



Fraud Aftershock Index

**A look into how and where today's
fraudsters will strike tomorrow**

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Introduction & Methodology

Data breaches and fraud attempts dominate today's headlines, but fraud goes beyond stolen credit card information for online shopping sprees. New channels and methods of attack are developing at a frightening pace. But before businesses can combat fraud, we need to better understand the perpetually evolving fraud landscape.

When most people think of fraud, they think of payment fraud and assume e-commerce companies are the biggest target. However, fraud is far more complex. As fraudsters grow increasingly more sophisticated, so do their attack methods. Today, fraud comes in multiple forms and is not industry specific.

We call this the Fraud Aftershock.

The data in this Index is derived from over 34,000 sites and apps in Sift's customer base. Sift ingests 35 billion events per month to uncover millions of fraudulent events. We looked at cross sections by abuse type and verticals over the past three months to uncover patterns of fraud. The goal of this Index is to better understand the prevalence of other types of fraud, as well as which industries are most likely to be impacted next.

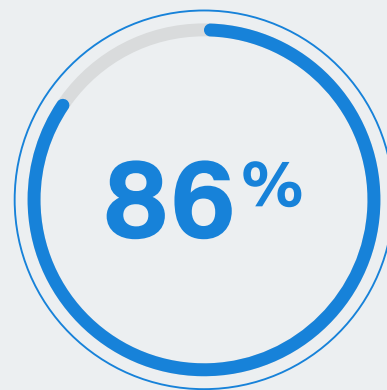
This Index measures two types of aftershock:

Fraud Type Aftershock



of fraudsters commit more than one type of fraud.

Industry Aftershock



of fraudsters commit fraud in more than one industry.

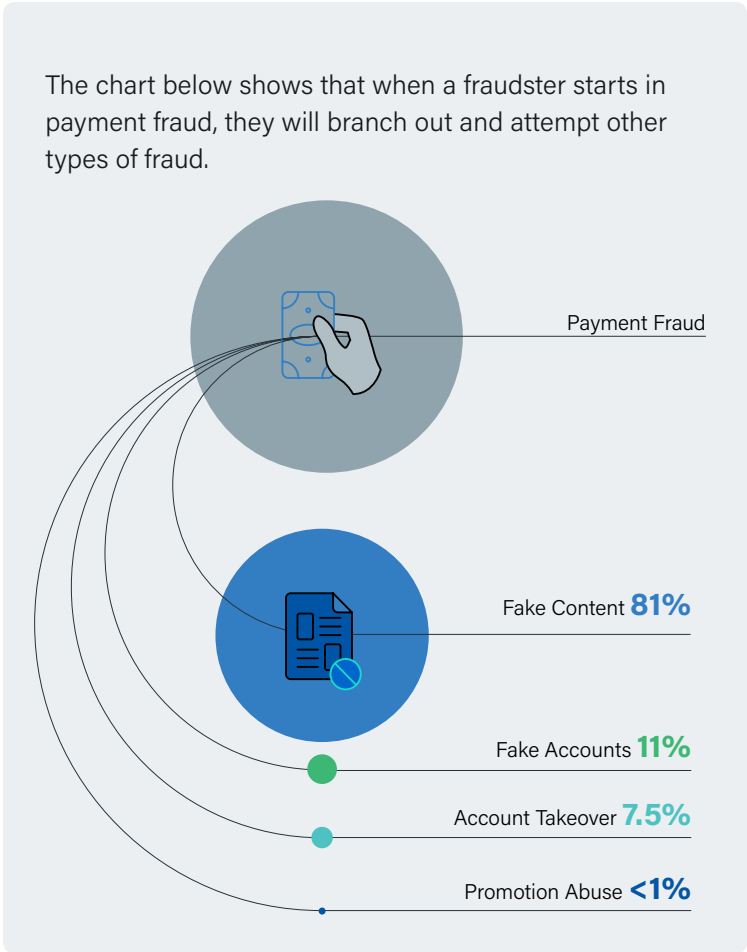
Fraud Type Aftershock

One of the biggest mistakes a business can make is to take a blanket approach to fraud prevention. If a business has safeguards against payment fraud, that does not mean it is safe from all types of fraud. Today, fraudsters are moving freely from one fraud type to another.

Fraud affects much more than payment transactions — it can take shape in the form of account takeover, spam and scams, promo abuse, etc. With data breaches making users' credentials readily available on the dark web, it's easy for bad actors to obtain additional information and attempt other types of fraud beyond payment fraud.

