

Retail Dive

US accounts for 48% of all global card fraud damages

By Ian P. Murphy | August 7, 2015

Dive Brief:

Worldwide losses resulting from fraud on credit, debit and prepaid cards reached \$16.3 billion in 2014, according to The Nilson Report, up 19% from the year prior.

The United States accounted for almost half (48.2%) of losses from fraud worldwide, while representing only one-fifth (21.4%) of card sales.

Total card sales volume reached \$28.8 trillion last year, up 15% from 2013.

Dive Insight:

The Nilson Report says that growth in fraud outpaced sales growth last year for credit, debit, and prepaid cards. Fraud losses were particularly high in the United States, where magnetic stripe cards have left retailers vulnerable to data breaches and other forms of counterfeiting—which accounts for just under half (49%) of fraud worldwide.

U.S. issuers lost \$3.9 billion last year to fraud due to counterfeiting, or about one-quarter (23.9%) of the world's total fraud. The Oct. 1 deadline for retailers to accept chip-and-PIN (EMV) cards and associated shift in liability should alleviate the problem in physical stores, but e-commerce firms should be prepared for more fraudulent activity to move online.

“I don't think the online merchant is that prepared because human nature is to procrastinate,” Jason Tan, CEO and founder of fraud detection company [Sift Science](https://siftscience.com/) (<https://siftscience.com/>), [told Retail Dive last month](http://www.retaildive.com/news/where-will-payment-hackers-go-post-emv/402505/) (<http://www.retaildive.com/news/where-will-payment-hackers-go-post-emv/402505/>).

“In other countries the year after the EMV mandate, online merchants saw two times the fraud.”

Recommended Reading

PYMNTS.com: [GLOBAL CARD FRAUD DAMAGES REACH \\$16B](http://www.pymnts.com/news/2015/global-card-fraud-damages-reach-16b/#.VcSj8Xj713p) (<http://www.pymnts.com/news/2015/global-card-fraud-damages-reach-16b/#.VcSj8Xj713p>)

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