

ebook

Fraud Predictions



Featuring 2022
fraud predictions from
Accertify experts:

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Accertify Fraud Predictions 2022

WHAT DOES 2022 HOLD FOR THE FRAUD SPACE?

As the year begins, businesses will have the opportunity to reassess their ability to counter online fraud in light of the surge in e-commerce spending volumes and need for increased security on the digital channels. While some companies have invested in technology to improve their fraud detection in the last 12 months, cybercriminals alike have kept in line with digital advancements.

Accertify's Fraud Predictions 2022 ebook identifies the major fraud trends likely to shape the landscape and provides insight into how companies can proactively adopt technology to mitigate emerging threats and offer consumers a secure digital environment.



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Prediction 1



Loyalty Accounts may be Heavily Targeted by Fraudsters

The pandemic has seen the number of accrued loyalty points soar while many accounts have not been accessed due to the inability to travel. These unmonitored accounts, which store “monetary” value, have become a prime target for fraudsters to take advantage of and exploit via account takeovers. With over \$48 trillion of unspent loyalty points globally, it is apparent that this is a fraud trend that deserves attention.

Business Wire via ITWeb - 04 Feb 2020 - Global Enterprises and Merchants Unprepared as Fraudsters Focus on Rewards Programs <https://www.itweb.co.za/content/wbrp07gPJEJMDLZn>

Tech Briefly 08 July 2021 - How has the poor implementation of PSD2 affected conversion rates for e-commerce merchants? <https://techbriefly.com/2021/07/08/how-has-the-poor-implementation-of-psd2-affected-conversion-rates-for-e-commerce-merchants/>

Citizen 08 Jan 2020 - How Alternative Payment Methods are transforming the payments industry <https://paywithcitizen.medium.com/how-alternative-payment-methods-are-transforming-the-payments-industry-27ce132fd00f>

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Prediction 2



Authentication friction on card payments, may result in an increase in alternative payment methods to convert sales.

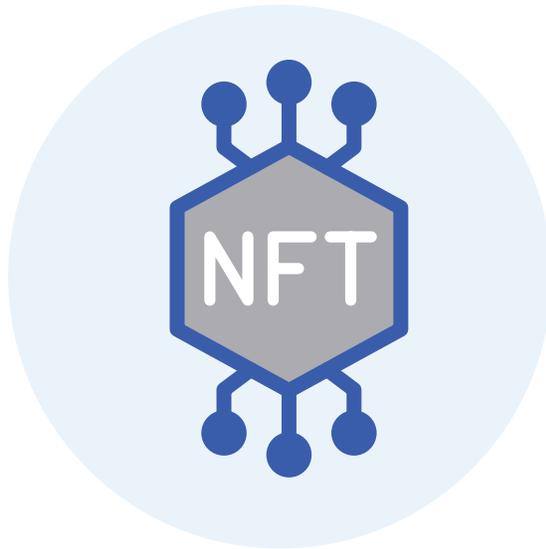
Consumer convenience became imperative during the pandemic and with it, alternative payment methods flourished. In the US, Buy now, pay later (BNPL) had high appeal and growth rates, as it enabled consumers to make larger purchases and then divide the payment into installments and pay at their desired pace, in many cases without penalties or late fees. Merchants made the sale and consumers got the goods and services desired. In the EU, the introduction of PSD2 and the Strong Customer Authentication component tied to credit and debit cards, may also lead merchants to offer more alternative payment methods that reduce friction for the consumer and help convert.

Federal Reserve Bank of Kansas City 10 Nov 2021 – Payments System Research Briefing <https://www.kansascityfed.org/research/payments-system-research-briefings/the-appeal-and-proliferation-of-buy-now-pay-later-consumer-and-merchant-perspectives/>
Tech Briefly -08 July 2021 - How has the poor implementation of PSD2 affected conversion rates for e-commerce merchants? <https://techbriefly.com/2021/07/08/how-has-the-poor-implementation-of-psd2-affected-conversion-rates-for-e-commerce-merchants/>
Citizen- 08 Jan 2020 - How Alternative Payment Methods are transforming the payments industry <https://paywithcitizen.medium.com/how-alternative-payment-methods-are-transforming-the-payments-industry-27ce132fd00f>

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Prediction 3



As NFTs become more mainstream with the introduction of items like “the metaverse”, *vulnerabilities will also enable fraudsters to prosper.*

Non fungible tokens, or NFTs, are unique and can't be copied, substituted or subdivided without ruining the original form. As this emerging technology becomes more mainstream - places like Roblox, Twitter and other venues across “the metaverse”, it is likely that a large fraud case will make the headline news and leave many victims with little recourse or dispute mechanism to recoup their investment.

Toolbox - 09 Dec 2021 - 3 Predictions for Non Fungible Tokens (NFTs) and the Metaverse for 2022 <https://www.toolbox.com/tech/innovation/guest-article/three-predictions-for-non-fungible-tokens-nfts-and-the-metaverse/>
Vice - 05 Oct 2021 - Investors Spent Millions on 'Evolved Apes' NFTs. Then They Got Scammed. <https://www.vice.com/en/article/y3dyem/investors-spent-millions-on-evolved-apes-nfts-then-they-got-scammed>
The Verge - 21 Sep, 2021 - The NFT Scammers are here <https://www.theverge.com/22683766/nft-scams-theft-social-engineering-opensea-community-recovery>

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Prediction 4



As Privacy Legislation and Data Sovereignty accelerates, *it will become harder to track fraudsters.*

Gartner predicts that by the end of 2023 modern privacy laws will cover the personal information of 75% of the world's population. The growing demand of standardizing security operations, equally signifies that companies need to have flexible security solutions in place. This trend exerts pressure on companies to collect data that aids in security and fraud prevention yet adheres to all local data privacy laws and regulations all the while ensuring the customer has an optimal experience.

Gartner -20 Oct 2021 - The Top 8 Cybersecurity Predictions <https://www.gartner.com/en/articles/the-top-8-cybersecurity-predictions-for-2021-2022-1>

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Prediction 5



Increased regulatory scrutiny, focused on alternative payment methods, can benefit merchants, as much as consumers.

According to a survey by [Nerdwallet](#), [1-in-5 shoppers used BNPL options in 2021, with 22% of those surveyed being Gen Z customers](#). In addition, Venmo, Zelle, and other alternative payment methods are equally popular and efficient. Regulation may introduce transparency for customers by providing a means to dispute a transaction should something adverse occur. Equally, merchants may gain transparency by knowing the outcome of an alternative payment method ensuring they have more insight and ability to discern risk.

Insider Jan 6, 2022, 4 Buy Now, Pay Later Trends Smart Investors Are Watching For in 2022 <https://markets.businessinsider.com/news/stocks/4-buy-now-pay-later-trends-smart-investors-are-watching-for-in-2022-10901148>

The Motley Fool - 6 Jan 2022 - 4 Buy Now, Pay Later Trends Smart Investors Are Watching For in 2022 <https://www.fool.com/investing/2022/01/06/4-buy-now-pay-later-trends-smart-investors-are-wat/>

Yahoo - 11 Jan 2022 - Fly now pay Later <https://finance.yahoo.com/news/fly-now-pay-later-secures-144500166.html?guccounter=1>

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Accertify has the most comprehensive platform available to address today's threats with the agility to detect what comes tomorrow. With a simple API integration and real-time machine learning based risk decisions, our seamless approach makes it simpler to protect your organization while delivering an excellent customer experience.

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