45%
of fraudsters commit more than one type of fraud

92%
of account takeover fraudsters commit another type of fraud



TYPES OF FRAUD EXPLAINED:

Payment Fraud

Any type of false or unauthorized payment transaction, including false requests for a refund or return.

Fake Content

Fake or malicious content that is created or shared by scammers to defraud a business or another user, including spam, fake listings, phishing, catfishing, and fake reviews.

Fake Accounts

A fraudster or bot signing up for an account using another person's real identity/credentials.

Account Takeover

Where a good user creates an account, and a fraudster later gains access to it and uses it for fraud.

Promotion Abuse

When fraudsters abuse promotions by redeeming coupons multiple times, or by creating fake accounts to redeem additional promotional offers.

Industry Aftershock

Fraud is constantly evolving. It's also a common misconception that fraudsters are limited to one industry. In fact, fraudsters target many types of verticals — even if those verticals are unrelated to one another. The likelihood of other industries being targeted for fraud attacks, beyond Digital E-commerce, is extremely high.

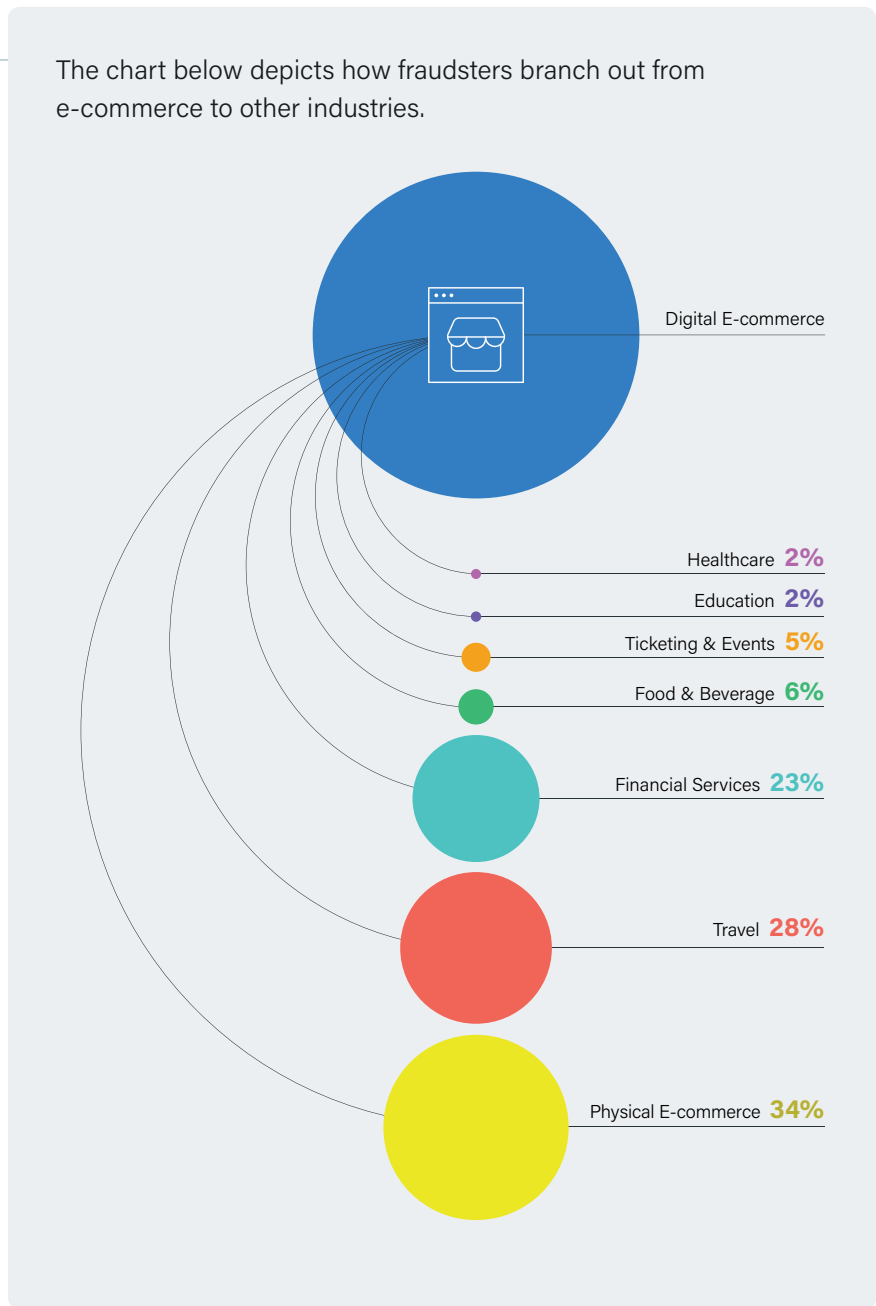
78%

of fraudsters who start in Digital E-commerce are also likely to commit fraud in another industry

