



2023 **Fraud** **Prevention Toolkit**

The NoFraud 2023 Fraud Prevention Toolkit gives you access to industry trends and business best practices for staying ahead of the fraud curve. Awareness and prevention are an eCommerce business's best defenses against rising fraud losses.



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1 Introduction

With more consumers driven by convenience shopping than ever before, it's not surprising to learn that global retail eCommerce sales are projected to reach \$5.4 trillion by 2022. **However, global payment fraud is also on the rise and will cost merchants \$40.62 billion in losses by 2027.**

Outsourcing fraud prevention and chargeback management to fraud experts alleviates businesses of the timely task of manually reviewing orders for fraud, which often leads to fulfillment delays, disgruntled customers, negative reviews and customer service backlogs. Full service fraud protection can increase approvals, overall revenue, improve efficiency, turnaround, customer relationships and help eCommerce businesses transverse any potential recession unharmed.

Fraud costs the global economy over \$5 trillion each year.



NoFraud went from tracking 1.13M fraud attempts and transaction declines in Q1 '21 to 2.4M in Q1 '22—a whopping 112% increase.



Rigid fraud rules contribute to 70% of shopping carts being abandoned, removing friction can reduce those losses, [learn how](#).



Revenue lost to falsely declined customers are predicted to reach \$230 billion in 2022. [Read more](#).

2 Popular Fraud Trends

The [Nilson Report](#) projects that credit card fraud losses will exceed \$50 billion in 2022. In 2020, CNP (card-not-present) fraud accounted for 68% of all losses to fraud experienced by merchants and acquirers. Particularly vulnerable to falling victim to escalating fraud trends are eCommerce merchants. Without access to physical payments or engaging in person with customers, eCommerce businesses are forced to rely on cold data and guesswork to verify the identity of their customers.



[Top 8 eCommerce Fraud Trends of 2022 and How to Prevent Them](#)

Learn about common fraud types in our [Top 8 Fraud Trends of 2022](#) post. Read about Account Takeover (ATO) Fraud, Card Testing, Friendly Fraud, and Triangulation Fraud, as well as other emerging trends.



[Global Fraud and Payments Report 2022](#)

According to the [Global Fraud Report 2022](#) ATO Fraud accounted for 27% of all fraud in 2022, Card Testing accounted for 34%, Friendly Fraud 32%, and Triangulation fraud 16%.

Industry Insights



Fraud prevention is a complex, multi-faceted program that is key to the sustained success and viability of any online business. The risk of attack is simply too great to not take seriously. In 2021 alone, it is expected that online businesses will lose a sobering \$20 billion due to cyber fraud, up a whopping 18% from 2020.



A recent study found that over 50% of online shoppers felt that they had fallen victim to some level of cyber-criminality.



According to newly released data, the Federal Trade Commission received more than 2.1 million fraud reports from consumers in 2020, with imposter scams being the most common type of fraud reported.



Consumers are becoming more concerned about fraud and research indicates that 63% of shoppers would like to see tighter payments security.



Often, eCommerce businesses opt to set rigid rules and conservative risk thresholds in response to rising fraud concerns, not taking into account revenue lost to false declines/false positives. On average, 10% of revenue is lost to false declines and 40% of customers won't return to a store that declined their credit card.

Best Prevention Tools

Fraud Prevention

Retailers can take measures such as creating barriers, following the data, and employing a full service fraud prevention solution to protect their businesses from fraud. Read more about these [Top Three Strategies for Fraud Prevention here](#).

Preventing Chargebacks

Chargebacks are a thorn in every eCommerce business's side, and the [true cost of chargebacks](#) is shocking. Learn more about how to avoid chargebacks and how to spot typical and emerging scams in [this webinar](#) on the topic, and reading about how you can take measures to [prevent chargebacks](#).

Reducing False Declines

Knowing how to avoid turning away legitimate customers due to risk factors will ensure good money isn't left on the table. Read more about responding to and preventing false declines/false positives and increasing approval rates in this blog post, ["False Declines, Angry Customers, Now What?"](#)

Increasing Approval Rates

The significance of an increase in approval rates cannot be overestimated. Finding ways to unblock good business ensures businesses are maximizing their revenue potential without additional effort or investment. A 98% approval rate of 6M in sales, blocks 120K. Increasing that rate to 99.5% would automatically unblock 90K in revenue.

Full Service Fraud Prevention

It is important to know when is the time to upgrade to a full service fraud prevention solution. A full service solution will save eCommerce businesses time and money improving efficiency and ROI. Read about [the five signs that it's time to start using fraud prevention software](#) and at what point [is full service fraud prevention right for your company](#).

THE NOFRAUD SOLUTION

At NoFraud, preventing fraud isn't just about avoiding losses but improving businesses and elevating customer experiences.

NoFraud integrates directly with your eCommerce platform to scan every order for signs of fraud in real-time. We use a combination of powerful algorithms and proactive human review to provide immediate 'Pass' or 'Fail' decisions for every transaction, eliminating the need to manually review orders or monitor fraud scores. We're so confident in our decision-making that we provide a 100% financial guarantee, so if you receive a fraud chargeback, we'll pay you back.

