NICE Actimize

Highlights from the 2024 Fraud Insights Report, First Edition

2024 FRAUD INSIGHTS
FIRST EDITION

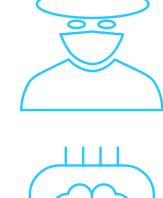Fraud prevention must keep pace with evolving technology, faster payment systems, and new and sophisticated threats. Combat fraud trends effectively with this fast overview of the key insights and actionable strategies from NICE Actimize's 2024 Fraud Insights report.

Current Fraud Landscape

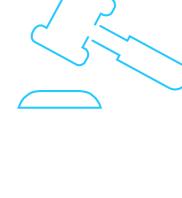**Faster Payments & Tech Advances:** Fraud prevention teams must quickly adapt to rapid changes, like faster payment rails, open banking, AI, and ISO20022

Evolving Fraud Typology Mix: Fraudsters have shifted from account takeover (ATO) to authorized fraud, with more focus on investment and romance scams

Growing AI Utilization by Fraudsters: Criminals use AI to create sophisticated phishing emails and deep fake voices and videos, making fraud defense more challenging

Emerging Regulatory Considerations: The UK will implement a 100% refund requirement in October 2024, drawing more global regulatory attention to authorized fraud.

Fraud Typology Shifts

Total fraud
Value	Volume
+6%	−26%

Authorized fraud
Value	Volume
+11%	+22%

Unauthorized fraud
Value	Volume
−33%	−12%

International wire
Value	Volume
−36%	+2%

Domestic wire
Value	Volume
+7%	+34%

Zelle fraud
Value	Volume
−24%	−36%

Check fraud
Value	Volume
+31%	+4%

Trending Scam Types

Investment Scams
Value	Volume
+44%	+17%

Romance Scams
Value	Volume
+133%	+50%

Scams Prevention Strategies

- Educate customers to recognize and avoid scams
- Profile outbound and inbound transactions in real time
- Take an integrated approach to managing cases for efficient resolution
- Have tailored and distinct machine learning (ML) models and scoring for each fraud typology
- Regularly assess for customer scam vulnerabilities
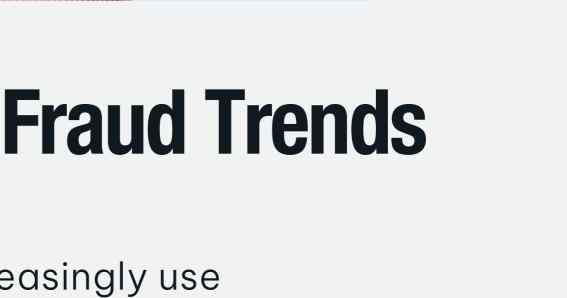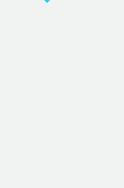- Send targeted warning messages

Emerging Payments Fraud Trends

Check Fraud: Fraudsters increasingly use established accounts to circumnavigate new account controls

P2P Fraud: Web P2P fraud rates remain five times higher than mobile fraud rates and the average web fraud amount increased +17% year over year, greater than mobile P2P fraud growing at +12% year over year.

Account-to-Account Fraud: As genuine account-to-account cross border payment volumes decrease, fraudsters are shifting their approach to avoid detection

Actionable Steps for Fraud Fighters

1 **Use External Intelligence:** Leverage mule account number and high-risk entity lists, device intelligence, and behavioral analytics

2 **Tailor Analytics and Strategies:** Employ multiple risk profiles, machine learning models, and industry insights to simultaneously target each fraud type

3 **Separate Fraud Investigation Processes:** Optimize procedures to detect first-party authorized claims and efficiently manage cases and refunds

4 **Strengthen Reporting:** Measure scams separately from unauthorized fraud and use that intelligence to feed fraud prevention analytics

Transitioning to advanced, adaptive fraud solutions like NICE Actimize's IFM ensures real-time detection and robust defense against evolving fraud tactics, protecting both your firm and customers.

For more expert insights, get the report