2022 State of fraud and prevention strategies

Summary results: May 2022

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Survey summary

Between January and April 2022, Gatepoint Research invited executives to participate in a survey a survey on fraud management strategies.

We invited one hundred executives across several industries to participate.

Management levels represented are all senior decision-makers: 6% hold the title CxO, 17% are VPs, 29% are directors, and 48% are managers.

All responders participated voluntarily; none were engaged using telemarketing.

100

executives participated

Management levels

6%	**29%**	**17%**	**48%**
CxO	Director	Vice President	Manager

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Executive overview

With so much of our daily lives conducted online, fraud prevention is now a critical component for businesses. People trust the platforms they use to be safe, and they blame the brand if that trust is violated.

This survey asks respondents to report the following:

How important is fraud management to your overall business strategy?

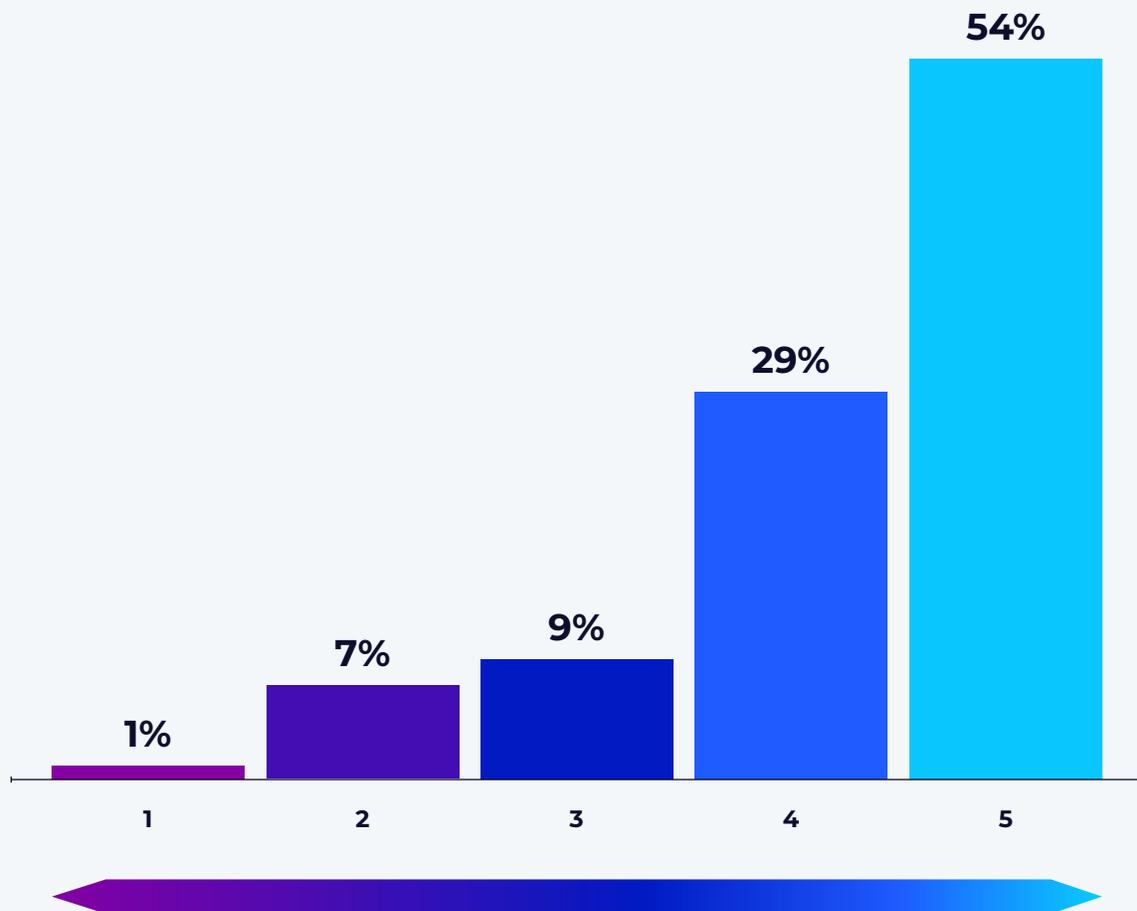Which technologies have had the most significant impact on preventing fraud for your organization?

