

2024 Retail Fraud Hot List

eCommerce fraud rates continue to climb as fraudsters become more sophisticated, now further enabled by generative AI. Whether you're managing fraud through a variety of fraud prevention tools and vendors, or enlisting the services of fraud, payment, and chargeback professionals like Radial, there are fraud trends you need to be aware of and actively defend against.



1 Synthetic identities.

Synthetic identities continue to be a top fraud tactic as fraudsters combine elements of valid data to create fake identities.

2 Payment wallet fraud.

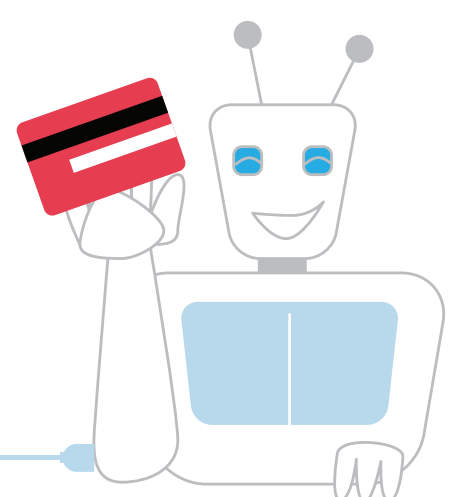
Fraudsters are using stolen cards from financial institutions that do not perform thorough validation checks.

3 Near-real address delivery fraud.

Multi-layered fraud prevention checks for delivery address proximity to the billing address. Fraudsters are changing the shipping address to be near the account address, where mules receive the items and profit off the fraudulent purchase.

4 Card testing by bots.

Typically rises during peak, bots are programmed to test stolen card after card, or a list of stolen card credentials to see which one can be exploited, often impacting eCommerce website performance during the peak season.



5 BIN attacks.

Similar to card testing, BIN attacks utilize bank identification numbers (BIN) obtained from a stolen run of cards from a financial institution. The attack process is similar as fraudsters look for which cards will validate.

6 BOPIS fraud.

Normally a low-risk for fraud as customers need to show ID to pick up their order, fraudsters are exploiting the channel by using a combination of in person social engineering during the pickup process and splitting the order fulfillment method between pickup and low-risk shipping.

7 Chargeback fraud.

While chargebacks are a huge component of retail fraud, we have seen an increase in customers disputing legitimate transactions.

8 Real-time payment fraud.

Unlike traditional payment processing that has a gap in time between authorizing and payment processed, real-time payment eliminates this gap and transfers money instantly, leaving little time to reverse fraudulent charges.

9 Social commerce fraud.

Despite its growing popularity, social commerce (buying on social media) still lags behind on fraud prevention and detection measures.

10 AI generated fraud.

Fraudsters now have the ability to quickly create fake, believable personas complete with histories, photos, and "friend" networks, at scale. Generative AI is enabling criminals to scale their strategies, techniques, and tactics in ways that remain to be seen. (Good news: it's also enabling fraud detection to scale!)



Prevent Fraud with Radial Payment Services

Radial Payment Services provides fully managed payment, fraud, and chargeback services to retailers, with a zero fraud indemnification policy. We continually track and mitigate the latest fraud trends with the expertise and technology required to fight sophisticated, organized, and individualized fraud while preserving high sales conversion rates and a positive customer experience. We're proud to provide an industry-leading 99+% order conversion rate for retailers.

Learn how we can protect your business.