

Key Trends that are Shaping the Fraud and Identity Landscape

Digital transactions dominated the global marketplace as the pandemic-driven trend of online interactions became commonplace consumer behavior.



The challenges of doing business with highly digitized consumers being actively targeted by industrialized fraud networks are constantly evolving, as the routes for a fraudster to interface with a business are infinite. These highly professionalized fraud networks are keeping up a perfect and profitable pace by monetizing an array of identity fraud schemes.

Here are our predictions for the top 7 trends in the fraud and identity space to watch as they are most likely to impact your business.

1 EXPANDING DIGITAL ECONOMIES ARE CREATING EXPONENTIAL OPPORTUNITIES FOR FRAUD

Data from the LexisNexis® Digital Identity Network® reveals a rise in global digital transaction volume



The increase in digital transactions is matched by near-equal growth in fraud attacks



As digital interactions become the norm and global connectivity increases, businesses need to be prepared for ever more complex fraud attempts.

2 COMPLEX GLOBAL MARKETPLACES AND INTERCONNECTED THREAT VECTORS REQUIRE A COLLECTIVE RESPONSE

Fraudsters work within complex networks, every piece of data used is linked to the next valuable piece of data on a mass global scale.



Therefore, businesses and industries need greater collaboration globally to fight the fraud network but also to understand who the trusted consumers are. Gaining visibility of trusted consumers allows businesses to open up new revenue channels and upsell to a loyal consumer base.

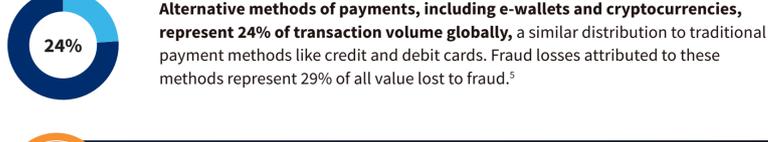
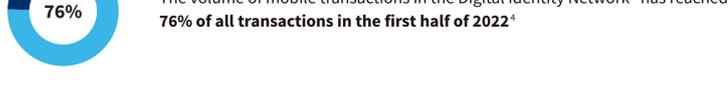
3 COMPLEX MASS AND TARGETED SOCIAL ENGINEERING SCHEMES SPREAD ACROSS MULTIPLE GEOGRAPHIES AND INDUSTRIES

Social engineering attacks are among the fastest-growing cybersecurity threats in both developed and emerging markets and continue to challenge companies as one of the most complex type of fraud to detect.

There are multiple reasons why criminals are targeting end consumers to commit crimes:

- Fast global digitalization and data availability
- Growth of open banking, faster transfer and instant payments
- Increase in automation and remote interactions
- Better fraud controls are exposing the most vulnerable point of the chain: the consumer

4 THE MIGRATION TO MOBILE TRANSACTIONS AND DIGITAL PAYMENTS PARADIGM ARE CHALLENGING TRUST RECOGNITION AND RISK MANAGEMENT



5 FINDING THE RIGHT RISK TO FRICTION BALANCE IS MANDATORY AS COMPANIES AIM TO PROTECT CONSUMERS WITHOUT DISRUPTING THEIR EXPERIENCE

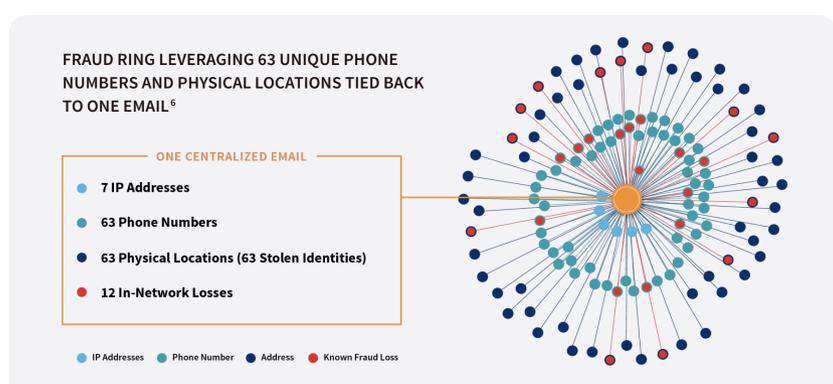
Consumers expect highly personalized experiences featuring real time convenience and relevant security measures, which are supported by emerging regulations that strengthen protective matters around accounts and payments.

The latest identity and authentication solutions take a holistic view of identity and risk, combining physical identity verification with digital identity evidence based around the device that is being used, geographical location and the consumer's behavior.

