

Global Cross-Channel Payment Fraud Increases 13 Percent During 2018 Peak Holiday Season

January 15, 2019

ACI Worldwide benchmark data of top merchants shows 'buy online, pick up in-store' is a growing focus as card-present fraud becomes problematic for criminals

NAPLES, Fla.--(BUSINESS WIRE)--Jan. 15, 2019-- New benchmark data from [ACI Worldwide](#) (NASDAQ:ACIW), a leading global provider of real-time [electronic payment and banking solutions](#), revealed a 13 percent increase in fraud attempts in the 'buy online pickup in-store' (BOPIS) channel during the 2018 peak holiday season. Based on hundreds of millions of merchant transactions, including some of the world's leading global retail brands, BOPIS also saw consumer transactions peak at 20 percent right before Christmas as shoppers bought last-minute gifts before the holiday.

"As chip-and-pin credit cards are harder for fraudsters to replicate, it is driving them toward card-not-present, cross-channel fraud," said Erika Dietrich, global director, Payments Risk, ACI Worldwide. "For example, fraudsters can use stolen credit card information to make a card-not-present purchase online and then simply walk in and pick up the item in-store. We'll see this trend continue to grow in the coming years, and merchants will need to pay more attention to their omni-channel fraud controls."

Principal findings from the data include:

- Overall volume of purchases increased by 16 percent, while overall value increased 9 percent compared to the same period in 2017
- BOPIS transactions increased 20 percent, peaking the weekend prior to Christmas
 - Fraud attempts on BOPIS increased 13 percent
- Volume of purchases increased by 27 percent while the value of purchases increased by 17 percent during the weekend after Thanksgiving (November 24 and 25) in 2018, compared to the same period in 2017
- Volume of fraud attempts increased by 1 percent, while the value of fraud attempts increased by 6 percent in 2018 compared 2017

Thanksgiving Day

- Volume of transactions on Thanksgiving Day increased 19 percent in 2018 compared to 2017
- Volume of fraud attempts on Thanksgiving Day decreased to 1.24 percent compared to 1.83 percent in 2017

Black Friday

- Volume of transactions on Black Friday increased 20 percent in 2018 compared to 2017
- Volume of fraud attempts on Black Friday decreased to 1.30 percent compared to 1.59 percent in 2017

Cyber Monday

- Volume of transactions on Cyber Monday increased 9 percent in 2018 compared to 2017
- Volume of fraud attempts on Cyber Monday decreased to 0.84 percent compared to 1.28 percent in 2017

"We saw genuine consumer transactions outpace fraudulent transactions this past holiday season as merchant fraud strategies kept pace in the market. In addition, merchants have become more savvy as they are spreading out the volume of sales earlier in the holiday season (October through November) compared to years past, to reduce fulfillment and delivery bottlenecks," Dietrich continued.

ACI's UP eCommerce Payments solution offers integrated, real-time fraud management capabilities, which utilize artificial intelligence, advanced machine learning and predictive and behavioral analytics designed to maximize revenue conversion while thwarting fraudulent activity. The award-winning solution offered in ACI's cloud is designed to scale for real-time fraud prevention at peak and high volumes.

ACI will showcase its flexible, vendor-agnostic omni-channel merchant payment solutions at NRF 2019, January 13-15, New York. Visit ACI's booth #3373 for an [in-booth "Pop-UP" store experience](#).

*Methodology:

The survey includes leading global merchants that utilize ACI ReD Shield, representing hundreds of millions of transactions globally; these merchants, most of which are among the top 100 retailers, have been utilizing ACI's service for at least two years.

Date Range:

October 1, 2018 to December 31, 2018

Terminology:

- Volume: number of transactions, comparing last year to this year, like for like global retail customers
- Value: dollar value of transactions, comparing last year to this year, like for like global retail customers

- Fraud Attempt Rate: a transaction associated to any one or more of the following:
 - Transaction data point confirmed fraud as a result of a merchant verifying
 - Transaction data point matched a record in ReD Shield global screening negative database – chargebacks, credit card numbers being sold online in underground chat channels, or reported as fraud by an issuer pattern matching a recent confirmed fraud behaviour.

About ACI Worldwide

ACI Worldwide, the [Universal Payments](#) (UP) company, powers [electronic payments](#) for more than 5,100 organizations around the world. More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI to execute \$14 trillion each day in payments and securities. In addition, myriad organizations utilize our [electronic bill presentment and payment](#) services. Through our comprehensive suite of software solutions delivered on customers' premises or through ACI's [private cloud](#), we provide real-time, [immediate payments](#) capabilities and enable the industry's most complete [omni-channel payments](#) experience. To learn more about ACI, please visit www.aciworldwide.com. You can also find us on Twitter [@ACI_Worldwide](#).

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