How would you rate your organization's ability to mitigate fraud before it happens?

How important is fraud management to your overall business strategy?

(Rate 1 to 5: 1 = Not at all important, 5 = Extremely important)

92% of respondents report that fraud management is somewhat to extremely important when it comes to overall business strategy.

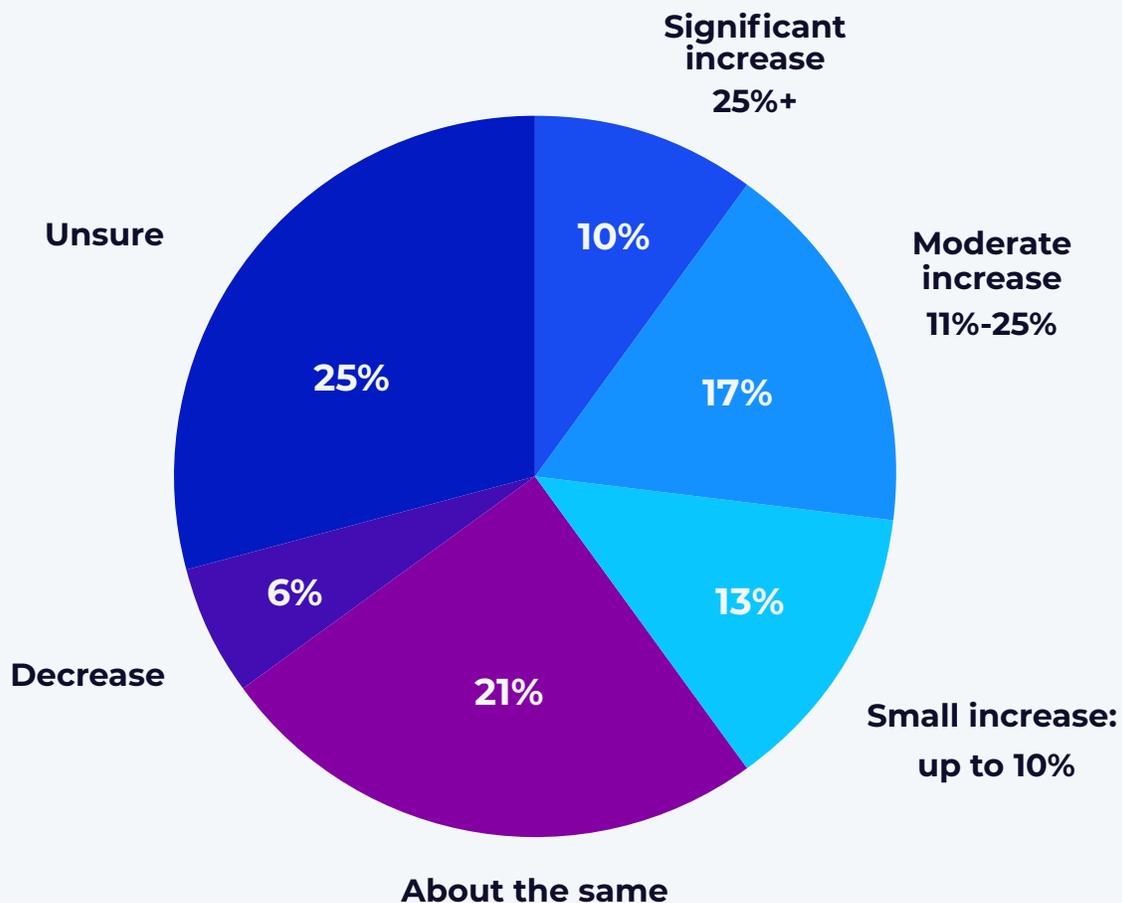| Rating	Percentage
1	1%
2	7%
3	9%
4	29%
5	54%

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What fraud schemes or tactics will be of top concern to your business this year?

