October 2023

Key Trends in Payments Fraud: 2023 and Beyond

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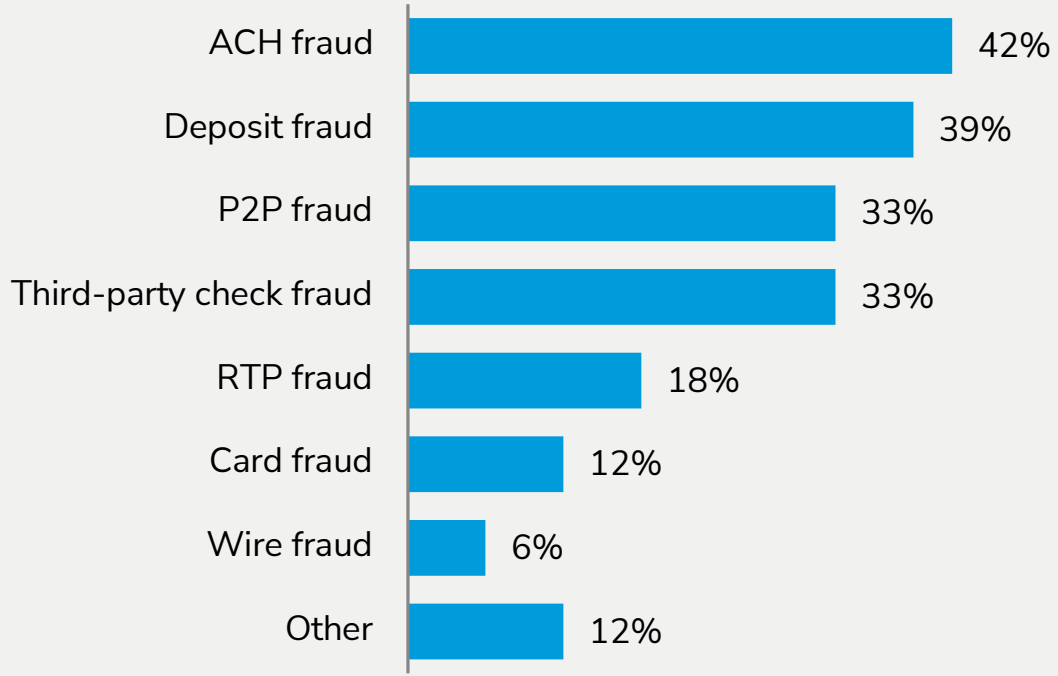
2023 and We're Still Talking Check Fraud?

Q. Thinking about the capabilities of your firm's transaction monitoring control framework to adequately detect attacks and prevent losses, which two types of fraud are you most concerned about in 2022? (Select top two; Base: 33 Financial services fraud executives)



Source: Aite-Novarica Group's survey of 34 fraud executives at financial services companies, September to October 2022

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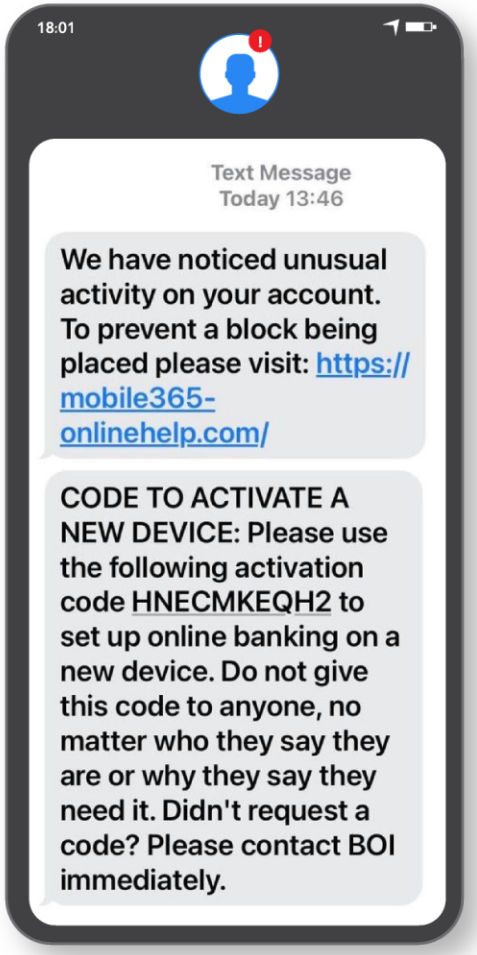
Not all scams are created equal



