.1% | 5.3% | 10.8% | 8.2% |

### DIGITAL GOODS

| | CNP fraud | Chargebacks | ATO | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|---|
| Significantly increase | 24.4% | 25% | 18.6% | 19.8% | 20.2% | 13.3% |
| Somewhat increase | 40.6% | 31.5% | 33.5% | 29.3% | 33.7% | 38.6% |
| About the same | 15% | 19.8% | 25.7% | 28.1% | 20% | 24.8% |
| Somewhat decrease | 14% | 16% | 14.9% | 13.8% | 15.7% | 15.5% |
| Significantly decrease | 6% | 7.8% | 7.3% | 9% | 10.5% | 7.8% |

### MARKETPLACES

| | CNP fraud | Chargebacks | ATO | Policy abuse | Refund abuse | Supplier fraud |
|---|---|---|---|---|---|---|
| Significantly increase | 22.8% | 14.4% | 18.9% | 16.2% | 14.5% | 12.8% |
| Somewhat increase | 39.6% | 33.8% | 24.8% | 33.1% | 34.8% | 30.9% |
| About the same | 20.4% | 28.2% | 30.4% | 26.6% | 25.2% | 29.4% |
| Somewhat decrease | 14.4% | 17.3% | 17.1% | 15.8% | 17% | 15.6% |
| Significantly decrease | 2.8% | 6.3% | 8.7% | 8.3% | 8.5% | 11.3% |

- Significantly increase
- Somewhat increase
- About the same
- Somewhat decrease
- Significantly decrease

› 34.8% of Marketplaces and 33.7% of Digital Goods firms foresee a rise in **refund abuse**.

› 38.6% of Digital Goods expect a rise in **supplier fraud**.

› 31.3% of the Travel sector expects **promo/policy abuse** to increase.

38.7% Revenue

50.5% Growth

39.2% Customer loyalty

39.8% Brand image

26.4% Conversions

22.1% Staff morale

17.2% Stock price

24.2% Operational efficiency

17.6% Reporting/data accuracy

0.2% Other
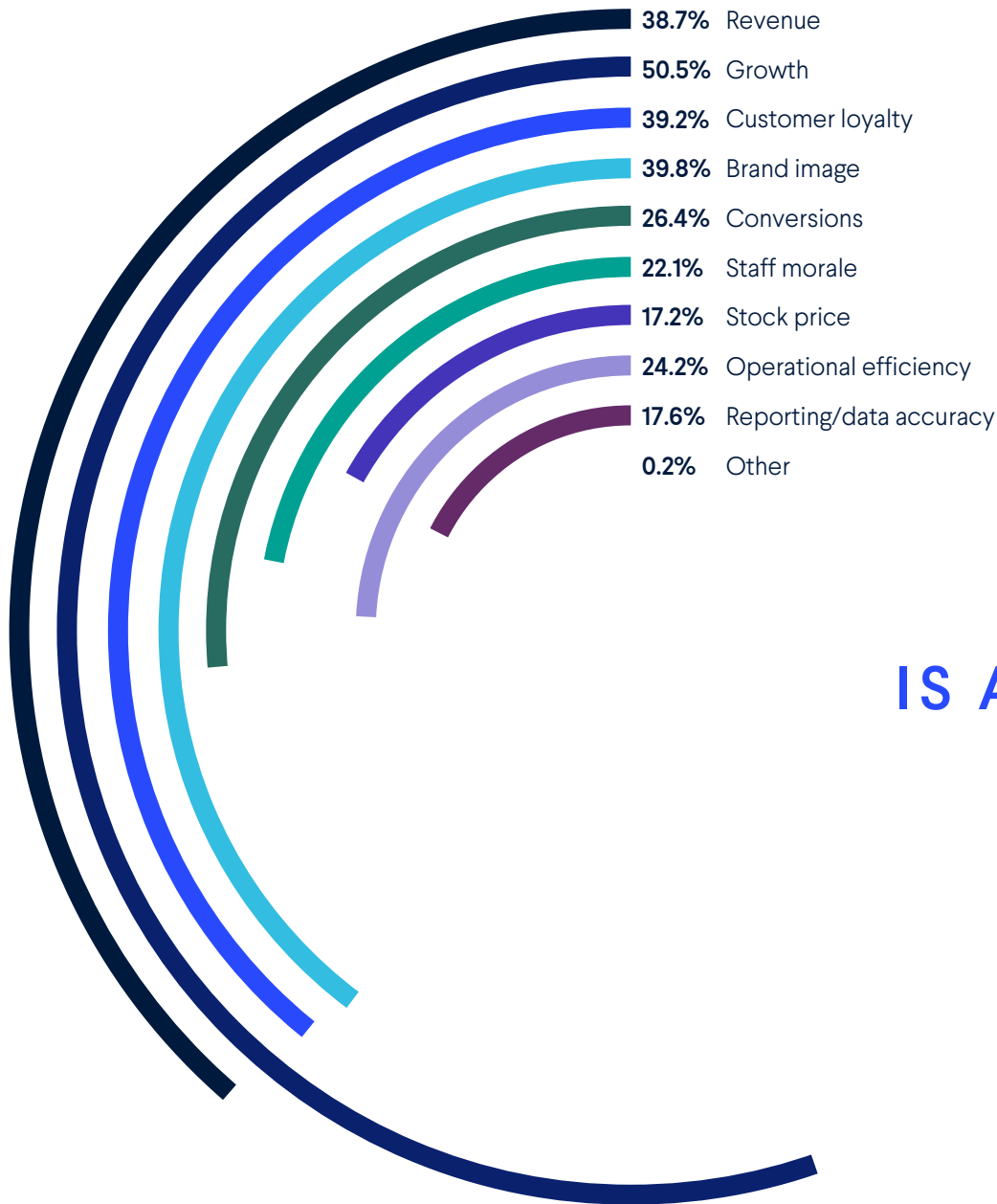
"That merchants have identified links between their brand image and AI-powered fraud comes as no surprise. The public are more aware of how AI can boost fraud, and want to feel protected from new technologies that enable it."

