

# Online payment fraud: A look at the numbers and how to prevent it

With chip card technology making in-person counterfeit fraud less common, there is an increase in online fraud — costing businesses millions of dollars each year and potentially damaging reputations and relationships.

Here's a look at payment-related fraud and what it costs businesses.

## Online payment fraud

Online fraud transactions are expected to reach **\$25.6 billion by 2020**, up from **\$10.7 billion in 2015**.<sup>1</sup>

**Phishing:** Attempts to obtain sensitive information such as passwords or account information for the purposes of fraud.



**77%**

of businesses were victim to a phishing attack in 2015.<sup>2</sup>



**80%**

of malware attacks were caused by phishing attempts.<sup>2</sup>

**Malware installation:** Viruses, software, or programs installed by fraudsters with the intent to harm the business.



Compromised emails cost businesses

**\$263 million** in 2015.<sup>3</sup>

Malicious software attacks cost businesses more than

**\$1.6 million** in 2015.<sup>3</sup>

## Tips for preventing online payment fraud



- Never reply to emails that ask for personal or credit card information.<sup>4</sup>
- Install anti-malware, firewall, and spyware software to prevent security threats.<sup>4</sup>

- Regularly download and install security updates on your computer.
- Create strong passwords and change them every 60 to 90 days.
- Regularly talk to employees about cybercrime and how to prevent it.<sup>5</sup>



For information about accepting payments securely from your customers, visit our [Merchant Security and Loss Prevention page](#). Current Wells Fargo Merchant Services customers can also call us at 1-800-451-5817. Not yet a customer? Contact your Wells Fargo Dealer Services representative or call 1-888-937-9997, Monday through Friday, 5:00 a.m. to 7:00 p.m. Pacific Time, and ask to have a Commercial Relationship Manager in your area contact you.

**Sources:**

<sup>1</sup> "Online Transaction Fraud to More Than Double to \$25BN by 2020, Finds Juniper Research." Juniper Research. [http://www.juniperresearch.com/press/press-releases/online-transaction-fraud-to-more-than-double-to-\\$2](http://www.juniperresearch.com/press/press-releases/online-transaction-fraud-to-more-than-double-to-$2)

<sup>2</sup> "Infographic: What Impact Does Phishing Have on Your Business?" Wombat Security Technologies. <https://info.wombatsecurity.com/blog/infographic-what-impact-does-phishing-have-on-your-business>

<sup>3</sup> "2015 Internet Crime Report." U.S. Department of Justice. [https://pdf.ic3.gov/2015\\_IC3Report.pdf](https://pdf.ic3.gov/2015_IC3Report.pdf)

<sup>4</sup> "4 Ways Your Small Business Can Better Prevent Cyber Crime." Entrepreneur. <https://www.entrepreneur.com/article/245102>

<sup>5</sup> "7 Ways to Protect Your Small Business from Fraud and Cybercrime." U.S. Small Business Administration. <https://www.sba.gov/blogs/7-ways-protect-your-small-business-fraud-and-cybercrime>