Phishing scam

Dating scam

Email spoofing

Banking scam

Investment scam

IRS scam

Grandparent scam

Online purchase scam

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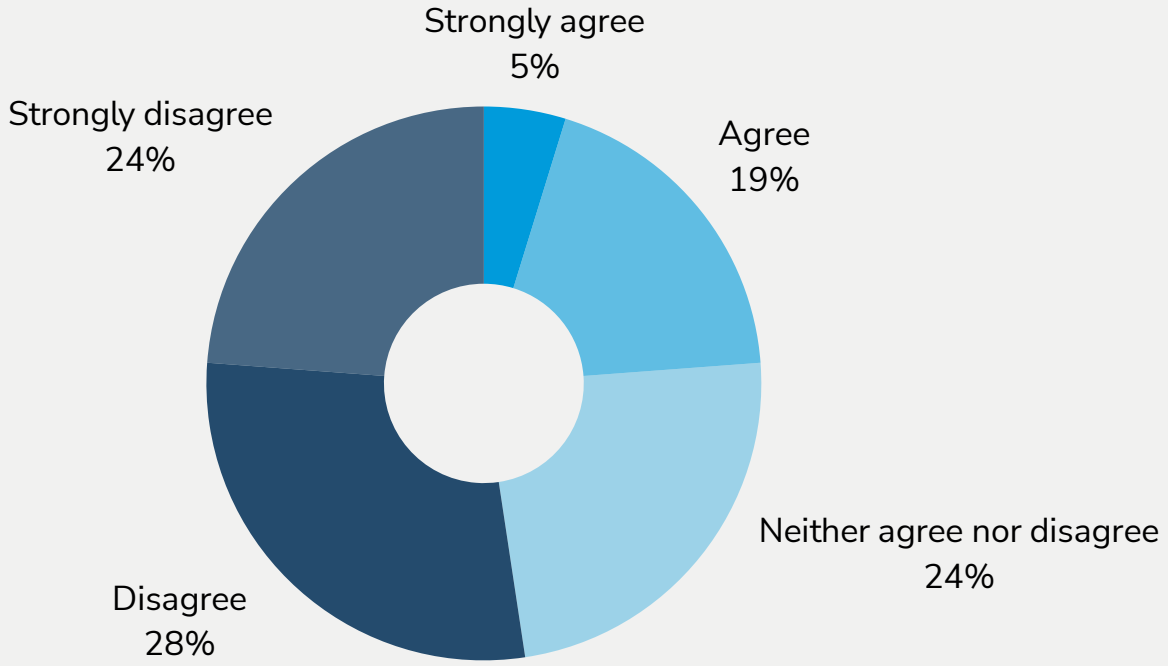
Few FIs are confident in their scams control frameworks today

Q. How much do you agree or disagree with the following statement? My FI's fraud controls perform sufficiently in detecting and preventing scam/APP attacks on our customers.
(Base: 21 FIs in the U.S., U.K., Canada, Brazil, and India)



Source: Aite-Novarica Group survey of 21 FIs in the U.S., U.K., Canada, Brazil, and India, Q1 2023