"

Martin Sweeney, Ravelin CEO

# IS AI-POWERED FRAUD THE NEXT BIG CHALLENGE?

"ARE YOU CONCERNED ABOUT THE IMPACT OF AI-ENABLED FRAUD ON ANY OF THE BELOW RESULTS AND METRICS?"
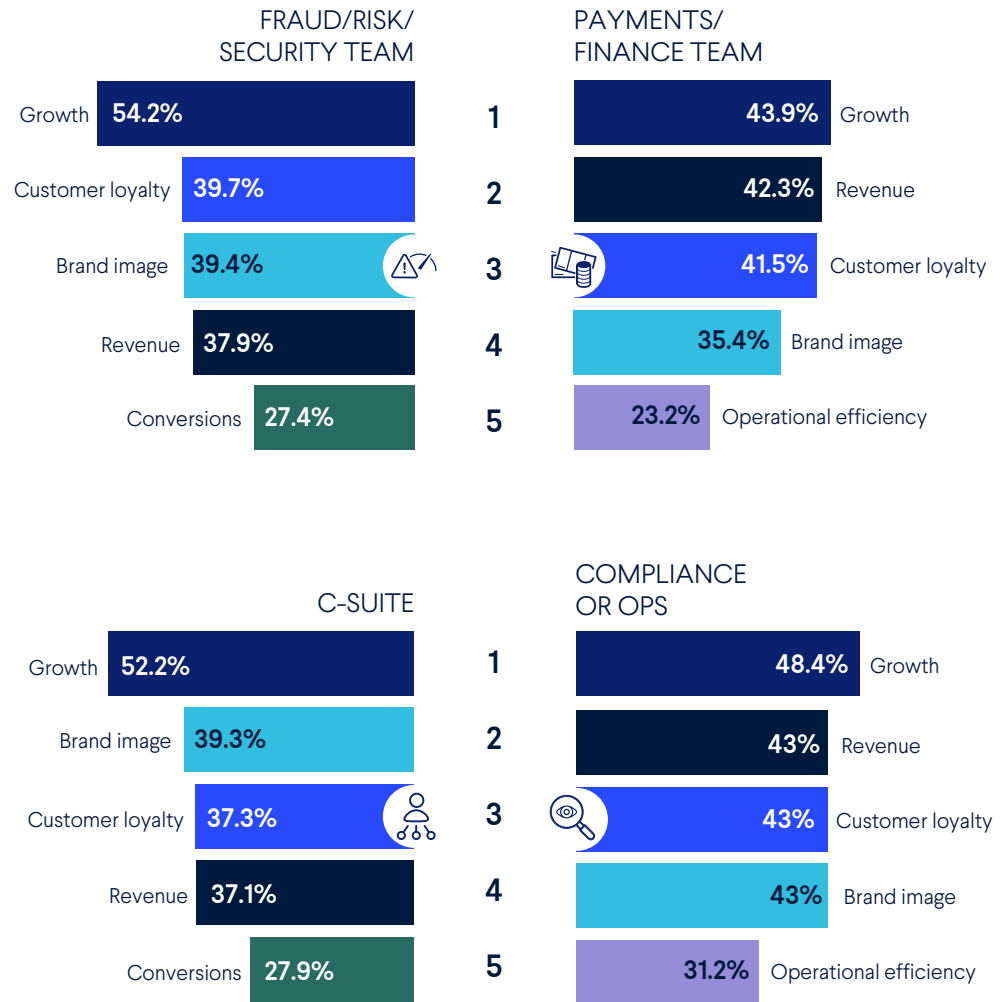
## "ARE YOU CONCERNED ABOUT THE IMPACT OF AI-ENABLED FRAUD ON ANY OF THE BELOW RESULTS AND METRICS?"

