

Payment Card Fraud Losses Reach \$27.85 Billion

Annual Fraud Statistics Released by The Nilson Report

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 Nov 21, 2019, 12:40 ET

CARPINTERIA, Calif., Nov. 21, 2019 /PRNewswire/ -- Fraud losses worldwide reached \$27.85 billion in 2018 and are projected to rise to \$35.67 billion in five years and \$40.63 billion in 10 years according to The Nilson Report, the leading global card and mobile payments trade publication.

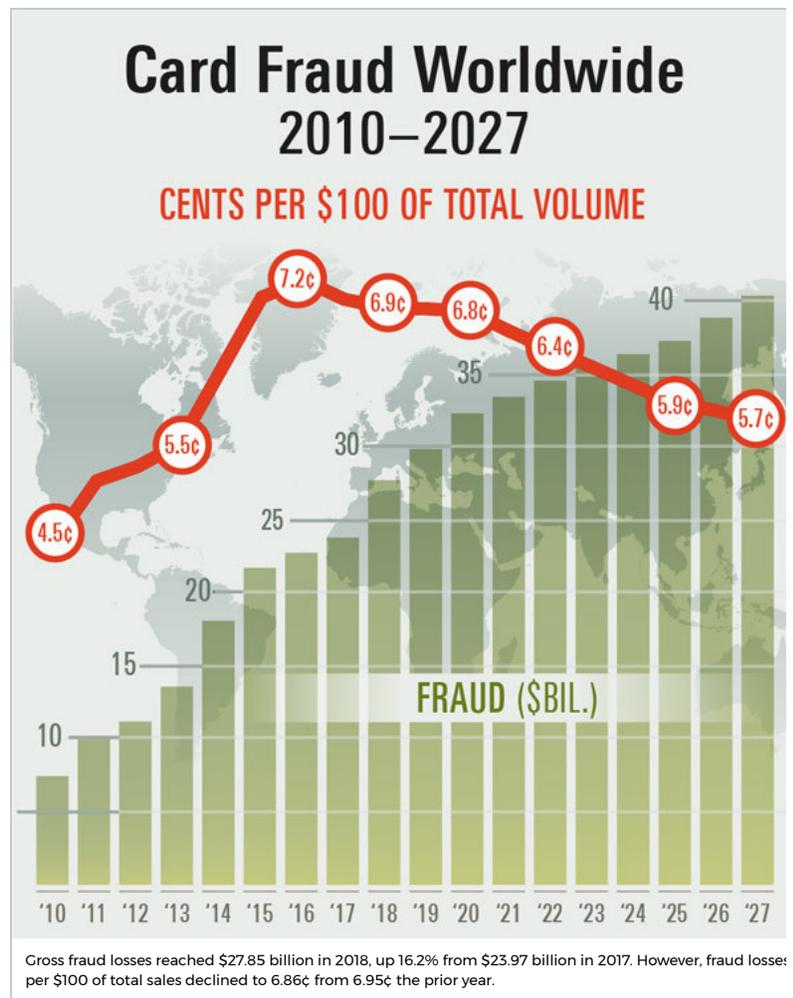
Fraud losses are incurred by payment card issuers, merchants, acquirers of card transactions from merchants, and acquirers of card transactions at ATMs on all credit, debit, and prepaid general purpose and private label payment cards issued around the globe. Losses of \$27.85 billion in 2018 were up from \$23.97 billion the year before.

The United States accounted for \$9.47 billion in fraud losses in 2018. Even though cardholders in the U.S. generated only 21.54% of \$40.582 trillion in global card volume in 2018, U.S. companies incurred 33.99% of total card fraud losses worldwide. There was some good news. U.S. fraud losses amounted to 10.83¢ for every \$100 in cardholder spending, which was a decline from 11.12¢ per \$100 the previous year.

"While fraud as a percentage of all card dollar volume declined for the second year in a row, criminals saw double-digit growth in the money they were able to steal from the system. Card fraud netted criminals \$3.88 billion more in 2018 than in 2017," said David Robertson, Publisher of The Nilson Report.

Losses to fraud incurred by payment card issuers worldwide reached \$19.21 billion. Issuers accounted for 68.97% of gross fraud losses worldwide.

Merchants, merchant acquirers, and ATM acquirers accounted for the other \$8.64 billion or 31.03% of the total.



Card issuer losses occurred when criminals took over valid accounts, cards were lost or stolen or counterfeited, new accounts were opened with the intent to commit fraud, accounts were opened using a mix of valid and bogus information (synthetic fraud), cardholders or their family members made purchases and then disputed the charges (friendly fraud), and a few smaller categories.

To learn about how merchants and ATM operators lost money to fraud contact info@nilsonreport.com and request a copy of the latest issue of The Nilson Report. It contains the full text of the company's annual report on card fraud worldwide.

ABOUT THE NILSON REPORT

For more than 49 years, The Nilson Report has been the most respected provider of news and information about the global card and mobile payment industry. Available worldwide by subscription only, The Nilson Report directly surveys over 2,000 financial institutions to produce statistics about issuers, acquirers, and technology providers not available from any other source. The twice-monthly newsletter also includes informative articles, concise updates about new products and services, listings of investments and acquisitions among companies in payment systems, and information about executive appointments. The Nilson Report does not accept advertising of any kind. No company can pay to be featured in The Nilson Report.

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