

Annual ACI Worldwide Global Fraud Report Finds One-in-Four Consumers Victims of Card Fraud

More than 20 percent of Cardholders Stop Using or Switched Cards after Experiencing Fraud

NAPLES, FLA –October 16, 2012—A global study of more than 5,200 consumers across 17 countries conducted by ACI Worldwide (NASDAQ: ACIW) and Aite Group, revealed that one-in-four respondents has been victimized by credit, debit or pre-paid card fraud during the past five years, with more than 20 percent of respondents reporting that they will stop using, or switch from, the card impacted by fraudulent activity. The report also found that residents of Mexico and the United States reported the highest percentage of direct experience with card fraud, at 44 and 42 percent respectively, while residents of The Netherlands and Sweden tied for the lowest levels of fraud at 12 percent.

“The results of this survey show that card fraud continues to be one of the greatest threats and concerns for consumers, financial institutions and retailers,” said Mike Braatz, Senior Vice President, Payments Fraud, ACI Worldwide. “While there have been significant advances in fraud prevention technology, it is clear that more needs to be done to educate consumers about fraud and engage them as allies when it occurs. These results should serve as a call-to-action for financial institutions and retailers to remain constantly vigilant and earn the trust of customers by working with them to combat fraud.”

The 2012 Fraud Survey also found that:

Financial institutions risk losing customers due to fraud

- Attrition rates after experiencing card fraud average 21 percent among cardholders.
- Of cardholders who received replacement cards as a result of a data breach or fraudulent activity in the past year, 46 percent used the new card less than the original.
- After experiencing fraud, more than 50 percent of cardholders used cash or an alternate form of payment instead of their credit or debit card.

Consumers fear identity theft yet continue risky behavior

- Identity theft replaced credit card fraud as the greatest concern from fraud exposure in the 2012 survey, with 49 percent of respondents indicating they were very concerned about possible harm to their financial standing and rating.
- Many consumers continue to exhibit risky behaviors that put them at higher risk of financial fraud, including keeping written records of PIN numbers, throwing un-shredded documents containing sensitive information into trash bins and using public computers or computers without security software for Internet banking services and to shop online.

Consumers want to partner with banks for fraud prevention

- If their financial institution notices unusual activity on their bank account or card, 82 percent of respondents are “very interested” in being notified prior to the bank taking action.
- Consumers prefer immediate and direct communication from their banks when fraudulent activity is detected. The most preferred method of contact was found to be a call to the respondents’ mobile phone, followed closely by e-mail or text message. This illustrates a change from 2011 where contact via home phone was the second most preferred method.

“The 2012 Fraud survey paints a compelling picture of the global nature and threat of fraud,” said Shirley Inscoe, Senior Analyst, Aite Group. “Financial institutions, issuers and retailers need to enlist customers in the fight against fraud, educate them on prevention best practices, and reassure them of policies should fraud occur. Maintaining customer satisfaction, loyalty and preserving wallet share can be achieved by communicating with and enlisting the customer in the fight against fraud.”

You can read the full report titled; “Global Consumers React to Rising Fraud: Beware Back of Wallet,” by clicking [here](#).

ACI will be conducting a webinar to provide a more in-depth examination of the findings of the 2012 Fraud Survey on November 14th. To register please click [here](#).

Methodology

ACI Worldwide, a global leader in electronic payments for financial institutions, retailers, and processors, conducted online quantitative market research via a survey of consumers in July and August 2012. The study was conducted in a total of 17 countries across the following regions:

- **The Americas (North and South America):** Brazil, Canada, Mexico, and the United States
- **EMEA (Europe, the Middle East, and Africa):** France, Germany, Italy, the Netherlands, South Africa, Sweden, the United Arab Emirates, and the United Kingdom
- **The Asia-Pacific:** Australia, China, India, Indonesia, and Singapore

In total, 5,223 consumers were included in the research: approximately 300 consumers, divided equally between men and women, participated in each of the 17 countries. Of the total, 5,114 own one or more type of payment card (i.e., credit card, debit card, prepaid debit card); in this report, the data related to card fraud focuses on these cardholders.

In each country, the data have a margin of error of approximately 5 points. Statistical tests of significance, where shown, were conducted at the 95 percent level of confidence.

About Aite Group

Aite Group is an independent research and advisory firm focused on business, technology, and regulatory issues and their impact on the financial services industry. With expertise in banking, payments, securities & investments, and insurance, Aite Group's analysts deliver comprehensive, actionable advice to key market participants in financial services. Headquartered in Boston with a presence in Chicago, New York, San Francisco, London, and Milan, Aite Group works with its clients as a partner, advisor, and catalyst, challenging their basic assumptions and ensuring they remain at the forefront of industry trends.

About ACI Worldwide

ACI Worldwide powers electronic payments and banking for more than 1,650 financial institutions, retailers and processors around the world. ACI software enables \$12 trillion in payments each day, processing transactions for 14 of the leading global retailers, and 24 of the world's 25 largest banks. Through our integrated suite of software products and hosted services, we deliver a broad range of solutions for payments processing, card and merchant management, online banking, mobile, branch and voice banking, fraud detection, and trade finance. To learn more about ACI and the reasons why our solutions are trusted globally, please visit www.aciworldwide.com. You can also find us on www.paymentsinsights.com or on Twitter @ACI_Worldwide.

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