**Impact on growth** is the main worry when it comes to AI – 50.2% overall and 54.2% of Fraud team members think it could be affected.

There's a clear link between AI-enabled fraud and brand image, with professionals concerned that such attacks **could damage the company's reputation**.

52.5% of the Product team, 39.3% of C-suite and 43% of Compliance/Ops teams are worried that mass adoption of AI by fraudsters can **affect their brand image**.

### TOP 5 CONCERNS BY TEAM

#### FRAUD/RISK/SECURITY TEAM

| | | |
|---|---|---|
| Growth | **54.2%** | 1 |
| Customer loyalty | **39.7%** | 2 |
| Brand image | **39.4%** | 3 |
| Revenue | **37.9%** | 4 |
| Conversions | **27.4%** | 5 |

#### PAYMENTS/FINANCE TEAM

| | | |
|---|---|---|
| 1 | **43.9%** | Growth |
| 2 | **42.3%** | Revenue |
| 3 | **41.5%** | Customer loyalty |
| 4 | **35.4%** | Brand image |
| 5 | **23.2%** | Operational efficiency |

#### PRODUCT

| | | |
|---|---|---|
| 1 | **52.5%** | Brand image |
| 2 | **40.4%** | Growth |
| 3 | **37.4%** | Revenue |
| 4 | **36.4%** | Customer loyalty |
| 5 | **26.3%** | Conversions |

#### C-SUITE

| | | |
|---|---|---|
| Growth | **52.2%** | 1 |
| Brand image | **39.3%** | 2 |
| Customer loyalty | **37.3%** | 3 |
| Revenue | **37.1%** | 4 |
| Conversions | **27.9%** | 5 |

#### COMPLIANCE OR OPS

| | | |
|---|---|---|
| 1 | **48.4%** | Growth |
| 2 | **43%** | Revenue |
| 3 | **43%** | Customer loyalty |
| 4 | **43%** | Brand image |
| 5 | **31.2%** | Operational efficiency |

# FRAUD PREDICTIONS, IN YOUR OWN WORDS…

"WHAT DO YOU CONSIDER TO BE THE BIGGEST FRAUD-RELATED CHALLENGE COMING UP FOR YOUR COMPANY?"

Providing an open text field, we asked participants to use their own words to share their predictions.

We identified **three main trends**:
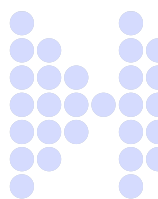
### TREND #1: ARTIFICIAL INTELLIGENCE
"AI is very annoying right now to many companies"

### TREND #2: MANAGING REPUTATIONAL DAMAGE TO FRAUD
"Preserve the company's reputation by limiting the impact of fraud on customers"

### TREND #3: FRIENDLY FRAUD CHALLENGES
"Customer retention, because with so many refund scams, it's hard to trust customers."

"…staying ahead of fraudsters, who are becoming increasingly dangerous with new technologies. This requires constant innovation on our part.

