



The True Cost Of Fraud In EMEA

In this study, Forrester conducted a global online survey of **1,845** senior decision-makers at financial institutions and retail/e-commerce institutions to evaluate the cost, current state, and challenges presented by fraud. Survey participants from Europe, the Middle East, and Africa (EMEA) include **541** senior decision-makers in the Baltic States, France, Germany, Kenya, the Netherlands, Poland, Saudi Arabia, South Africa and the UAE.

The True Cost Of Fraud In EMEA

True Cost of Fraud Goes far Beyond Face Value Lost

Every fraudulent transaction costs

3.90x

the lost transaction value on average.

For retailers, this includes the costs of fees and interest paid as well as cost of replacing lost/stolen merchandise.

With more extensive regulations requiring additional investigative efforts, higher labor costs, and liability in refunding consumers, the total cost of fraud is even higher for financial institutions.

Financial Services

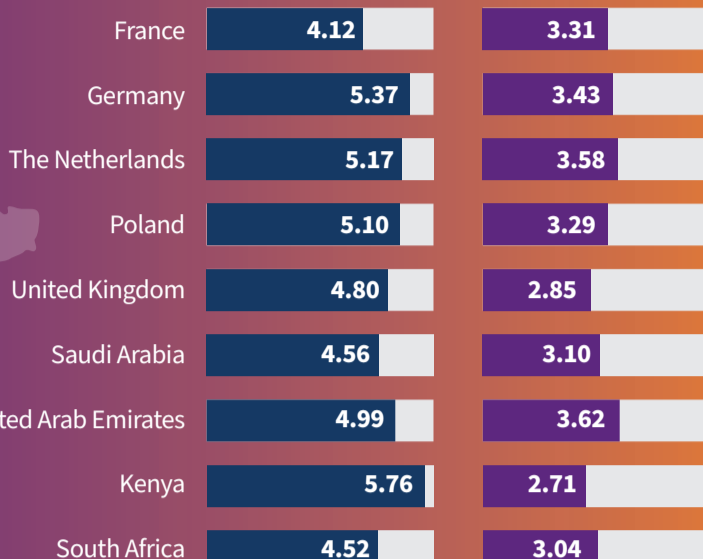
4.92x

the lost transaction value on average.

Retail

3.20x

the lost transaction value on average.

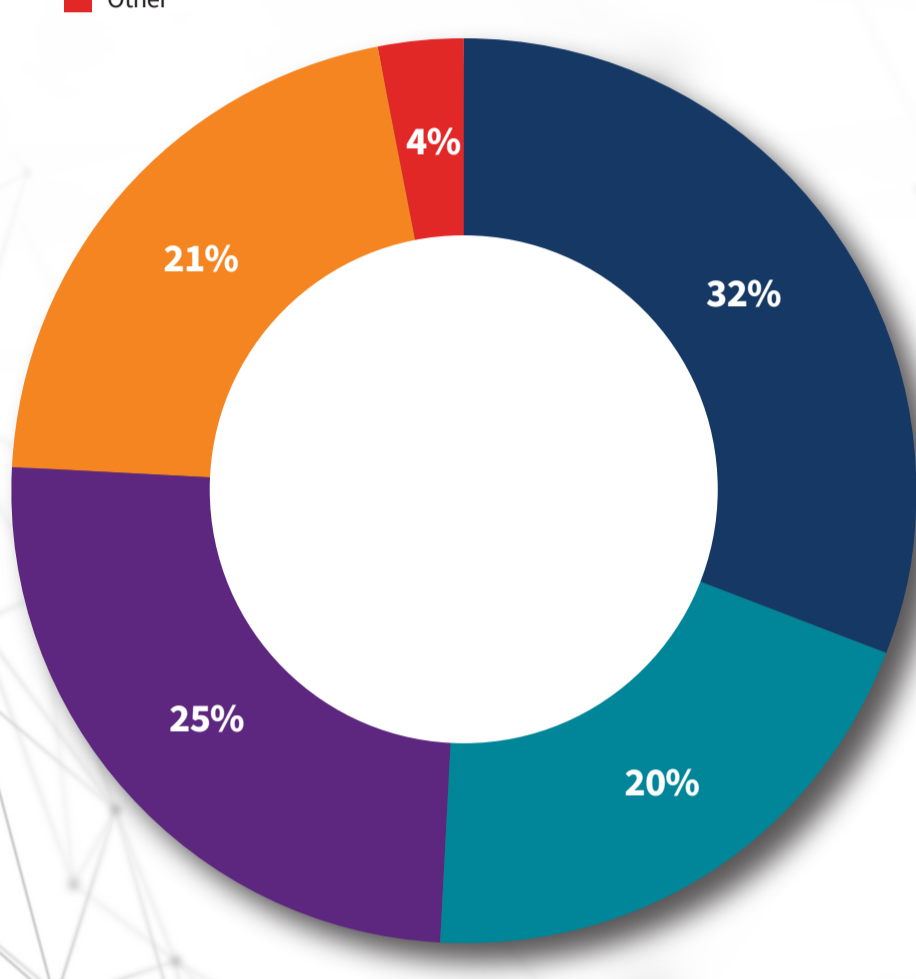
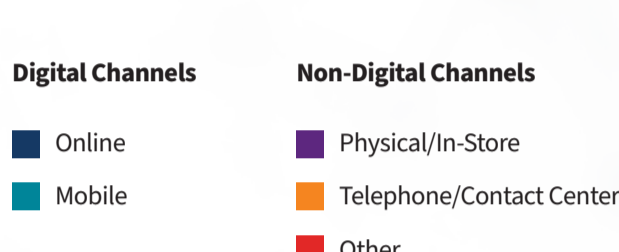


Base: 541 decision-makers across EMEA with responsibility for fraud strategy in their organizations Source: A commissioned study conducted by Forrester Consulting on behalf of LexisNexis - Risk Solutions, July 2023

Double-Edged Sword Of Digitalization

As adoption of digital services increase in EMEA, cybercriminals are seeing more opportunities to exploit both consumers and businesses.

