

## Global eCommerce Transactions Expected To Surge by 14% During 2023 Holiday Season, Friendly Fraud Looms as the Biggest Spoiler

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- A 14% increase in global eCommerce transactions is anticipated during the holiday season, with the gaming sector leading the expected transaction growth
- Buy now, pay later (BNPL) transactions are expected to triple as consumers look to stretch their dollars under inflationary pressures
- Fraud attempts are expected to grow to 3% of all transactions, with friendly fraud making up 20% of all fraud threats

MIAMI--(BUSINESS WIRE)--Oct. 24, 2023-- Global eCommerce transactions are expected to rise 14% from October through December 2023 compared to the same period last year, according to data analysis from millions of eCommerce transactions conducted by [ACI Worldwide](#) (NASDAQ: ACIW), a leading global provider of real-time digital payments software. Fraud attempts are predicted to grow to 3% of all transactions, with friendly fraud posing the most substantial threat, accounting for 20% of all fraud risks. Friendly fraud occurs when a customer places an order using their payment details and then raises a dispute to recoup the cost of the item while retaining the item or by returning a used item.

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(Graphic: Business Wire)

"The anticipated rise of friendly fraud is poised to be the top threat this holiday season," said Erika Dietrich, head of fraud management and payment analytics, at ACI Worldwide. "Vigilant monitoring of chargebacks and thorough scrutiny of orders and personal information is crucial for merchants to counter policy abusers. Implementing multilayered fraud solutions such as digital identity verification and AI-based authentication can effectively thwart malicious activities and avoid revenue leaks."

### Buy now, pay later (BNPL) is favored by consumers and fraudsters

According to ACI data, BNPL transaction volumes doubled in Q3 2023 versus 2022, with a 130% increase in transaction value for the same time frame due to inflated prices. Consumers are leaning towards BNPL as a flexible payments option to purchase without immediate financial strain, especially for high-value products above \$150. While BNPL has been heralded as a win for consumers and merchants alike, it has drawbacks in policy abuse and friendly fraud, with consumers defaulting on repayments or illegitimately raising disputes. The fraud attempts for BNPL transactions increased by nearly 6% in Q3 2023 compared to last year and is predicted to rise by a further 2% during the holiday season.

### Keep tabs on new customer accounts

Merchants should exercise caution with new customer accounts — created in the last 30 days — as they are particularly vulnerable to fraudulent activity. According to ACI data from January to September 2023, new customer accounts experienced 5% higher fraud activities than existing ones compared to last year and are expected to grow by 5% this holiday season. New accounts lack transaction history, making it harder to gauge the legitimacy of purchases.

"Amid economic uncertainties, consumers are expected to actively pursue discounted products and embrace flexible payment methods to alleviate financial strains. With merchants eyeing revenue growth and budget-conscious buyers scouting for deals, this holiday season presents a promising opportunity for both sides, contingent on effective safeguards against potential threats," said Bobby Koscheski, head of merchant segment, ACI Worldwide.

### Key predictions at a glance

eCommerce purchasing trends (Q4 2023 vs. 2022):

- Cyber Monday takes the lead in transaction volume growth predictions by key dates at 19%, followed by the Sunday prior to Cyber Monday at 9%, the Saturday after Black Friday at 6%, Black Friday at 5% and Thanksgiving at 2%.

- Gaming emerges as the leading sector in the predicted transaction volume growth at 180%, followed by telco at 12%, retail at 9% and travel at 3%.

Payment trends (Q4 2023 vs. 2022):

- The key payment method predictions for percentage growth highlight the remarkable surge of BNPL, which is expected to triple, followed by buy online and pick up in-store (BOPIS) at 16%, eWallet at 15%, credit/debit card at 4% and mobile payment at 3%.

Fraud trends:

- Predictions for Q4 2023 reveal friendly fraud as the leading threat, with an anticipated attempt percentage of 20%, followed by 3% for account takeover and 1% for promotional abuse.

Consumers today have myriad ways to make payments, and macroeconomic forces such as inflation have significantly influenced and reshaped consumer payment habits. The emergence of alternative payment methods also facilitated fraud and policy abuse proliferation. Technologically adept merchants can stay ahead of this curve by embracing a cohesive fraud strategy that combines consortium intelligence, profiling, AI machine learning and rules.

For more insights into our holiday predictions, click [here](#) to download the report, or visit <https://www.aciworldwide.com/>.

\*Holiday season/Q4 refers to the period of October through December.

#### **About ACI Worldwide**

[ACI Worldwide](#) is a global leader in mission-critical, [real-time payments software](#). Our proven, secure and scalable software solutions enable leading corporations, fintech companies and financial disruptors to process and manage [digital payments](#), power [omni-commerce payments](#), present and process [bill payments](#), and manage [fraud and risk](#). We combine our global footprint with a local presence to drive the [real-time digital transformation](#) of payments and commerce.

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