Respondents reveal their top four concerns regarding fraud schemes are account takeover (cited by half), phishing (45%), new account fraud (41%), and fake users (38%).

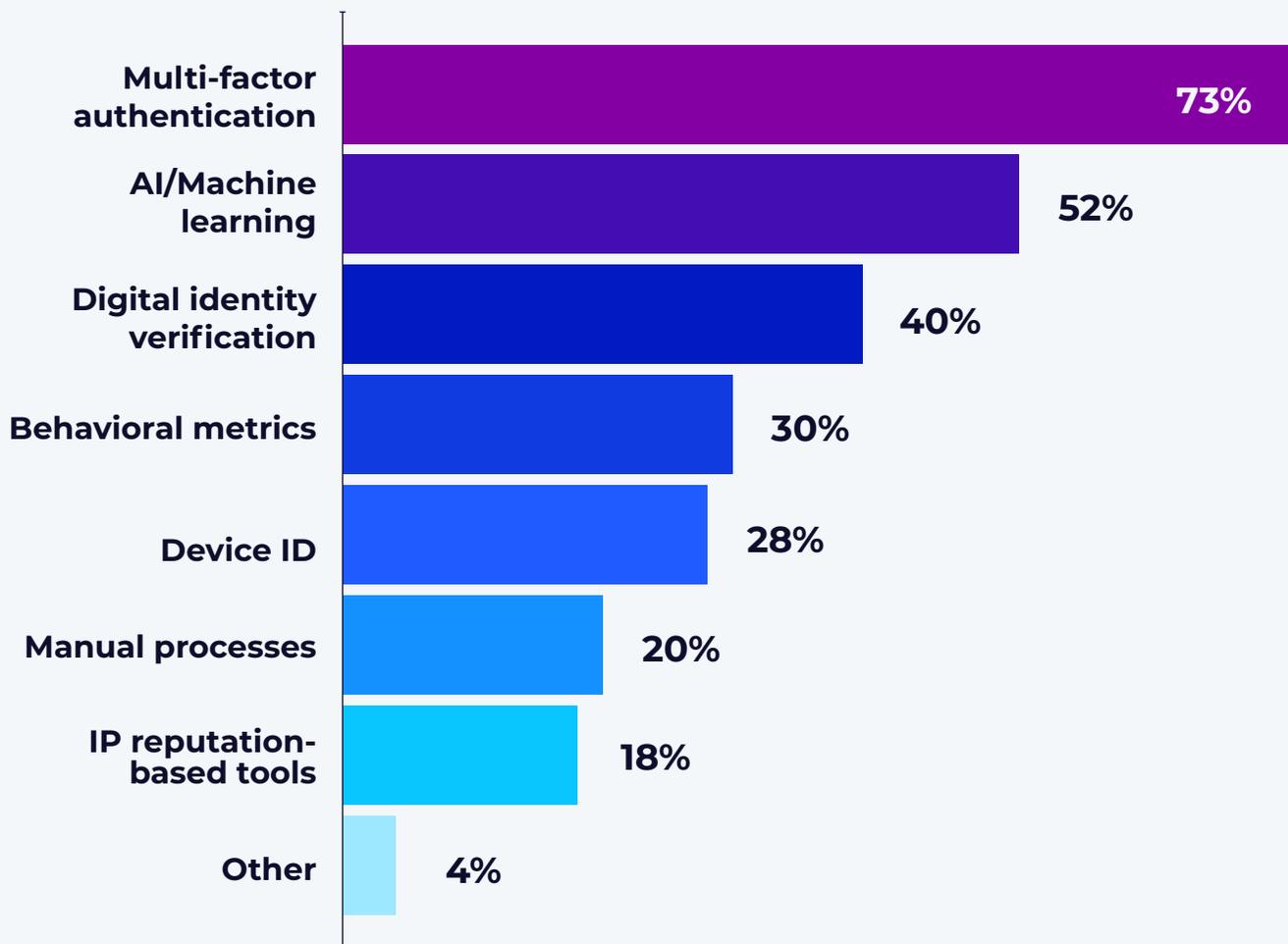| Category	Percentage
Account takeover	50%
Phishing	45%
New account fraud	41%
Fake users	38%
Chargeback fraud	21%
Synthetic ID	20%
Card not present fraud	19%
Promotion abuse fraud	9%
International revenue share fraud	8%
Fake reviews	8%
SIM swap	5%
Other	5%

