2023 LexisNexis[®] True Cost of Fraud™ Study



U.S. and Canada Financial Services and Lending

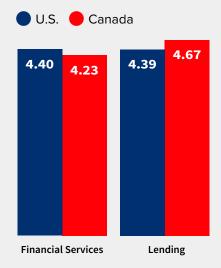
Increased digitalization affords fraudsters more opportunities to exploit both consumer identities and accounts.

About six in 10 respondents from financial institutions reported an increase in fraud.

| Friendly fraud | 53% |
|------------------------------|-----|
| First-party fraud | 50% |
| Third-party identity fraud | 50% |
| Synthetic identity fraud | 54% |
| Scams | 51% |
| Third-party account takeover | 42% |

True Cost of Fraud Goes Far Beyond Face Value Lost

Fraud costs firms **4.41x** the lost transaction value, including fines, fees and investigative costs.



Impact of Fraud on Financial Institutions

Fraud degrades customer relationships, including:

81%

Increases resource commitment toward fraud management

79%

Difficulty establishing trust with customers

76%

Reduces customer satisfaction due to poor customer experience

76%

Customer churn

76%

Damage to brand/reputation

Investment Plans within 2 Years

Firms are investing in solutions that can help balance customer friction and fraud prevention.

Authentication using behavioral biometrics (e.g. device-usage patterns)

Automated transaction scoring

Browser/malware tracking

Geolocation

Authentication using OTP or two-factor authentication

Base: 346 decision-makers at financial institutions in the U.S. and Canada with responsibility for financial fraud strategy Source: A commissioned study conducted by Forrester Consulting on behalf of LexisNexis® Risk Solutions, July 2023



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