



Fraud Prevention Leader Forter Releases New Fraud Attack Index

New Report Signals Alarming New Normal for E-commerce Fraud after Stabilizing in 2017

Attacks on Electronic Goods See Significant Domestic Spike Entering Holiday Season

NEW YORK, November 16, 2017 – [Forter](#), the e-commerce fraud prevention company that uses artificial intelligence and human analysis to protect every stage of the consumer lifecycle, today released its 2017 Fraud Attack Index in collaboration with the Merchant Risk Council. The report, which analyzed millions of successful and unsuccessful attacks throughout the first three quarters of the year, revealed an alarming new normal for e-commerce fraud. Average attack rates remain two and a half times higher than before they began to spike significantly in late 2015, despite an overall decline in 2017 compared to 2016.

The Index also revealed new trends in online fraud, as bad actors shift strategies and amateur fraudsters become increasingly savvy.

While overall fraud attack rates stabilized for the first time in two years, according to the Index, fraudulent attacks against electronic goods rose by 62% domestically during the first three quarters of 2017. As industries such as Luxury have begun implementing stalwart defenses following periods of vulnerability, fraudsters have turned their attention to electronic goods.

In addition, “friendly fraudsters” – ordinary buyers who cheat their way into getting unfair discounts – began rivaling professional fraud techniques for the first time this year. The report found that policy abuse, where consumers look to game the system by exploiting marketing campaigns or incentive programs, was three times more prevalent in 2017 and had increased notably in terms of the sophistication of the attack methods used.

“Our latest Index illustrates how crucial it is that digital merchants take precautions against online fraud, given attack rates have reached a high new normal that we expect to remain consistent,” said Forter CEO and Co-Founder Michael Reitblat. “Merchants should not mistake this period of stability as an opportunity to stand down. On the contrary, this new norm coupled with creative attack strategies and fraudsters’ evolving profiles underscores the importance of implementing an advanced fraud prevention program that can curb attacks without causing friction for the consumer.”

Additional key findings included:

- **Domestic attack rates** decreased by 4%, pointing to both stability and a new normal for e-commerce fraud attacks
- **Food and beverage** fraud increased 117% compared to 2016, likely due to fraudsters increasingly using low-cost food purchases as a testing ground
- **Travel and hospitality** fraud increased 16% in 2017
- Fraud attempts against **apparel** sites decreased by 10% overall, though the category has experienced a slight gradual increase throughout the year
- **Luxury** sites saw a 20% decline in fraud rates domestically and a 43% drop internationally after spiking at the end of 2016, as fraudsters turned to new industries, such as electronics
- Fraud rates for **digital goods** went down 17% domestically and 37% internationally



The release of Forter's sixth Fraud Attack Index follows a year of significant growth for the company, in which the firm doubled its customer base, processed more than one billion transactions and began protecting every stage of the consumer lifecycle through the launch of End-to-End. With a 360-degree view into customer behavior, Forter's End-to-End solution provides merchants with real-time notifications of fraud instances beyond transactions, such as account takeover, multiple account creations, and abuse of coupons, promotions, and other incentive programs – catching bad actors well before checkout.

ABOUT FORTER

[Forter](#), the leading e-commerce fraud prevention company, immediately approves or declines all online transactions at any scale while providing chargeback coverage. In addition, Forter's End-to-End solution protects merchants during each stage of the customer lifecycle with real-time notifications of fraud instances beyond transactions, such as account takeover and coupon abuse.

Forter's solutions are powered by a unique blend of artificial intelligence and human analysis that result in exceptional accuracy, increased approvals for online merchants, a smoother checkout experience for consumers, and the near elimination of false positives – meaning more sales and happier customers at a much lower cost.

Forter processes more than 1 billion transactions each year and has raised more than \$50 million in VC funding from companies like Sequoia Capital.

CONTACT

Alex Wittner

ForterPR@icrinc.com

(646) 277-1218