Across the region, digital channels (online/mobile) now account for 52% of overall fraud losses, surpassing physical fraud for the first time.



Top 3 Growing Types Of Fraud In The Past 12 Months

Financial Services

- Scams
- Mobile Transactions Fraud
- Identity Theft Fraud

Retail

- Card-Testing Fraud
- QR Code Payment Fraud
- Identity Theft Fraud

Despite higher consumer awareness about data privacy, identity theft persists in the region, with 53% of respondents reporting an increase. Retailers reported seeing the highest increase in card-testing fraud, in which fraudsters attempt to test the validity of stolen or compromised credit or debit card information.

Main Challenges In Fraud Prevention Over The Past 12 Months

Financial Services

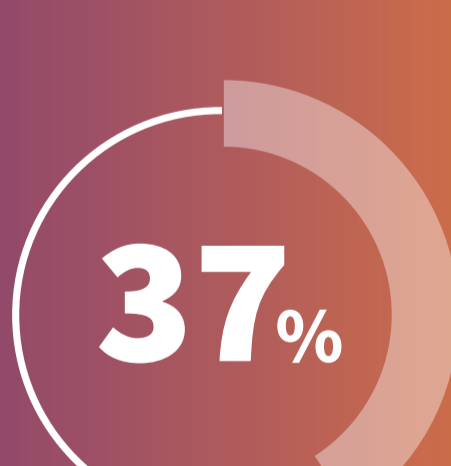
- Implementing the Right Fraud Prevention Processes for International Transactions
- Balancing Fraud Prevention Friction with Customer Experience
- Staying Current and Defending Against New, More Sophisticated Payment Frauds

Retail

- Consumer Privacy Concerns (e.g., Around Data Collection, Use and Sharing etc.)
- Managing Fraud for New Transaction Methods
- Technology Implementation Complexity

Gaps In Fraud Coverage Leave Businesses Vulnerable

Close to 40% of respondents said their organizations do not have an enterprise fraud management solution that provides a comprehensive coverage of all channels on which customers can initiate transactions.

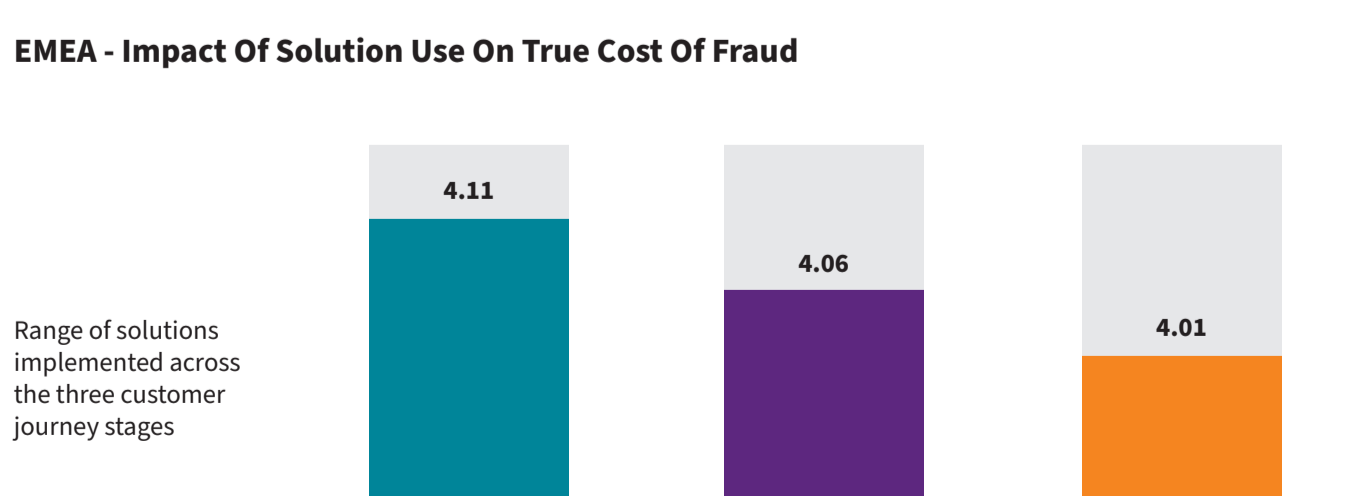


Complexity Of Fraud Calls For Multifaceted Solutions Along The Entire Customer Journey

Implementing A Broad Range Of Solutions Is More Effective At Preventing Fraud

Smart investments in varied solutions pay off: organizations that build a broad net of defense against fraud throughout all stages of the customer journey report a lower true cost of fraud. One reason could be that having the proper fraud management solutions in place may also help increase compliance and limit liability in cases of fraud.

EMEA - Impact Of Solution Use On True Cost Of Fraud



Download **LexisNexis® True Cost of Fraud™ Study** to learn more about how to balance fraud prevention friction and seamless customer experience.

[Download The Study](#)

