Fraud has become more frequent and sophisticated as new types of digital commerce and payment methods have proliferated in North America. Over half of merchants (55%) reported an increase in fraud.

- Friendly fraud: 40%
- First-party fraud: 37%
- Third-party identity fraud: 40%
- Synthetic identity fraud: 36%
- Scams: 40%
- Fraudulent request for return/refund: 41%

True Cost of Fraud Goes Far Beyond Face Value Lost

Fraud costs merchants 3x the lost transaction value, including fees, fines and merchandise costs.

U.S. Canada
3.03 3.16 2.89 2.92
Retail Ecommerce

Impact of Fraud on Retail and Ecommerce

- 80% Increases resource commitment toward fraud management
- 77% Impacts on fraud losses
- 77% Increases compliance requirements
- 76% Depresses customer conversion rate
- 75% Difficulty establishing trust with customers

Investment Plans within 2 Years

1. Authentication using behavioral biometrics (e.g. device-usage patterns)
2. Geolocation
3. Automated transaction scoring
4. Phone verification
5. Authentication using biometrics (e.g. fingerprint, face recognition)

Base: 358 decision-makers at retail/ecommerce organizations in the U.S. and Canada with responsibility for fraud strategy
Source: A commissioned study conducted by Forrester Consulting on behalf of LexisNexis® Risk Solutions, July 2023