

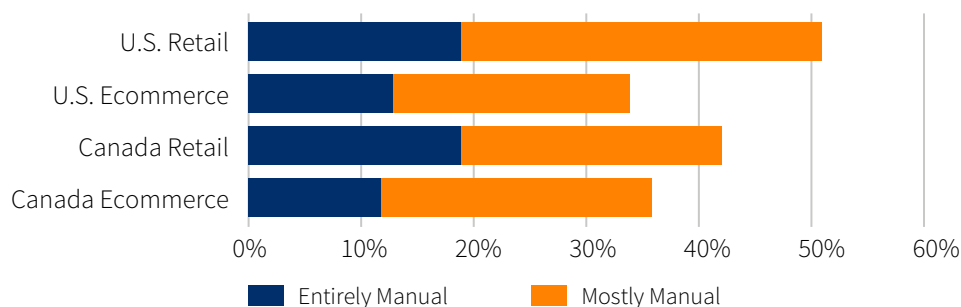
# 2025 LexisNexis® True Cost of Fraud™ Study



U.S. and Canada **Retail and Ecommerce** Segments

**Amid shifting consumer preferences and fraud tactics, automated fraud prevention approaches have opportunity for growth.**

**41%** of merchants rely on manual fraud prevention processes



On average, merchants that rely on manual fraud prevention approaches currently **spend 26% more on fraud costs** than merchants with mostly automated approaches.

**Mixed investment in data science and analytics resources**

**75%** of ecommerce merchants have **two or fewer** data professionals focused on fraud

**54%** of retail merchants have **three or more**

## Fraud Prevention Fuels Customer Churn



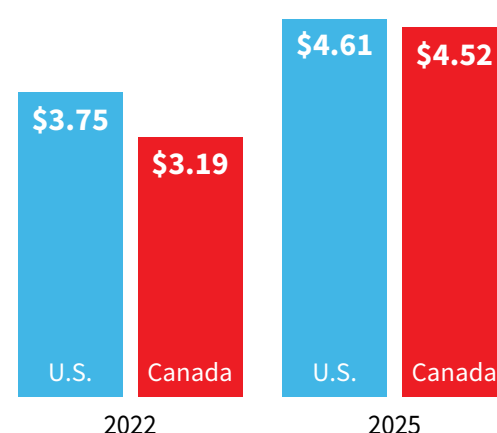
...while fraud also impacts other business areas:

- 69%** Increased resource commitment toward fraud management
- 67%** Revenue losses
- 64%** Reduced customer conversion rate
- 62%** Difficulty establishing trust with customers

**RANKED PRIORITIES**  
when making decisions  
around fraud initiatives

- 1 Improving trust and customer loyalty**
- 2 Minimizing fraud losses**

## Fraud Costs Rise 32% for Merchants



**Despite the costs and challenges, most merchants (three-quarters) are confident in both their current and future fraud detection and mitigation capabilities.**

## Recommendations

- 1** When assessing risk mitigation strategies, consider all costs, including financial loss, operational overhead and damage to reputation.
- 2** Refine fraud prevention frameworks to help unlock efficiency gains and reserve manual interventions for high-risk scenarios.
- 3** Balance fraud prevention with customer experience by implementing security measures that minimize fraud while ensuring a seamless customer journey.
- 4** Strengthen identity verification across the customer journey to improve customer experience and fraud capture.
- 5** Invest in AI and machine learning for scalable fraud detection and to enable review teams to focus on more complex cases.

Source: 569 risk and fraud executives in retail and ecommerce companies in the U.S. and Canada



[Read the full study](#)