NoFraud is the price-performance leader, boasts the industry's highest approval rates and offers a full financial guarantee and chargeback management service. Advanced machine learning, expert human oversight and an innovative Checkout set NoFraud apart. See an immediate impact on your bottom line, without manual review or training.



NoFraud Checkout

Checkout Powered by NOFRAUD *Required Field

Email: Mo@neman.com Reset

Name - First and Last
Mo Neman

Shipping Address
441 Customer Ln, Brooklyn NY 11227

+ Apartment / Company Name

Shipping Methods

- Standard** (FedEx) Get it Thursday Free
- Next Day** Get it Tuesday \$12.99
- Economy** (3 Day Select) Get it Saturday Free

Credit Card
VISA **** 4444

Submit Order

By Pressing Submit Order you agree to NoFraud's [Terms of Use](#)
 Save my info to speed up future orders. [Privacy Policy](#)

Order Details

45 Items

- Beautiful white mug great for hot drinks... Qty: 20 \$16.99
- Classic White Mug Set Qty: 25, Size: 16oz, Color: White \$12.99
- Classic Grey Mug Set Qty: 25 \$12.99

Subtotal \$664.55
Shipping Free
Tax \$58.98
Coupon (promo30) -\$30.00
Order Total \$723.53

+ Coupon / Gift Card

Helpful links
Return Policy Store Terms
Store Privacy Policy Checkout Policy

With NoFraud Checkout, you can improve conversions with a beautifully designed checkout experience built to remove friction and reduce cart abandonment. Any shopper recognized in the NoFraud network can autofill their information with one click—no tedious account registration required. For everyone else, NoFraud Checkout dynamically adapts the number of input fields based on customer risk factors. Low-risk shoppers are sped through, while riskier shoppers must provide more information.

▶ [See the NoFraud system in action.](#)

Customer Stories

MONOPRICE

[Read More >](#)

NoFraud unblocked 1.2M in revenue annually for Monoprice by improving their order approval rate. The Monoprice team chose NoFraud because their solution seemed to be the best fit to help them reach their goal of increasing their overall order approval rate, eliminating their chargeback liability, and abolishing their order review process. NoFraud offered a turnkey, affordable solution that resulted in major wins for Monoprice. NoFraud worked with Monoprice as a true partner, coordinating closely with their technology team to implement the solution to Monoprice's exact specifications.

SHIMANO

[Read More >](#)

In Shimano's search for new fraud prevention software, they prioritized credibility and a strong market presence. Other important factors were ease of integration, customization and usability, approval rates, and competitive pricing.

Before partnering with NoFraud, many of Shimano's orders were a source of lost revenue. Today, **Shimano's approval rate currently stands at over 99.6%**. With NoFraud's powerful AI tool validating those orders instantly, Shimano is able to focus their time where it is best spent, growing an online business.

RAYCON

[Read More >](#)

Ray Lee, CEO of Raycon Global, who co-founded the company with musical performer and artist Ray J, tackled fraud challenges by manually reviewing orders for fraud, a tedious and time consuming task. The company was growing rapidly and it became readily apparent that upgrading their fraud prevention approach was a necessity. They required a system that was effective, accurate and 100% automated. NoFraud connected with Ray and what Ray found most appealing about NoFraud was the user-friendly onboarding system and dashboard set up. Pricing, ease of use, and the beauty in the simplicity of the NoFraud system was the deal clincher. **Today, Raycon sits at a 99.8% approval rate with zero hours of manual review logged!**

Takeaway

NoFraud was built to provide the most effective fraud prevention service and solutions to create the best conditions for the entire eCommerce ecosystem to thrive, today, tomorrow, and into the future.



NoFraud works in real-time to approve, not block, even high risk orders, ensuring high approval rates and preventing false declines. Our team of fraud analysts relieve eCommerce businesses of the tedious task of manually reviewing orders. Our instant, accurate decisions ensure your customers can checkout with ease and confidence, preventing potential customer service and fulfillment issues.

By Merchants, For Merchants

NoFraud was founded in 2014 by eCommerce merchants who, above all, appreciate the value of every sale. In addition to proactively preventing fraud, our teams identify and eliminate potential obstacles such as time-consuming manual review, declining false positives, abandoned carts, chargebacks and chargeback disputes. We take great pride in leveraging fraud prevention to improve eCommerce for merchants and consumers alike with the development of innovative systems to eliminate friction to retailers and shoppers, including a dynamic checkout solution that greatly improves customer experiences and increases conversions. NoFraud is invested in improving the bottom line of every NoFraud customer and takes great interest in their success.

NoFraud plug-in integrations are the easiest way to get started. Simply download NoFraud from the App Store of your eCommerce platform provider and you'll be up and going in five minutes or less. It's that easy to install, setup and adapt to your workflow without requiring any developer support.

[Ready to learn more?](#)

Learn more about how proper fraud prevention can help you make more money with less effort by decreasing fraud and increasing approvals TODAY.

✓ [Start a Free 2-week Trial Today](#)