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In the past year, how have the number of fraudulent attempts at your organization compared to 2020?

The battle against fraudulent attempts continues. Nearly two-thirds of respondents (65%) report fraud attempts in the last year have stayed the same or increased up to 25% or more.

Significant increase 25%+ — 10%

Moderate increase 11%-25% — 17%

Small increase: up to 10% — 13%

About the same — 21%

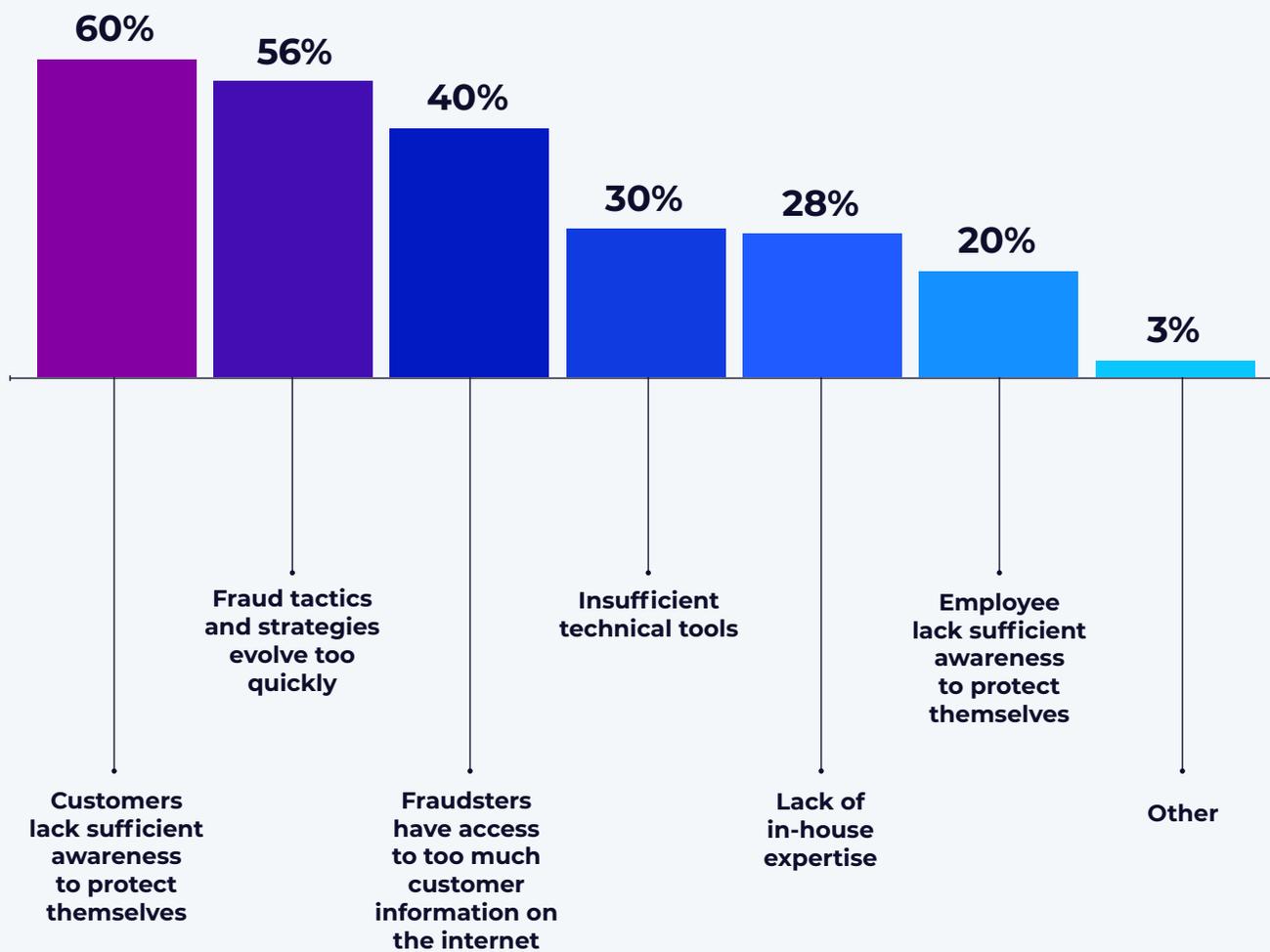Decrease — 6%

Unsure — 25%

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Which technologies have had the most significant impact on preventing fraud for your organization?

By far, multi-factor authentication has had the most significant impact on fraud prevention, with 73% of respondents citing it as their top preventive technology. Also effective, say 52%, is AI and machine learning technologies.

