

FRAUD IS COSTING MORE FOR LARGE ONLINE LENDERS



Lenders are actively combatting fraud

96% use an average of 6.3 risk mitigation solutions

False Positives are holding at 13% of declined transactions

66% use an automated flagging solution

Manual Reviews decreased from 38% to 33% of flagged transactions



However, the volume and cost of fraud is climbing

Fraud cost as a percent of revenues has increased **34%**

And their cost per every \$1 of fraud has increased **10%**

The volume of fraud attempts and successful fraud are **5x** higher than for smaller lenders

International transactions expose lenders to high fraud risks

39% of total losses

49% rank ID verification as a top challenge

42% rank international transactions as a challenge



Lenders are underutilizing advanced fraud solutions

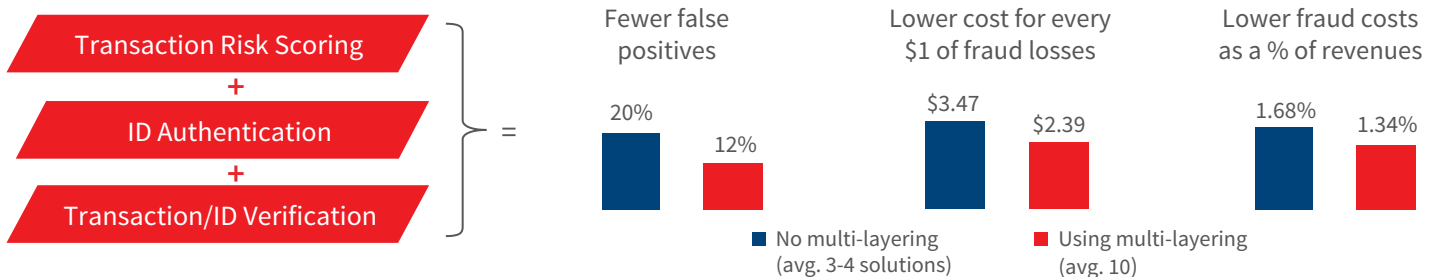
48% use identity verification services

44% use challenge questions

28% use device ID fingerprinting

20% use geolocation

Lenders need to use a multi-layered solution approach



All data is based on the LexisNexis® Risk Solutions 2018 True Cost of FraudSM survey results and can differ for other lenders based on various other factors and are not a prediction or promise of the same outcomes.



For more information visit risk.lexisnexis.com/TCOFLending

*Large lenders are defined as those which generate \$50M+ revenues annually.

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This research covers consumer-facing fraud methods and does not include information on insider fraud or employee theft. This LexisNexis Risk Solutions 2018 True Cost of Fraud study was conducted for LexisNexis Risk Solutions by KS&R. It establishes the cost of fraud through different payment channels. LexisNexis and the Knowledge Burst logo are registered trademarks of RELX Inc. LexisNexis Fraud Multiplier is a service mark of RELX Inc. True Cost of Fraud is a service mark of LexisNexis Risk Solutions Inc. Copyright 2018 LexisNexis. All rights reserved. NXR12526-00-0818-EN-US