86%

of fraudsters commit fraud in more than one industry

The chart below depicts how fraudsters branch out from e-commerce to other industries.



FRAUDIEST INDUSTRIES

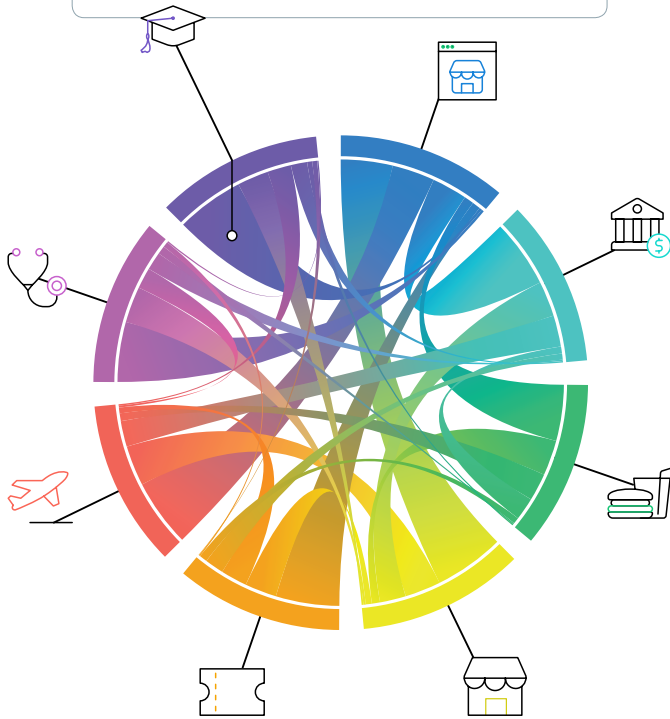
1. Digital E-commerce
2. Physical E-commerce
3. Travel
4. Financial Services
5. Food & Beverage
6. Ticketing & Events
7. Education
8. Healthcare

Cross-Industry Aftershock

While Digital E-commerce is the industry most plagued with fraud, fraudsters move fluidly from one industry to another, attempting multiple types of fraud. Fraud is not linear, but rather an interconnected web as depicted below.

Follow the trend line from one industry to another to see cross industry fraud occurrences.

For example, this trend line visually depicts that fraudsters in **EDUCATION** are **5 TIMES** more likely to commit fraud in **DIGITAL E-COMMERCE**.



- DIGITAL E-COMMERCE
- EDUCATION
- FINANCIAL SERVICES
- HEALTHCARE
- FOOD & BEVERAGE
- TRAVEL
- PHYSICAL E-COMMERCE
- TICKETING

Likelihood of Committing Fraud Aftershock

<p>HEALTHCARE</p>	<p>3.5x</p> <p>more likely to commit fraud in</p>	<p>DIGITAL E-COMMERCE</p>
<p>EDUCATION</p>	<p>3x</p> <p>more likely to commit fraud in</p>	<p>TRAVEL</p>
<p>DIGITAL E-COMMERCE</p>	<p>1.5x</p> <p>more likely to commit fraud in</p>	<p>HEALTHCARE</p>
<p>FINANCIAL SERVICES</p>	<p>2x</p> <p>more likely to commit fraud in</p>	<p>TICKETING</p>
<p>FOOD & BEVERAGE</p>	<p>2x</p> <p>more likely to commit fraud in</p>	<p>TRAVEL</p>
<p>PHYSICAL E-COMMERCE</p>	<p>1.5x</p> <p>more likely to commit fraud in</p>	<p>FINANCIAL SERVICES</p>
<p>TICKETING</p>	<p>2x</p> <p>more likely to commit fraud in</p>	<p>FINANCIAL SERVICES</p>
<p>TRAVEL</p>	<p>3.5x</p> <p>more likely to commit fraud in</p>	<p>DIGITAL E-COMMERCE</p>