- Digital identity and device intelligence can enable even high-risk transactions to proceed without inconvenient step-ups
- Behavioral biometrics assesses how a consumer is interacting with the remote channel, clearing the path for trusted users and accurately identifying suspicious transactions

6 INCREASED GLOBAL CONNECTIVITY LEADS FRAUD NETWORKS TO EXPAND THE COMPLEXITY OF FRAUD SCHEMES

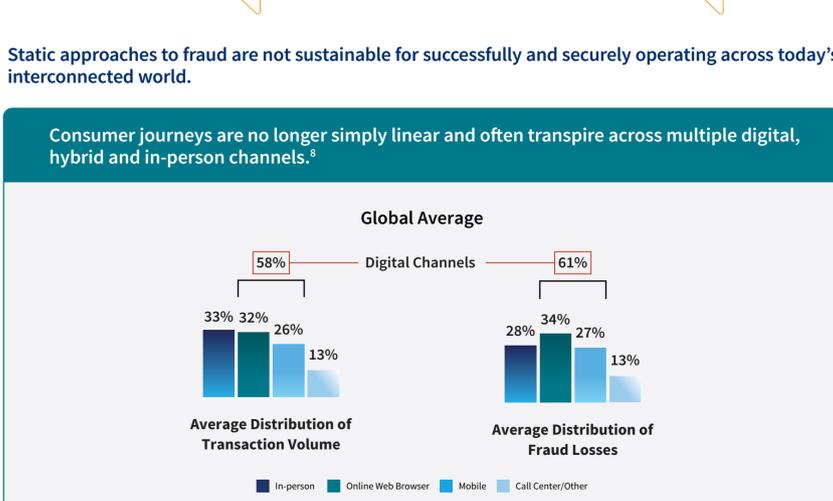
Synthetic and stolen identities are becoming more difficult to uncover when businesses lack the context and insights linking consumers across the dimensions of digital, physical and behavioral identity on a global scale. Different dimensions of an identity need to be analyzed to detect and expose complex fraud schemes.



7 MULTI-DIMENSIONAL CONSUMER IDENTITIES REQUIRE A MORE DYNAMIC RESPONSE AT EVERY STEP OF THE JOURNEY⁷

- 1 in 12** new account creations represent a fraud attempt
- 1 in 20** password resets are attacks

Static approaches to fraud are not sustainable for successfully and securely operating across today's interconnected world.



ESTABLISHING TRUST, IMPROVING THE EXPERIENCE AND IDENTIFYING RISK: THE TOP 5 STRATEGIES FOR SUCCESS

- Prepare for changes in fraud management processes as real time payments go global
- Prioritize solutions with advanced machine learning as it makes significant inroads
- Review thoughts on data sharing as the interconnected economy changes
- Adopt a multi-layered approach to fraud prevention
- Invest in education as humans continue to be the weakest link



The LexisNexis® Risk Solutions Global State of Fraud and Identity report offers our latest research and insights into the identity trends, threat vectors and technologies most impacting your fraud defense strategy right now.

For Deeper Insights into Each Trend, Download the 2022 Global State of Fraud and Identity Report

[Download Now >>](#)

About LexisNexis Risk Solutions
LexisNexis® Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit www.risk.lexisnexis.com and www.relx.com.

This document is for educational purposes only and does not guarantee the functionality or features of LexisNexis products. LexisNexis® Risk Solutions does not warrant this document is complete or error-free. If written by a third party, the opinions may not represent the opinions of LexisNexis. LexisNexis, the Knowledge Burst logo and LexID are registered trademarks of RELX Inc. LexisNexis is a registered trademark of RELX Inc. Digital Identity Network is a registered trademark of ThreatMetrix, Inc. LexID is a registered trademark of RELX Inc. Other products and services may be trademarks or registered trademarks of their respective companies. Copyright © 2022 LexisNexis Risk Solutions. NXR15776-00-1222-EN-US

1. Data analysis from the LexisNexis® Digital Identity Network®, January-June 2022
2. LexisNexis® Risk Solutions True Cost of Fraud™ Survey, 2021-2022
3. Data analysis from the LexisNexis® Digital Identity Network®, January-June 2022
4. Data analysis from the LexisNexis® Digital Identity Network®, January-June 2022
5. LexisNexis® Risk Solutions True Cost of Fraud™ Survey, 2021-2022
6. LexisNexis® Risk Solutions: Data analysis from new credit card applications from October and November 2021
7. Data analysis from the LexisNexis® Digital Identity Network®, January-June 2022
8. LexisNexis® Risk Solutions True Cost of Fraud™ Survey, 2021-2022