"Achieving an optimal combination of proactive and reactive methods."

This word cloud features the most commonly found words in responses.

# KEY TAKEAWAYS

## 1

### REPUTATIONAL DAMAGE FROM FRAUD IS REARING ITS HEAD

We identified an increased focus on reputation, with 34% of companies receiving bad press as a result of fraud. Brand image and reputation was listed by 40% as a consequence of fraud against them – as high as 45% in the Digital Goods sector.

In fact, 6 in 10 say they have featured in the press or social media as a result of fraud. Interestingly, worries about public image were also provided as an obstacle to fighting fraud more efficiently, by 31% of respondents.

## 2

### GROWTH, NOT REVENUE, IS THE BIGGEST CASUALTY OF FRAUD FOR COMPANIES

Across the board of our enterprise merchants being surveyed, growth was consistently mentioned as the top pain point that results from fraud. 52% were affected.

When asked about the impact of AI-enabled fraud in particular, half were concerned that it will stifle their company's growth. This number rose to 54% for Fraud teams and 52% for C-suites.

## 3

### AI-POWERED FRAUD IS ALREADY HERE – AND WE EXPECT MORE

64% of participants have seen fraudsters using AI tools against their company, with Digital Goods and the Travel industry most affected.

More than half expressed worries that AI fraud will affect their future growth, with over 1 in 4 expecting it to impact on brand image, customer loyalty, revenue, conversions and operational efficiency.

Artificial intelligence was also the most commonly mentioned future challenge participants identified when asked to fill in their own thoughts.

## 4

### TEAMS' METRICS ACROSS THE COMPANY ARE ALL AFFECTED BY FRAUDULENT ACTIVITY

We also set out to better understand exactly which teams are affected by fraudster activity, as well as what metrics suffer as a result.

Only 1% of respondents said that "no teams" at their company had expressed concerns about how fraud affects their own results.

On the contrary, staff morale at the company takes a hit for almost one in four. In addition to significant numbers of Finance, Payments and Compliance team saying they were affected, it is perhaps surprising that even over 7% of Marketing said fraud affect their own efforts and KPIs.

## 5
### SENIOR LEADERSHIP ARE TAKING NOTE OF FRAUD – AND WANT IT TO STOP

Almost half (46%) of C-suite executives responding said they were "very concerned" about the volume of fraud faced by their company, and 60.3% that they should be doing more to stop it – although only 26% of all respondents said they heard such concerns from senior leadership.

If "lack of leadership buy-in" is an obstacle to fraud prevention efficiency, as 31% answered, could better communication and spreading awareness be the key?

Looking at the metrics, one in five participants said their stock price was affected by fraud. Other areas include operational efficiency at 30%, staff morale at 24% and data accuracy at 17% – all integral to a company's success and metrics of note to leaders.

## 6
### FRAUD CONTINUED TO RISE, WITH PAYMENTS THE MAIN DRIVER

In the past year, fraud increased for over 3 in 4 companies. Topping the list of attack types that saw an increase was payment fraud (rose for 69%), with account takeovers (55%) and fraudulent chargebacks (52%) often competing for second place, depending on locale and market sector.

Of course, this does not necessarily mean the attack types, methods and tools deployed by fraudsters to achieve payments fraud, ATO and other schemes will remain the same. Quite the opposite, with fraudsters becoming early adopters of new technologies and fraud-as-a-service increasing in popularity.

## 7
### FROM FIRST-PARTY ABUSE TO LOYALTY, CUSTOMERS REQUIRE A DELICATE BALANCE

Central to the attitudes we identified were customers. Almost 40% said that customer satisfaction suffered as a result of fraud in the past year – and at the same time, 45% said customers are more likely to attempt abuse or fraud.

For 37%, customer loyalty was negatively affected by fraud in the past year, reaching as high as 40% for Retailers. Stakeholders can benefit from studying and influencing consumer perceptions of both fraudulent and abusive activity and of how the company itself handles fraud.

## 8
### AUTOMATION FOUND TO BE KEY TO DEFENSE, INCLUDING ML, LLMS AND 2FA

Several technologies, including artificial intelligence, were identified by participants as key to thwarting the efforts of fraudsters. For enterprises, scalable, flexible solutions are key.

