

Solution Brief: Deliver Safe and Convenient Cross-Channel Experiences, Safeguarding Consumers from Fraud in Ecommerce Journeys

## **Business Benefits**

- **Protect revenue** by tackling chargebacks and losses due to fraudulent transactions.
- Minimize operational downtime due to fraud and continue providing reliable services.
- **Build long-term consumer relationships** by delivering consistent, secure and convenient experiences over every channel and interaction.
- **Ensure your business is compliant** with regulations for payment services, protecting consumers' data and safeguarding from breaches.
- Streamline the experience and reduce friction for trusted consumers by assessing digital, physical and behavioral criteria and implementing risk-appropriate authentication techniques.
- **Improve transaction conversion rates** and accept more orders from trusted consumers by verifying and approving trustworthy transactions more accurately.
- Harness the power of global shared intelligence through LexisNexis® Digital Identity Network® and access data from billions of annual transactions across diverse industries, helping you make more informed risk decisions.

# Fraud Patterns Targeting the Ecommerce Industry

Fraud can have serious consequences for ecommerce businesses that go beyond financial losses, including loss of consumers and reputational damage. Common types of fraud attacks targeting the ecommerce sector include:



### Fraudulent Chargebacks

Fraudsters may use stolen credit cards to make purchases and then later file chargebacks, leaving the merchant to face both the loss of goods and chargeback fees.



#### **Refund Abuse**

Consumers may abuse refund policies by repeatedly purchasing products, using them temporarily, and then returning them to receive full refunds.



### Promotion and Loyalty Fraud

Fraudsters have gained the ability to utilize stolen promotion/loyalty identities to acquire free products or get discounts.



#### Account Takeover

Fraudsters can exploit passwords and login credentials that are reused across multiple platforms to gain unauthorized access to consumers' accounts. This puts both merchants and consumers at risk.



### Friendly Fraud

Consumers falsely claiming unauthorized transactions or filing chargebacks instead of resolving disputes directly with the merchant can lead to loss of revenue and increased chargeback fees. Merchants often struggle to differentiate between genuine cases and fraudulent chargebacks.

# Fraud Patterns Targeting the Ecommerce Industry (continued)



#### **Shipping Fraud**

High value brand items like jewelry, clothing, video gaming consoles or luxury accessories are being maliciously acquired and shipped to locations inconsistent with prior purchase patterns and behaviors.



#### **Bot Attacks**

Automated bot attacks set up by fraudsters can disrupt an ecommerce site, steal data, make fraudulent purchases or perform other malicious actions. This type of attack is one of the most significant challenges for the ecommerce sector as it targets not just the conventional consumer touchpoints of new account creation and logins but also change of details events.



#### Card Not Present (CNP) Fraud

Fraudsters attempt to verify stolen or cloned card details by making small transactions or "card testing" before initiating larger fraudulent purchases. This poses a challenge for merchants as they must identify and prevent such fraudulent activities.

# **Over \$48 Billion**

Global estimated cost of ecommerce losses due to payment fraud in 2023.<sup>1</sup>

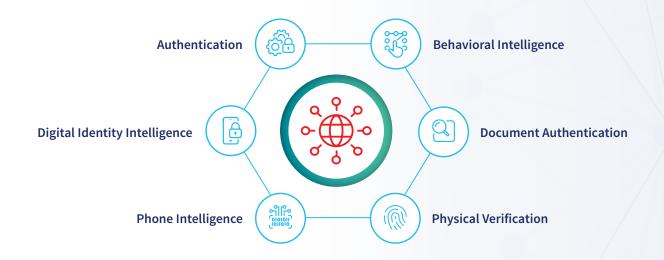
## Prioritize Convenience and Safety Across Ecommerce Channels by Making Smarter Risk Decisions with LexisNexis<sup>®</sup> Risk Solutions

Consumers anticipate universally consistent, reliably secure and smooth experiences through every channel and interaction with an ecommerce business. The ability to combine convenience and responsive security across the consumer journey is becoming a competitive differentiator in crowded digital marketplaces. Ecommerce businesses failing to achieve that fragile balance face the detrimental impacts of costly fraud losses and significant consumer attrition.



### **Multi-layered Approach to Strengthen Fraud Prevention**

Our multi-layered approach leverages market-leading identity verification, authentication, fraud detection, investigation and digital identity intelligence capabilities, helping you strengthen your fraud prevention strategy.



Our solutions help ecommerce businesses tie together a 360-degree view of consumers across digital, physical and behavioral dimensions. By leveraging intelligence from all available channels, as well as from different industries using Digital Identity Network®, a global repository of intelligence which harnesses data from billions of annual transactions across diverse industries, ecommerce businesses can become better prepared to tackle both complex fraud and seasonal fraudulent events that could put legitimate consumers at risk. In the long term, ecommerce businesses can enhance their fraud prevention strategy, offer consumers an improved experience, optimize conversion in a safe and compliant way and expand their business with greater confidence.

Speak with our team of experts to discover how our solutions can support your organization in mitigating identity trust and fraud challenges.

**Contact Us** 





About LexisNexis Risk Solutions

LexisNexis<sup>®</sup> Risk Solutions includes seven brands that span multiple industries and sectors. We harness the power of data, sophisticated analytics platforms and technology solutions to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. 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 LexisNexis Risk Solutions and RELX.

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