

2019 LexisNexis® True Cost of Fraud™ APAC Study: Focus on Indonesia

LexisNexis® Risk Solutions surveyed risk and fraud decision-makers about fraud trends in the Indonesian retail, e-commerce and financial services markets. Below are the highlights.

The average cost of fraud in Indonesia

3.25x the value of a lost transaction
= 1.66% of annual revenue



Retail = **2.64x**



e-Commerce = **3.15x**



Financial Services = **3.88x**

Remote channels including e-commerce and m-commerce present the highest fraud risk:

4.01x for m-commerce

grew **39% YOY** 2017-2018¹

In Indonesia, **40%+** of the population are on smartphones generating **~70%** of internet traffic²

Most m-commerce transactions are through mobile apps



Historically less secure

Targeted by fraudsters at a global level³

And yet increasingly more accepted by businesses to remain competitive and grow

#1 challenge for all transaction channels: Verifying customer identity

Selling digital goods increases the risk of fraud but the channel is too important to ignore. So how do you...



Balance transaction speed/approval vs. customer friction?



Identify synthetic identities?

Fraud:

62% comes from online channels

vs.

33% in-person

Credit/debit transactions

= 71% of fraud losses; **34%** are “card not present” fraud

Factors contributing to increased fraud risk by channel:



Mobile – Botnet attacks and consumer risk behaviors like using open WiFi networks



Cross Border – Uncertainties regarding transaction origination and new payment methods



Digital – Speed of transactions, bots testing stolen cards and use of synthetic identities

Identifying and reducing fraud:

38% of transactions are flagged by an automated system

48% are sent for manual review

32% are declined in error

LexisNexis® Risk Solutions provides a powerful solution for identity intelligence and authentication—visit risk.lexisnexis.com/global/en/products/threatmetrix for a free demo.

To learn more about the true cost of fraud in Indonesia, download the complete report at risk.lexisnexis.com/apactcofi



¹ https://cdn.cms-twdigitalassets.com/content/dam/marketing-twitter/apac/en_gb/insights/mcommerceapac/mobile_commerce_report_sea_2019_edition_final.pdf

² <https://theaseanpost.com/article/rise-e-commerce-indonesia>

³ <https://www.appsflyer.com/resources/the-state-of-mobile-fraud-q1-2018/>

LexisNexis and the Knowledge Burst logo are registered trademarks of RELX Inc. True Cost of Fraud is a trademark of LexisNexis Risk Solutions Inc. ThreatMetrix is a registered trademark of ThreatMetrix, Inc. Copyright © 2020 LexisNexis Risk Solutions.