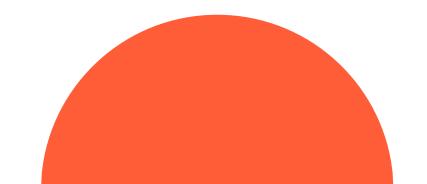


# Tax refund fraud & dispute trends:

How to mitigate losses amid the surge

January 24, 2023



You and you customers deserve better.

- Ø Better expertise.
- Ø Better compliance.
- Better results.



## Fraud: a growing problem

:ubiquity

increase in ACH/Debit from from 2019-2021

TransUnion's 2022 Global Fraud Trends Report

\$120м

avg. loss to FI from digital payments misuse in 2021

The State Of Fraud And Financial Crime In The U.S.: PYMNTs-Featurespace

\$4.36 cost FIs pay for every \$1 of fraud

True Cost of Fraud Study: LexisNexis (2022)

90%

increase in account takeover losses from 2020-2021

2022 Identity Fraud Study: Javelin Strategy & Research

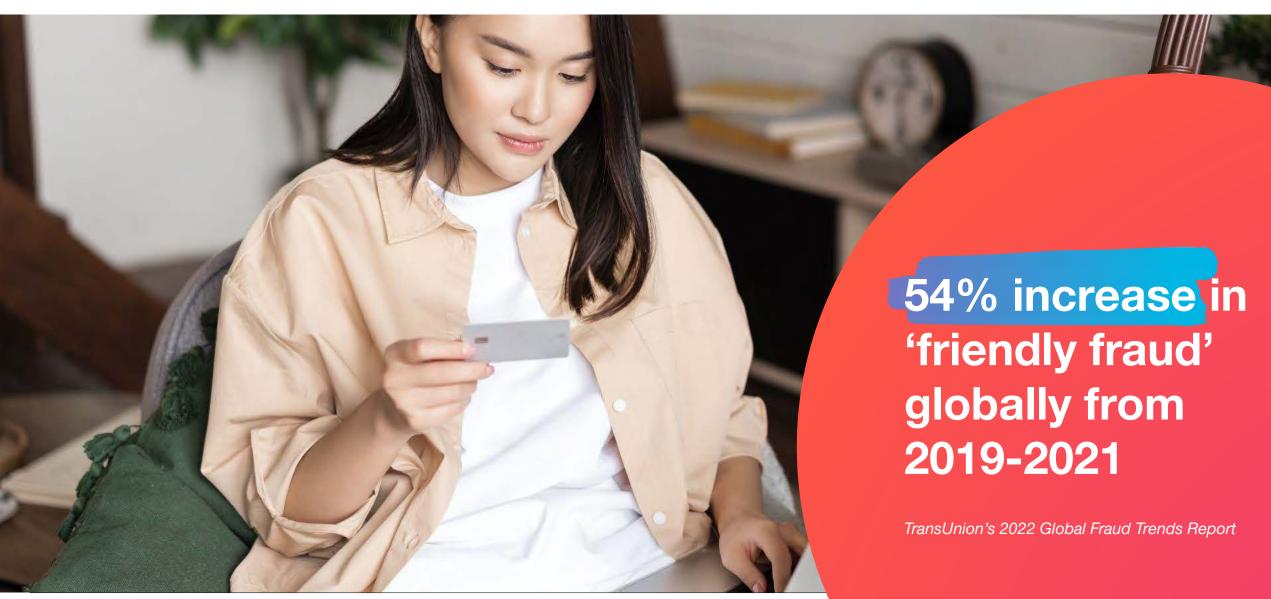
## **Downstream impacts: More disputes**





## Surge in 'friendly' fraud









Phishing & account takeover





ATM withdrawals and disputes on provisional credit funds



P2P transfers: Force-post auths for different amounts & paid by other means



Online "education" and recruitment

## Strategies to mitigate losses

:ubiquity

- Speed up your resolution process
- Segment your teams by claim type and risk profile
- Establish a fraud review team close to front-line operations to help identify patterns
- Arm front-line staff with most up-to-date fraud alerts and red flags
- Invest in better forecasting for capacity planning



## Don't forget the customer



A bad customer experience is the No. 1 reason consumers would stop using a financial services provider

Most Trusted Brands (Morning Consult, 2022)

#### What consumers want

#### :ubiquity







#### Sources

- 1. TransUnion: 2022 Global Digital Fraud Trends (March 2022)
- 2. 2022 Identity Fraud Study (Javelin Strategy & Research March 2022)
- 3. The State of Fraud and Financial Crime in the U.S. (PYMNTs-Featurespace, September 2022)
- 4. LexisNexis: True Cost of Fraud Study 2022 (November 2022)
- 5. Webinar: Understanding First-Party Fraud Chargebacks (PaymentsJournal, November 2022)
- 6. Cost of Chargebacks (Chargebacks911, February 2022)
- 7. Latest IRS Scams: How to Spot Them and Fight Back (NerdWallet, January 2023)
- 8. <u>Credit Card Fraud 2021 Annual Report: Prevalence, Awareness, and Prevention (Security.org, November 2021)</u>
- 9. Mobile Banking Apps Market, Scope, and the Future (GoodFirms, September 2022)
- 10. Most Trusted Brands 2022 (Morning Consult, June 2022)