

# Season's Scammings

Stay Safe from eCommerce  
Fraud This Holiday Season

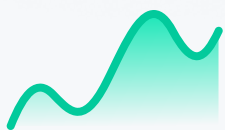
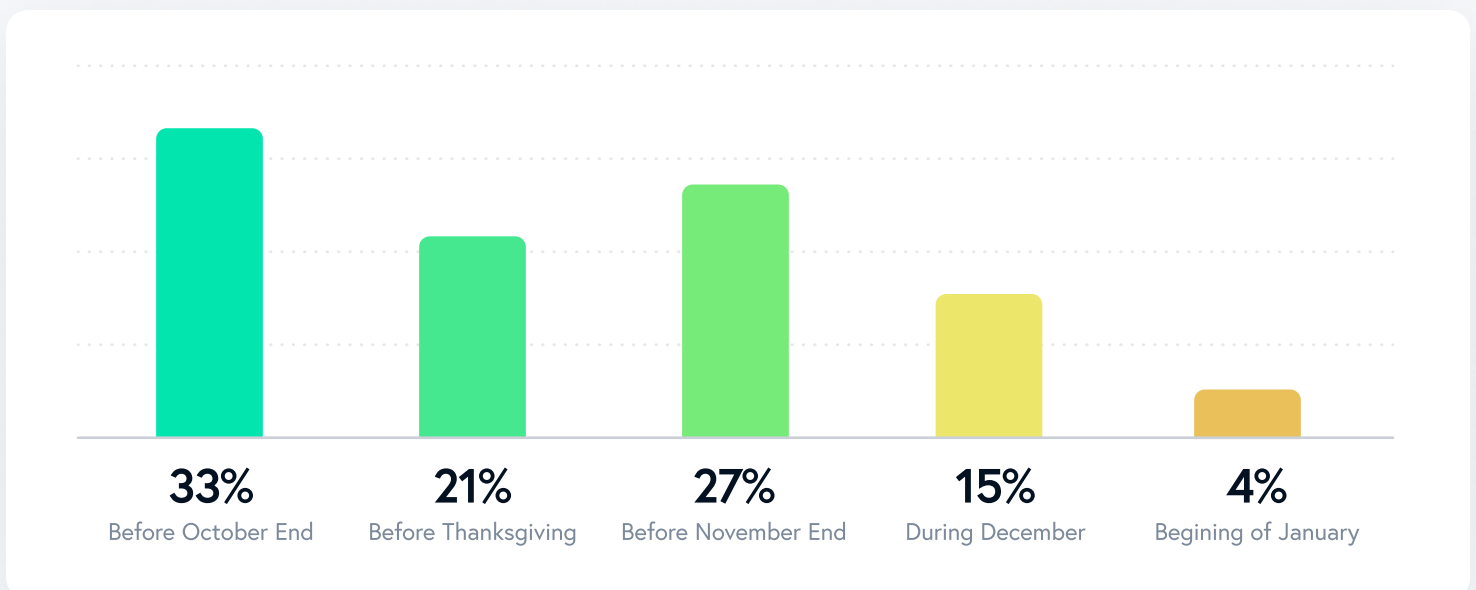


## The holiday shopping season has officially arrived!

With the holidays comes an uptick in eCommerce fraud, which will cost retailers over \$20 billion in losses by the end of 2021.

### Holiday Shopping is Starting Earlier

55% of consumers will start shopping before Thanksgiving



In 2021, experts predict eCommerce revenue will approach **\$5 trillion**, a **\$1 trillion increase from 2020**. Economists believe that **eCommerce will account for 18.9%** of this year's holiday season retail sales in the US.



73% of eCommerce sales expected to be made on mobile devices in 2021.



eCommerce merchants will experience increased holiday season revenues; therefore, it's essential to be prepared.

## Our Fraud Predictions for 2021

### Holiday Shopping Will Continue to Start Early

The National Retail Federation found that, in 2020, 42% of consumers started holiday shopping earlier than they typically would have in years prior. Sellers started rolling out Black Friday deals in October. This is new tradition is expected to continue in 2021.







### Shopping Holidays are lasting longer

Black Friday is expected to be more digital in 2021, as the pandemic still lingers and popular stores such as Target, Walmart, and Best Buy have announced they will be closed on Thanksgiving Day. Also, Cyber Monday has steered away from a one-day phenomenon and has become a week-long event.

### Expect an Increase in False Declines

An influx in online orders can mean an increase in false declines. Make sure your fraud prevention strategy isn't overly restrictive, or you could be turning down good orders. Remember mismatches between the billing and shipping address are expected to increase during the gift-giving season.

#### Top targets for fraud during the holiday season:

-  Electronics
-  Jewelry
-  Home Goods & Appliances
-  Athletic & casual footwear
-  Designer clothing + Accessories
-  Alcohol & Tobacco

## Regular Day vs Holiday Season number of false declines

### Regular Day

3 out of 5 declines are actually legitimate



### Holiday

4 out of 5 declines are actually legitimate



## The State of Fraud Report highlighted several types of attacks that are likely to remain prevalent through the crucial holiday shopping period.

Types of Fraud Attacks to be on the lookout for:



Account Takeover



Curbside and buy online, pick up in-store schemes



Return fraud



Automated card testing



Synthetic identities



Mule fraud



Promotion abuse



Unauthorized reselling

## Other fraud attacks to look out for



### Gift card fraud

Using gift cards during the holiday season is very common. Gift cards are a popular choice for fraudsters since they don't have the same level of protection as credit cards.



### Friendly fraud

Also known as chargeback abuse, friendly fraud is any scheme where a shopper makes a purchase with their own card but then makes an illegitimate chargeback claim to receive a refund.



### False item-not-received claims

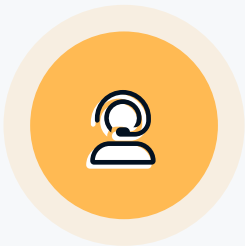
It is when a customer falsely claims that their items purchased never arrived and demands a full refund. This type of fraud has increased by 67% in October 2020.

# Tips on How Merchants Can Be Safe and Maximize Their Revenue This Holiday Season



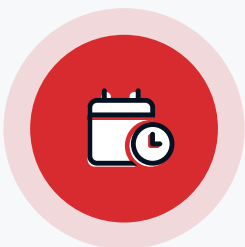
## Don't Rely on Gateway Filters

Rules-based filters that automatically decline orders with an AVS mismatch are overly simple, and can result in a high false decline rate. Instead, opt for fraud solutions that take a holistic view of risk and trust indicators.



## Don't Over-burden Your Customer Service Team

Manually reviewing orders during the busy season can become hectic and leaves room for errors. With a full-service fraud solution, you'll identify more fraud, increase sales, and decrease false declines and chargebacks.



## Beware the Holiday Hangover

Many businesses loosen their fraud prevention policies during the holiday season to keep up with the influx of orders, only to be shocked by the number of chargebacks that appear in January. Now is not the time to relax your fraud strategies. Full-service fraud prevention companies can help you weather busy seasons without staffing up your internal team.



# The fraud prevention solution with unmatched attention to high-risk orders

NoFraud is an eCommerce fraud prevention solution that integrates directly with your eCommerce platform to stop fraud without turning away good customers. We use a combination of powerful analytics, diversified data sources, and expert review to provide accurate pass/fail decisions in real-time with a financial guarantee against fraud-related chargebacks.



## Ready to learn more?

Set up a trial with a fraud analyst and see how NoFraud will benefit your business, by approving more orders, relieving your internal teams and having a positive impact on your bottom line.

✓ Start a Free 2-week Trial Today