Small and midsize business fraud is on the upswing and more costly than ever

- **7.3%**
  - Over the past 24 months, smaller banks and credit unions (<$10B in assets) have experienced a 7.3% increase in fraud.

- **8.6%**
  - The increase in fraud was higher for larger banks (> $10B in assets) at 8.6% and digital lenders at 8.2%.

- **5.8%**
  - Fraud losses as a percentage of revenues amount to 5.8% for digital lenders.

- **4.5%**
  - For small banks/credit unions (<$10B in assets), fraud losses as a percentage of revenues amount to 4.3%.

**CREATING THE PERFECT CLIMATE FOR FRAUD**

SMB lenders’ commitment to elevating the customer experience has also created the perfect climate for rampant fraud.

- Increased focus on a streamlined loan process
- Ideal factors that fuel fraud
  - A wealth of breached identity info from a cross-section of global industries
  - Higher payouts than consumer fraud
  - Complex loan structure inhibiting fraud detection

**Common SMB Fraud Profiles**

- Legitimate business & fake consumer/owner identity
- Bogus business & fake consumer/owner identity
- Bogus business* & stolen consumer/owner identity
- Stolen legitimate business identity & stolen consumer/owner identity
- Legitimate business & legitimate consumer/owner identity

*A bogus business is either an existent or non-existent business entity fabricated to commit fraud.

**TECHNOLOGY TOOLS MAKE THE DIFFERENCE IN EFFECTIVELY FIGHTING SMB FRAUD**

Conquering SMB fraud starts with sophisticated technology tools and dedicated resources to proactively identify and closely track fraud attempts and incidents. A multi-layered fraud strategy supports a 360-degree view into the business and the people associated with the business.

- Consumer and Business ID verification
- Authentication
- Consumer and Business fraud analytics
- Industry consortium knowledge

**A LAYERED SOLUTION PROVIDES THE BEST RESULTS**

Let us help you design a multi-layered fraud defense that balances critical business objectives with an optimal fraud prevention strategy.

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