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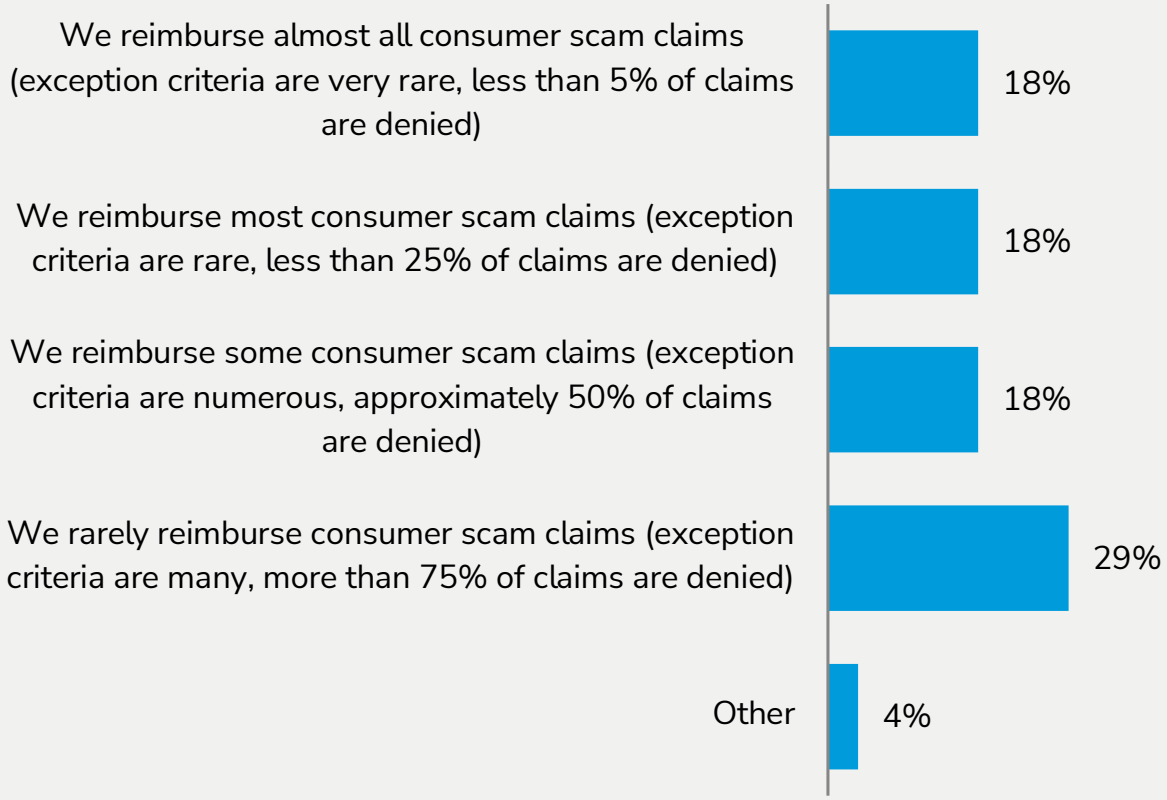
Significant change in reimbursement policies in just a year in North America

Q. What is your firm's policy for reimbursing consumer scam victims?
(Base: 28 Financial services fraud executives)



Source: Aite-Novarica Group's survey of 34 fraud executives at financial services companies, September to October 2022

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Market drivers influencing investments in scam detection

PSR Payment Systems Regulator

cfpb

The uncertainty of a liability shift

The risk of being perceived as unconcerned about customer safety

The difficulty of predicting why a customer is making a payment

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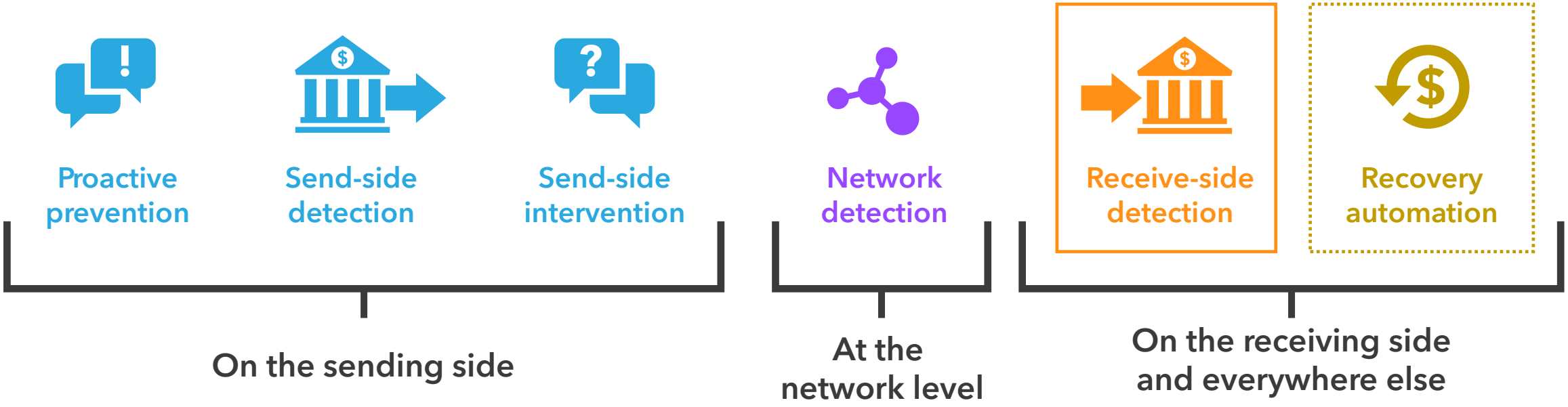
Segments of the Market for Controlling Scams