| Technology	Percentage
Multi-factor authentication	73%
AI/Machine learning	52%
Digital identity verification	40%
Behavioral metrics	30%
Device ID	28%
Manual processes	20%
IP reputation-based tools	18%
Other	4%

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When it comes to fraud prevention, what are the greatest challenges your organization faces?

Lack of customer awareness coupled with quickly evolving fraud tactics and increased access to customer information are among the greatest organizational challenges reported.

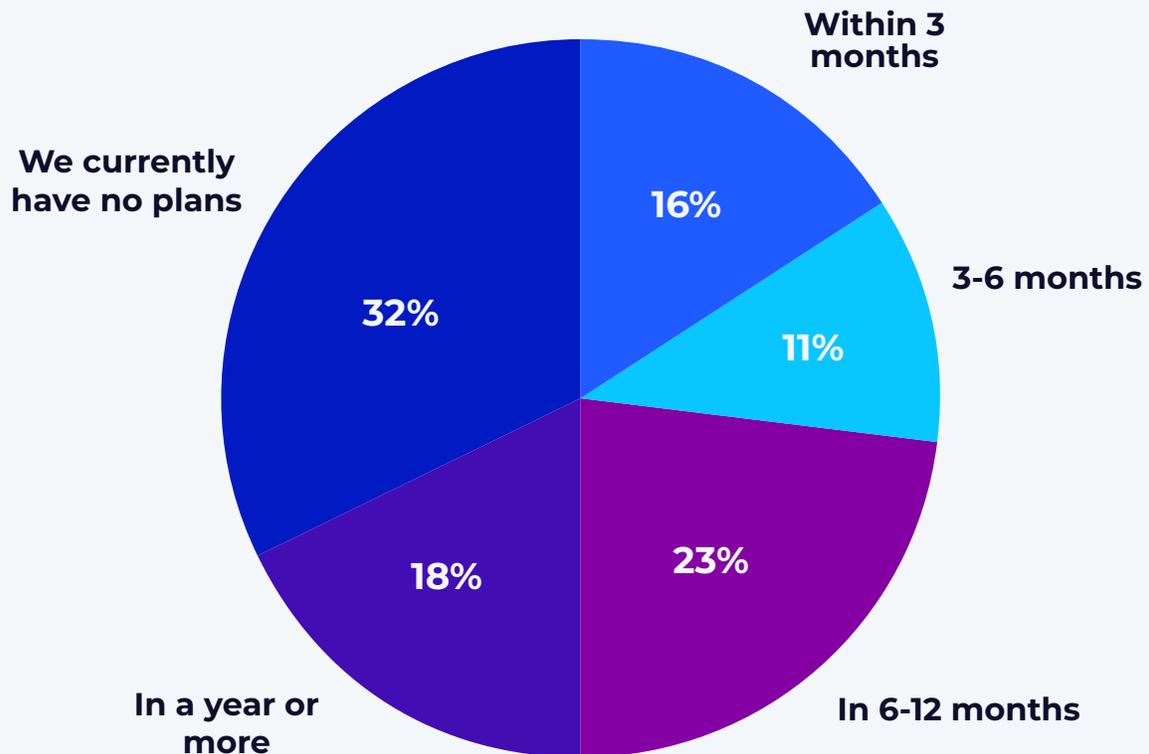| Challenge	Percentage
Customers lack sufficient awareness to protect themselves	60%
Fraud tactics and strategies evolve too quickly	56%
Fraudsters have access to too much customer information on the internet	40%
Insufficient technical tools	30%
Lack of in-house expertise	28%
Employee lack sufficient awareness to protect themselves	20%
Other	3%

