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Things to Know About Authorized Push Payment (APP) Fraud


5 Key Numbers on APP Fraud

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1 £479 million

Estimated fraud losses in the U.K. resulting from APP fraud.
Source: UK Finance
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2 \$3.3 billion

Estimated losses in 2020 from U.S. consumers from APP fraud & other scams.
Source: FTC
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3 £91.3 million

Estimated value of fraud losses to U.K. businesses stemming from APP fraud scams.
Source: UK Finance
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4 2.2 million

Number of U.S. consumer complaints about fraud reported in 2020.
Source: FTC
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5 £57.1 million

Estimated fraud losses in the U.K. from Purchase Scams, the most common APP fraud.
Source: UK Finance

5 Types of APP Fraud Scams

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1 Purchase Scams

Fraudsters advertise products – such as cars, phones, laptops, exotic animals, or concert tickets – that they never deliver.
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2 Impersonation Scams

Posing as trustworthy figures (like a bank employee) fraudsters convince victims to transfer their money to an account they control.
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3 Malicious Misdirection Scams

Fraudsters trick victims into redirecting a payment (such as a real estate transaction, invoice, or tuition) to a recipient they believe is legitimate.
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4 Investment Scams

Fraudsters use high-pressure tactics promising victims quick profits if they put their money in phoney investments like crypto, stocks, or gold.
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5 Romance Scams

Fraudsters lure victims into romantic relationships online. After building trust, they scam their lovestruck victims for money.

5 Ways Banks Can Stop APP Fraud

APP fraud has become so prevalent that banks now face increased pressure to reimburse victims for lost funds. Here's what banks can do to protect their customers and reputations from APP fraud.

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1 Understand Customers' 'Normal' Behavior

Review customers' typical interactions across all banking channels to establish a baseline of "normal" and identify anomalous transactions.
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2 Collect As Much Data As Possible

The more data you collect, the easier it will be to build complex profiles and more accurately assess the fraud risk.
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3 Disrupt Fraudsters Using Inbound Monitoring

Identify potential mule accounts (e.g. multiple large deposits followed by large withdrawals in short succession), to disrupt fraudsters' ability to monetize their activity.
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4 Help Customers Pause for Thought

Use pop-up messages that ask customers why they are initiating a transfer or warn them that they are at risk of getting scammed.
- #### 5 Educate Customers

Teach your customers about the threat of APP fraud and the tactics that fraudsters employ. Give them the information they need to protect themselves.

To learn more about how Feedzai can protect your customers from APP fraud, click below to schedule a demo.

[Schedule a Demo](#)