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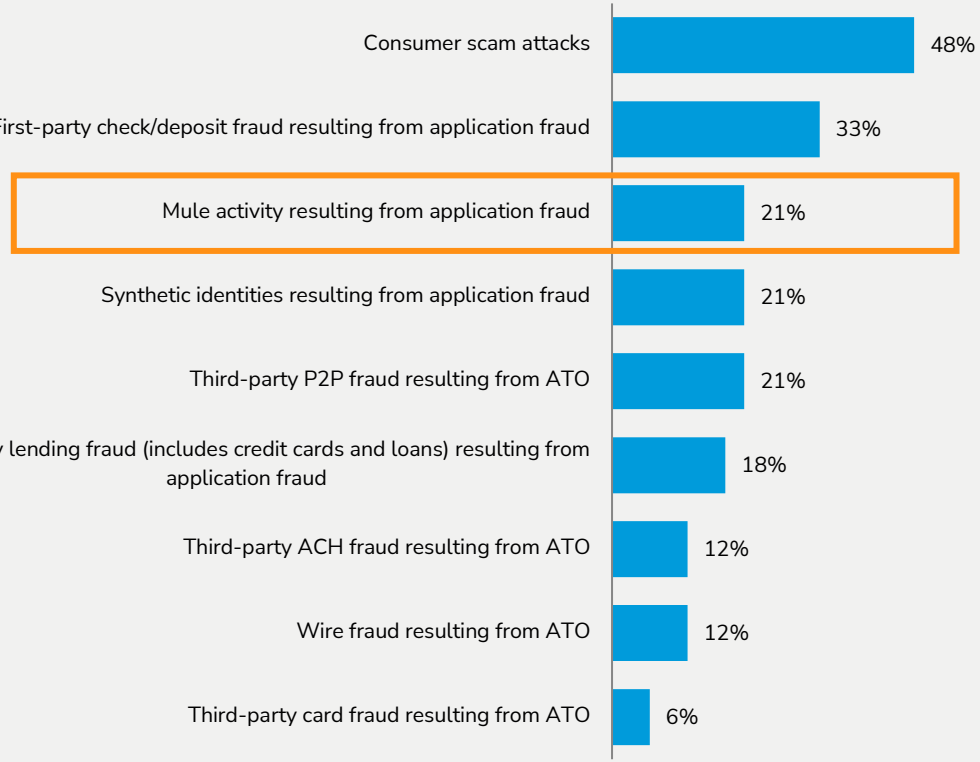
Mule Detection Investments Have Increased

Thinking about the capabilities of your firm's transaction monitoring control framework to adequately detect attacks and prevent losses, which two types of fraud are you most concerned about in 2022? (Select top two; Base: 33 Financial services fraud executives)



Source: Datos Insights' survey of 24 fraud executives at financial services companies, September to October 2022

- 57% of consumers do not understand that being asked to move money is a sign of a scam or illicit activity
- 1 in 10 consumers between 18 and 24 would move money through their account in exchange for a percentage of the funds

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Synthetic Identities: Back with a Vengeance

Source: Datos Insights

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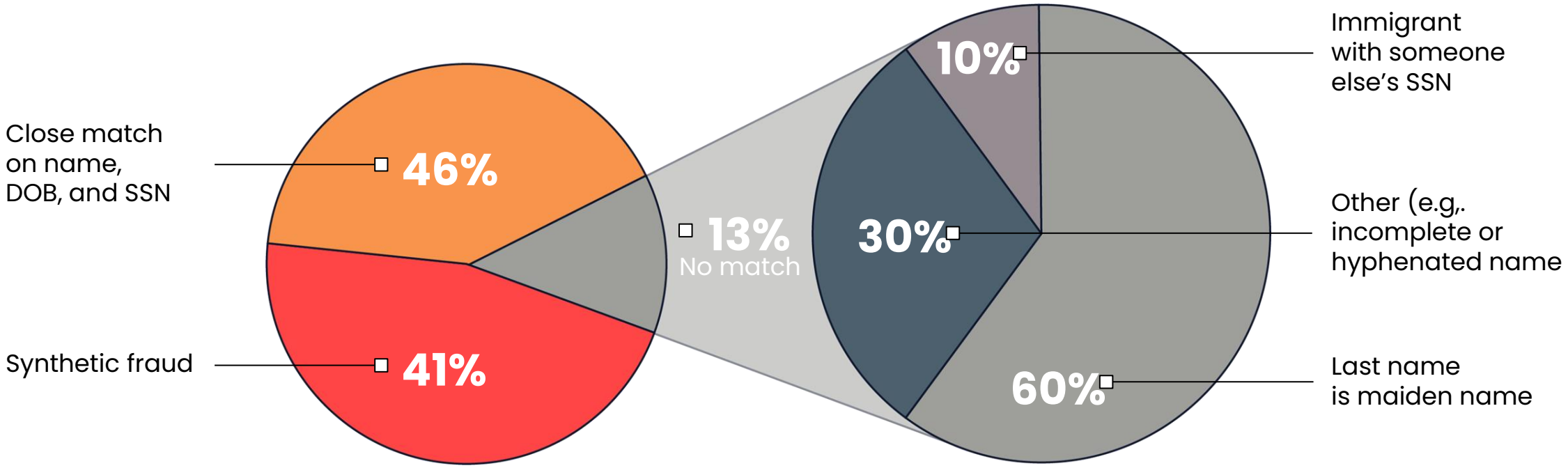
Why Do E-CBSV Verifications Fail?