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How would you rate your organization's ability to mitigate fraud before it happens?

The majority of respondents (53%) admit their organization has gaps in their ability to mitigate fraud, rating themselves as somewhat to very ineffective.

Rating	Percentage
1	3%
2	5%
3	45%
4	38%
5	9%

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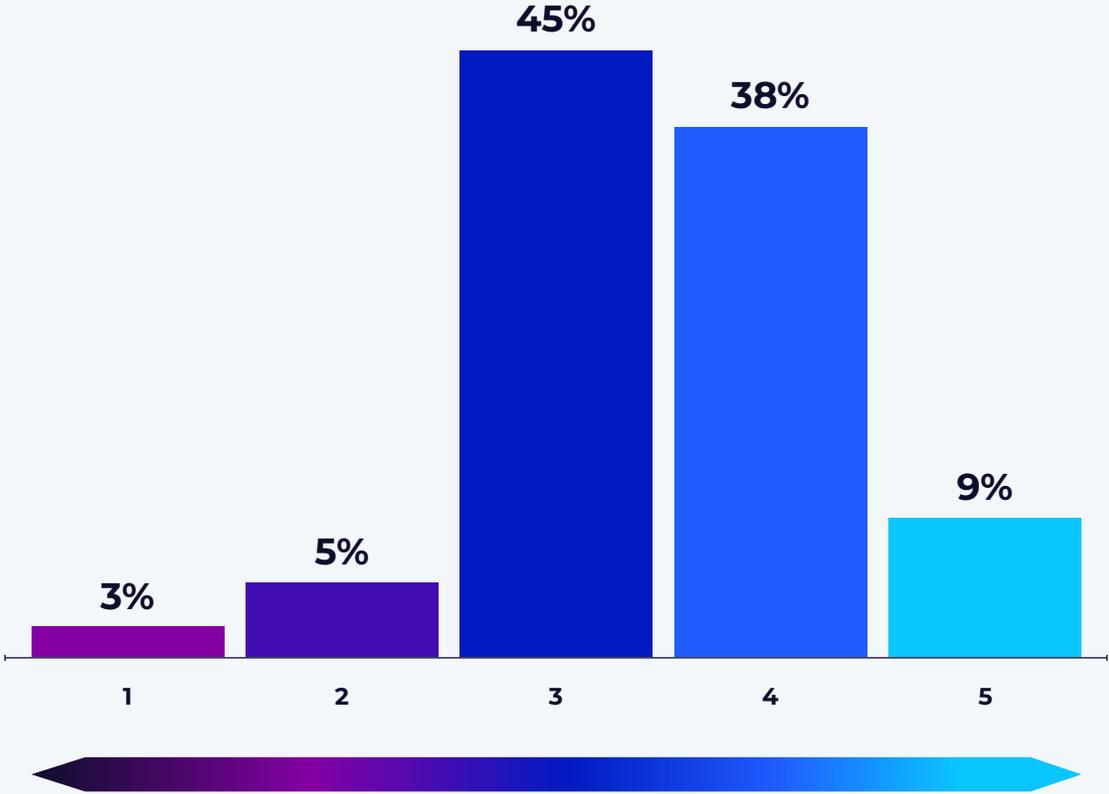
When will you re-evaluate your fraud management solution?

