Retailers are expanding their presence and wading into new offerings within eCommerce. While these opportunities can increase revenue, they lead to increased fraud attempts.

U.S. retail fraud attempts have doubled YoY—and tripled since 2017. Fraudsters are targeting a more diverse set of retailers.

YoY increase in fraud by retailer type:
- Small Retailers w/ Digital Goods: +47%
- Mid/Large Retailers w/ Physical Goods: +104%
- Mid/Large Retailers w/ Digital Goods: +128%
- Small Retailers w/ Digital Goods: +55%

It’s not just the volume of fraud that’s rising, it’s also the cost: $3.13: Average total loss per $1 of fraud. Up 6.5% from 2018.

What’s driving the fraud increase?
- Increased mobile transactions
- More cross-border transactions
- More digital goods/services sold
- More automated botnets
- Sophisticated synthetic IDs

43% say verifying customer identity is a top challenge.
“Balancing fraud and friction” and “Distinguishing between human and malicious bot transactions” round out the top 3 challenges.

Account takeovers and fraudulent account creations combined represent the majority of identity-related fraud activity.

<table>
<thead>
<tr>
<th></th>
<th>for Small Retailers</th>
<th>for Mid/Large Retailers</th>
<th>for Small e-Commerce</th>
<th>for Mid/Large e-Commerce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not using device ID fingerprinting</td>
<td>70%</td>
<td></td>
<td></td>
<td>62%</td>
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<tr>
<td>Not using geolocation</td>
<td>59%</td>
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<tr>
<td>Not using advanced identity &amp; transaction verification solutions</td>
<td>62%</td>
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<td>36% fewer manual reviews</td>
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LexisNexis Risk Solutions can help. Learn how our physical and digital identity data and layered solution offerings can help you improve your bottom line.

1-800-869-0751 | risk.lexisnexis.com/FraudandIdentity