47% of participants identified machine learning as most effective against fraud. It also topped the charts for AI-specific fraud tools at 66% – though we also saw 46% also voice their support for large language models (LLMs) for fraud prevention.

Our participants also said that budget is the number one reason why their company is not more effective. It is thus key for fraud managers to invest in building affordable, cost-saving automation.

# RAVELIN'S ANALYSIS OF THE FINDINGS

RAVELIN'S CO-FOUNDERS – CEO MARTIN SWEENEY, CFO NICK LALLY, AND COO MAIRTIN O'RIADA – COMMENT ON THE SURVEY RESULTS

**The impact of fraud is not just significant but also wide-ranging.**

The findings of the 2024 Fraud Trends Survey make a clear case for future-proofing companies by protecting from fraud attacks. We have identified a wide variety of stakeholders across the company. Metrics affected range from the obvious revenue and customer loyalty to things like staff morale and stock price.

It's up to fraud leaders to effectively communicate the benefits of stopping fraud in its tracks – as well as reducing refund and policy abuse – for the entire business.

Often, it's a matter of being open to cross-team collaboration. By listening to what our colleagues care about,

we can better outline that connection between acceptance rates and customer satisfaction, for example, or of quality data and marketing or sales success.

As a partner, Ravelin can help demonstrate the value of fraud prevention, as well as provide it.

**Automation is key, and ML is key to automation – even more so against AI.**

Across fraud leaders in our four key sectors of the market, machine learning was once again recognized as integral to fraud fighting efficiency. Machine learning models and features offer flexibility and scalability in the face of transforming threat landscapes as well as payments volumes and trends.

Our findings demonstrate that fraudsters are already utilizing AI applications to attack companies and consumers, and we are holding our breath for exponential increase in the frequency, variety and potency of attacks, according to our respondents' predictions – as well as our own.

Ravelin is AI-native, with ML solutions that combine with human expertise, as well as additional tools such as rulesets and graph networks.

They also free up valuable resources for fraud teams, who can stay agile and dedicate their resources to getting better results and upskilling rather than applying cumbersome rulesets or conducting unnecessary manual reviews.

**All types of fraud are on the rise, but each might affect companies differently.**

The 2024 Fraud and Payments Survey focused on six types of fraud that are key to Ravelin's value proposition:

> payment fraud

> fraudulent chargebacks

> ATO

> refund abuse

> policy abuse

> supplier fraud.

Each of our four industries in all ten countries we surveyed confirmed that these flavors of fraud all increased in the past year. However, there is a lot to benefit from drawing specific links between the different types of fraud, as well as the specific metrics, teams and results affected by each.

Some of these links would be universal and logical. For example, if we allow more fraudsters to pay with stolen cards, we are going to have more chargebacks. And once that happens, we are more likely to expect higher volumes of disputes, eventually approving more fraudulent chargebacks as a side effect.

However, other connections between fraud types and consequences are less obvious. For example, your Customer Support team might be struggling if you experience higher volumes of refund or promo abuse. Or, for a company focused on acquiring and retaining more customers, less-than-optimal fraud solutions can throw a spanner in the works by introducing unnecessary friction to the shopper journey.

Another not-so-honorable mention goes to customer fraud and abuse, also called friendly or first-party fraud. Our merchants said that first parties are now more likely to attempt it – on par with the findings of our Consumer Fraud Survey from 2023 (**which you can read here**).

First-party fraud is a headache for many companies. And we believe that it's accurate, real-time data and smart solutions such as links analysis that can solve it best.

Ravelin's mission is to allow companies to achieve secure growth by better understanding and handling fraud and payments.

In the face of fast-moving, ever-transforming fraud, as one of the responses to the last question put it, the right strategy allows us to respond promptly and adapt to changing threats.

**10.7bn**

fraud scores a year calculated

**$62bn**

in transactions processed

**300+**

merchants protected

# METHODOLOGY & DEMOGRAPHICS

In March 2024, Ravelin commissioned research provider Qualtrics to carry out an online survey of 1457 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, Marketplace, Digital Goods, Travel & Hospitality.

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.

Canada

Germany

UK & Ireland

USA

Spain

Mexico

Italy

France

Brazil

Australia

**RAVELIN**

# Thank you for reading our Global Fraud Trends Survey

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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.**

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

**We frequently release new findings in fraud and payments.**
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