50% of respondents plan to re-evaluate their fraud management solutions within a year.

Within 3 months

16%

3-6 months

11%

In 6-12 months

23%

In a year or more

18%

We currently have no plans

32%

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How has your fraud prevention budget changed this year?

Just 29% of respondents have bumped up their fraud prevention budget this year. Surprisingly, even in the face of increasing fraud attempts, a high number of those surveyed have added nothing to the budget (43%).

29%
43%
28%

Increased **Unchanged** **Unsure**

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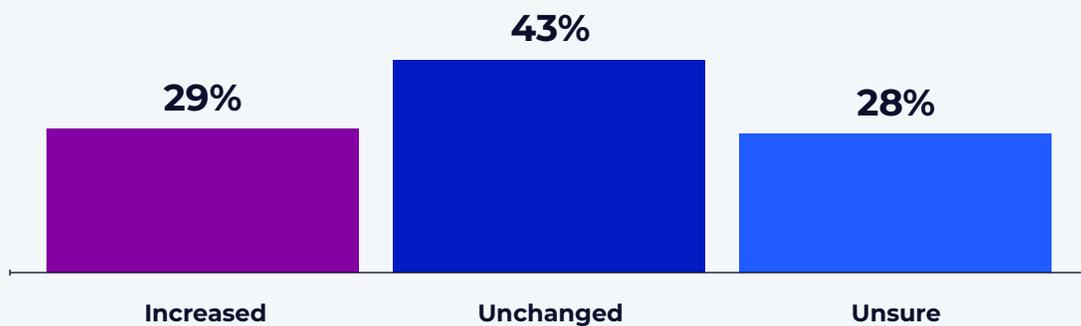
# What is your role when considering a fraud management solution?

Respondents represent a wide array of roles that touch, in one way of another, fraud management solutions for their organization, from influencers (41%) to implementers (7%).

41%	27%	13%	10%	7%	2%
Influencer/Recommender	User	Decision Maker	Manager	Implementer	Other

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Job level

52% of survey respondents hold director or executive-level positions in their organization.