Source: SentiLink

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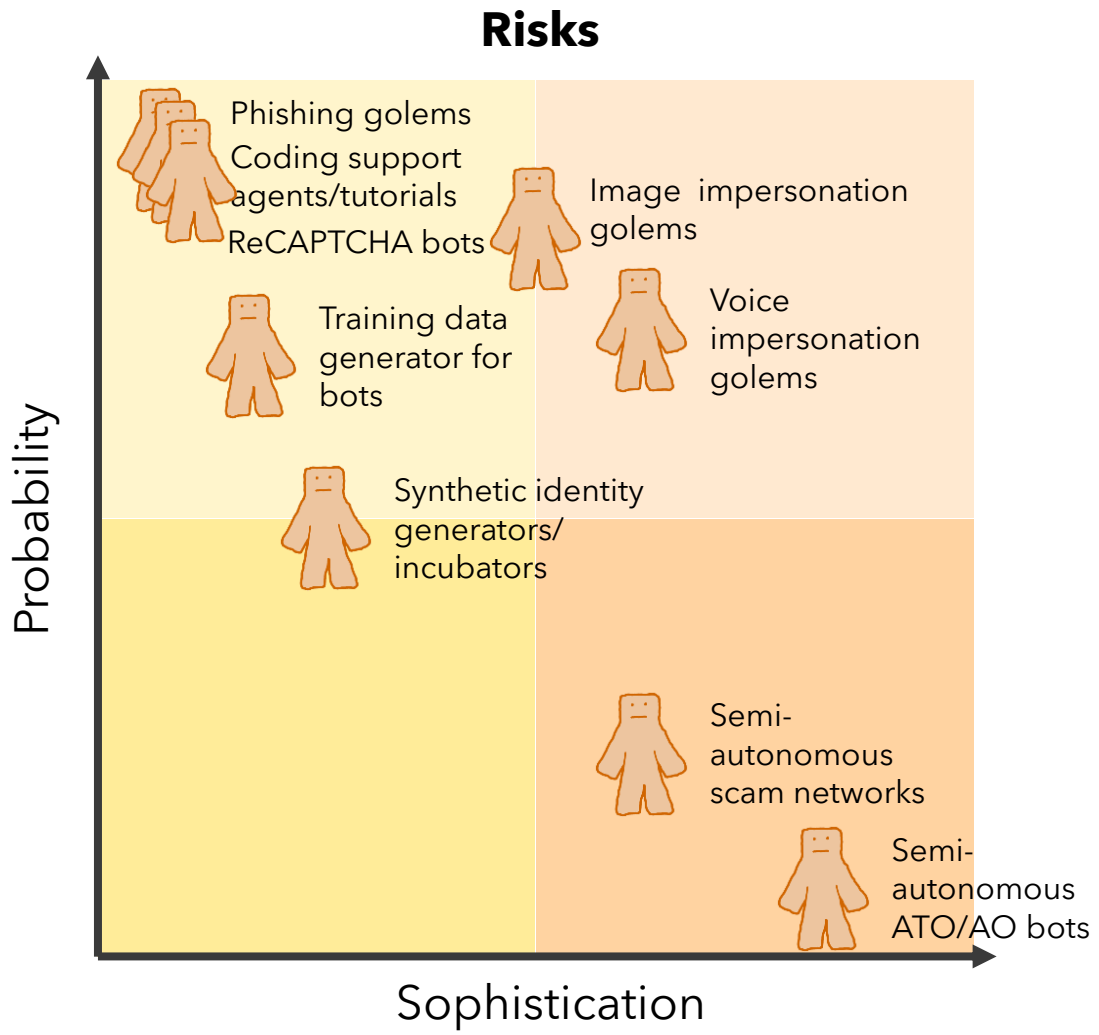
