Friendly Fraud Expected to Increase by 25% Between Thanksgiving and Cyber Monday, Warns ACI Worldwide

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ACI's Payments Intelligence approach offers merchants complete journey protection—stopping friendly fraud and chargeback abuse in real time

ACI expects industry leading fraud approval rate of 98% during holiday season - outperforming market averages

OMAHA, Neb.--(BUSINESS WIRE)--Nov. 25, 2025-- 'Friendly fraud' is expected to increase by 25% between Thanksgiving and Cyber Monday, according to an analysis of billions of transactions of global eCommerce businesses by ACI Worldwide (NASDAQ: ACIW), an original innovator in global payments technology.

'Friendly fraud' or 'return fraud' occurs when legitimate customers dispute transactions post-purchase. Often mistaken for true fraud, these disputes are a growing industry challenge and cost retailers $103 billion in 2024 alone, according to a recent industry report.

The average transaction value for a 'friendly fraud' item during this year's holiday season is expected to reach $291, $52 higher than during the same period last year, representing a 21% YoY increase.

"These numbers are staggering and show just how bold consumers have become," said Erika Dietrich, VP Analytics & Optimization Payments Intelligence, ACI Worldwide. "Over the past several years, refund abuse and friendly fraud have surged, driven by frictionless eCommerce and amplified by social media. Platforms spread so-called 'refund hacks,' making misuse appear socially acceptable, while merchants bear the operational and financial burden. Instant refunds, free returns, and omnichannel complexity create loopholes that opportunistic consumers exploit, costing businesses millions."

Many merchants still rely on traditional methods to tackle friendly fraud, but these often fall short in today's fast-moving digital landscape. ACI's Payments Intelligence approach stands apart by offering complete journey protection—stopping friendly fraud and chargeback abuse in real time. This advanced solution combines cutting-edge technology with actionable insights to safeguard every transaction.

The platform's strength lies in five key elements:

- Leveraging AI and machine learning for real-time detection and prevention
- Using digital identities and profiling to distinguish trusted customers from potential threats
- Enabling secure data-sharing across merchant networks to identify bad actors
- Enforcing policies against repeat abusers through declined checkouts or fees
- Building strong evidence against false claims by reviewing transaction histories and digital identities.

"ACI's AI-powered Payments Intelligence helps merchants prevent fraud in real time while achieving an industry-leading approval rate of 98% during the holiday season," said Cleber Martins, head of Payments Intelligence at ACI Worldwide. "We optimize every decision across the entire customer journey, from account creation and checkout to refunds and returns. By balancing risk and revenue at every touchpoint, we enable our customers to achieve higher profitability without sacrificing the customer experience."

Black Friday – Cyber Monday by the numbers:

- **27%** transactional volume increase YOY
- Average transaction value **$131 -$3 decrease YoY**
- **98%** fraud decision approval rate – exceeding the average market rate of **95%**
- **30%** increase in mobile device shopping
- Chargebacks: **0.04%** by number of transactions; **$148** average transaction value - **$54** decrease as actors are shifting to 'friendly fraud' methods

About ACI Worldwide

ACI Worldwide, an original innovator in global payments technology, delivers transformative software solutions that power intelligent payments orchestration in real time so banks, billers, and merchants can drive growth, while continuously modernizing their payment infrastructures, simply and securely. With 50 years of trusted payments expertise, we combine our global footprint with a local presence to offer enhanced payment experiences to stay ahead of constantly changing payment challenges and opportunities.

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