CxO **6%**

Vice President **17%**

Director **29%**

Manager **48%**
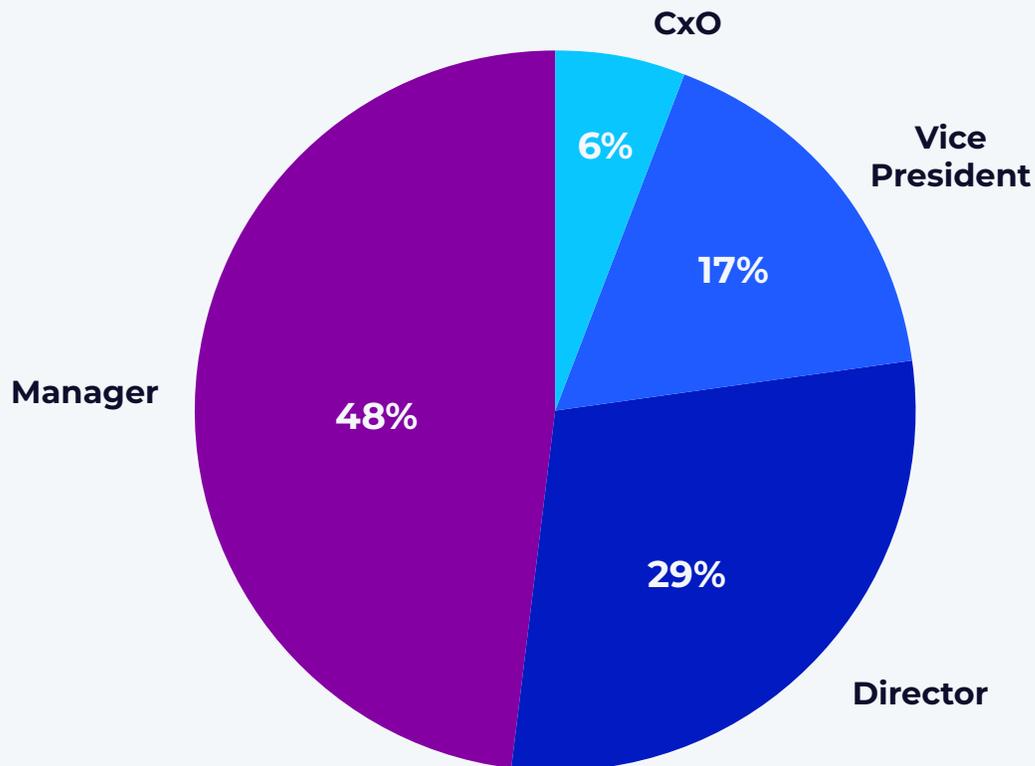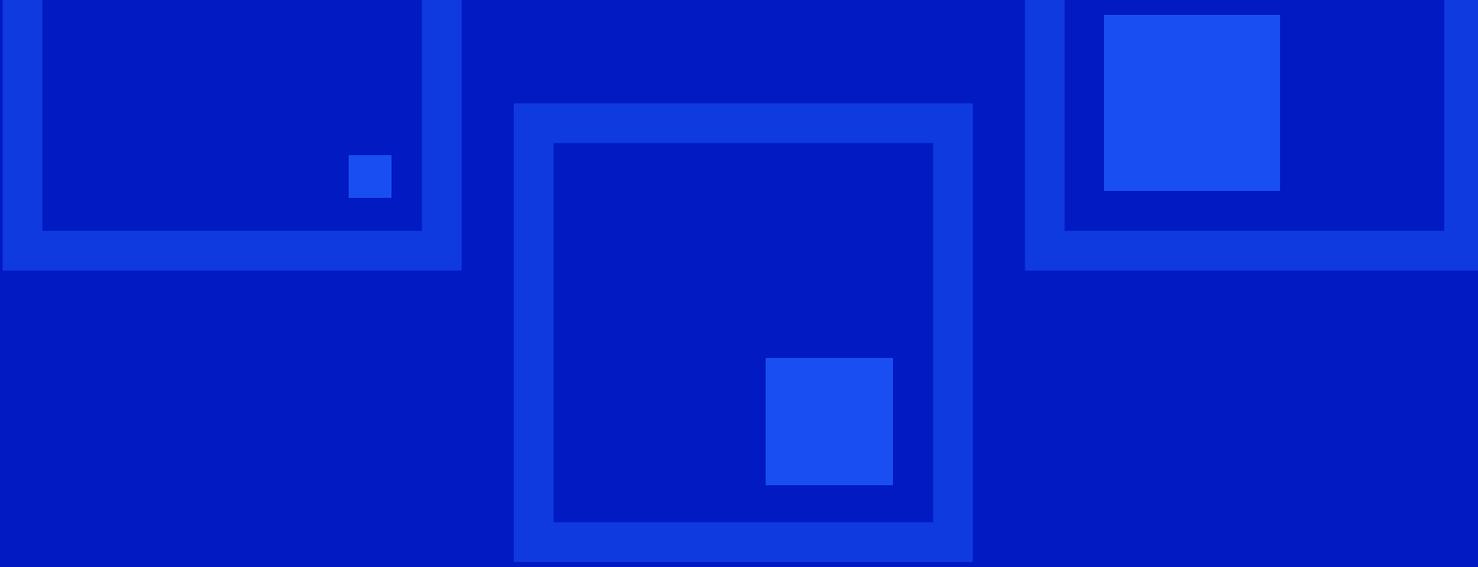
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