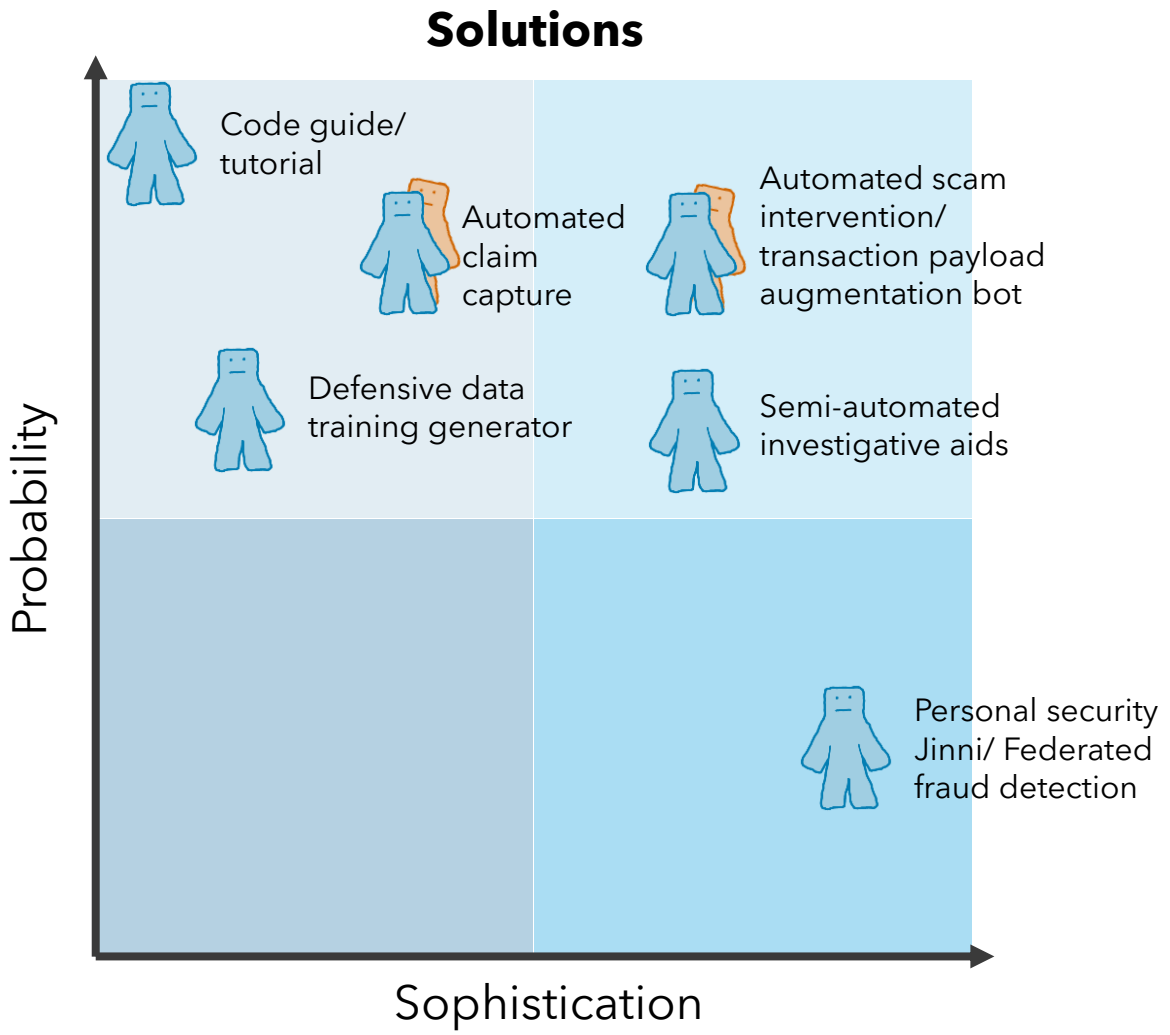
Emerging potential risks and solutions





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