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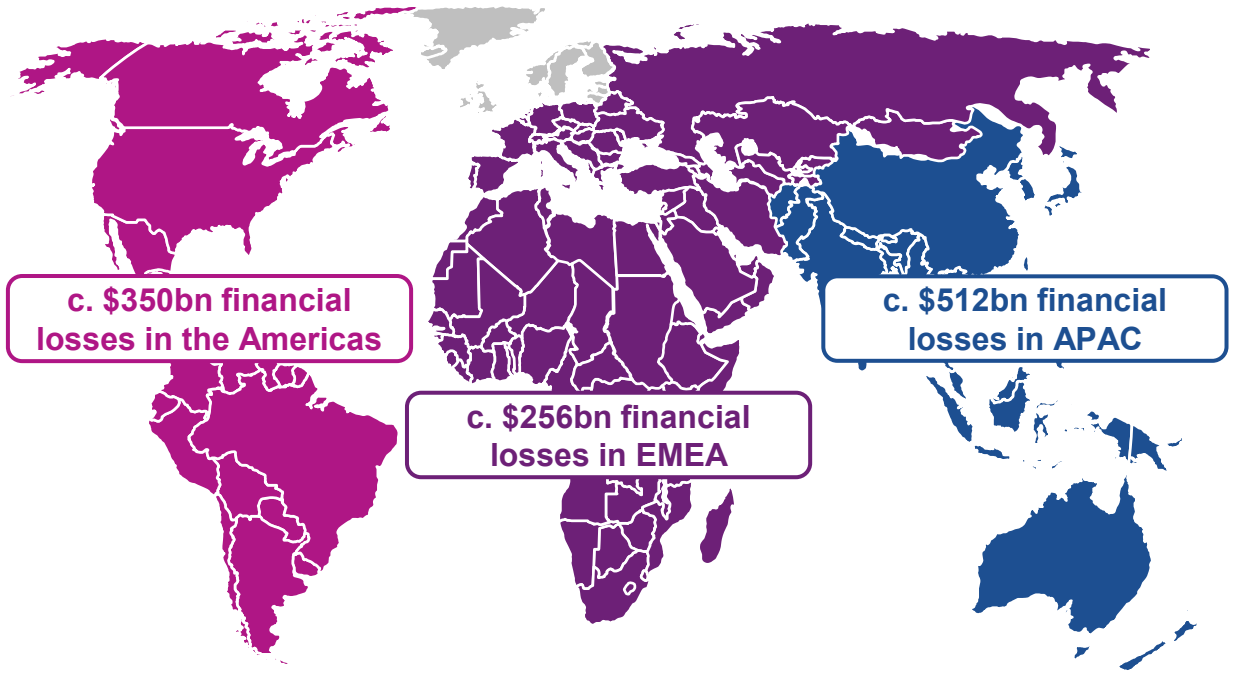
## The Dreaded “F” Word in Business: Fighting Fraud from Acquisitions to Operations

Mike Thibodeaux, Vice President, Fraud and Identity Solutions

10/27/2025

# GLOBALLY: Fraudsters stole +$1tn in 2024 | Account Opening attacks grew 17%, Account Takeover grew 23% and AI attacks are growing 300%-1100% YoY




Source: Nasdaq Report, Biometrics Update, Feedzai, Imperva, Financial Professionals, Verafin

**The scale of financial fraud losses continues to increase across all types (e.g., Account Takeover, Payment Fraud, Card Fraud)…**

- **Growing Threat of AI-Driven Impersonations**: More than 50% of fraud involves the use of artificial intelligence and hyper-realistic Impersonations
- **AI-Driven Fraud is Spiking**: Deepfake attacks are up by 1100% and synthetic-ID document fraud increased by +300% Q12025
- **Bots Driving Attacks at Scale**: "Bad bots" made up 37% of all internet traffic in 2024, marking a new high with sixth straight YoY increase
- **Growth of Payments Fraud Activity:** 79% of Organizations Were Victims of Attempted or Actual Payments Fraud Activity in 2024
- **Illicit Funding activity**: The industry is confronting a c. $3.1Tn financial crime problem; Europe alone saw c. $750bn in illicit funds, c. 2% of total GDP

Fraud is on **the rise across the world and across all verticals**, exposing consumers and institutions to **significant losses**

# US Fraud and Identity Trends: 59% of businesses surveyed say fraud losses increased; identity theft is the leading operational strain for US businesses (41%); 70% plan to increase budgets by at least 10%

## AI-fuelled Fraud Surge

Fraud **evolution driven by AI** will continue to challenge legacy best practices and point solutions.

**Advanced analytics and layered account opening** and account access strategies will require more breadth and depth, monitoring, and rapid response capabilities.

**Behavioural analytics, device fingerprinting and GenAI-driven anomaly detection** are now considered foundational approaches for identifying suspicious behaviour.

## Advanced Analytics

Varied fraud threats and vectors will continue to inform **fraud risk models** across **first party, first pay default, third-party, and synthetic identity.**

**Signals across person, device, network, and behaviour** must be derived in near real-time for inclusion in scores, decisioning strategies, and workflows.

**Model governance and regulatory alignment** will be challenged by the pace of innovation.

## Shared Data

**Shared data is back in demand** driven by proven value, data security, technology and analytics.

A recent U.S. Treasury report ranked information sharing as one of the most crucial components to an effective fraud defence, suggesting that "**institutions should...enhance collaboration, particularly threat information sharing**" just as much as they should strengthen their risk management.

## Convergence of Credit and Fraud

**Institutions are integrating fraud mitigation, credit risk assessment, and compliance**, exploring the use of combined data or leveraging shared technology to minimise overall business risk, improving customer experience, and reducing cost of acquisition.

Fraud losses such as **first party fraud, first payment default, and synthetic identity** continue reside in overall credit loss reporting, limiting effective risk mitigation efforts.

## Orchestration and Services Management

**Functional solution bundling** has created strategy design as well as vendor management challenges.

Cost of acquisition and particularly identity verification and fraud detection is driving more **optimisation in strategy and workflow design.**

**Identity verification and fraud detection strategies** at onboarding and account access will continue to require **monitoring, evaluation and rapid tuning.**



*Sources: Experian Identity and Fraud Report 2025 and Analyst Research, Liminal July 2025 (details in Appendix)*

# Fraud and Identity Across The Lifecycle

**Prospecting**

Pre-marketing for high score users

**Originations**

What are the risks associated with the consumer opening a new account/loan application?

Are we interacting with good clients today?

**Account Management**

Is the transaction legitimate? Did a good consumer become bad?

**Collections**

Am I using the most robust, complete and accurate data?

**Identity and fraud risks**

- Synthetic Identity
- First Party Default
- Bust Out

- Bot attacks

**Fraud**

- First party fraud
- Bust out
- Synthetic identity
- Identity theft

**Compliance**

- CIP / KYC

**Fraud**

- Account Takeover
- Credential stuffing
- Digital Transactions Fraud
- First Party Fraud (Bust Out)

**Compliance**

- OFAC
- KYC / CIP

- Inaccurate customer data (phone, email, address etc.)
- Synthetic identity fraud/First party fraud

# What is being entered and How is it being entered?

## *What* PII is entered

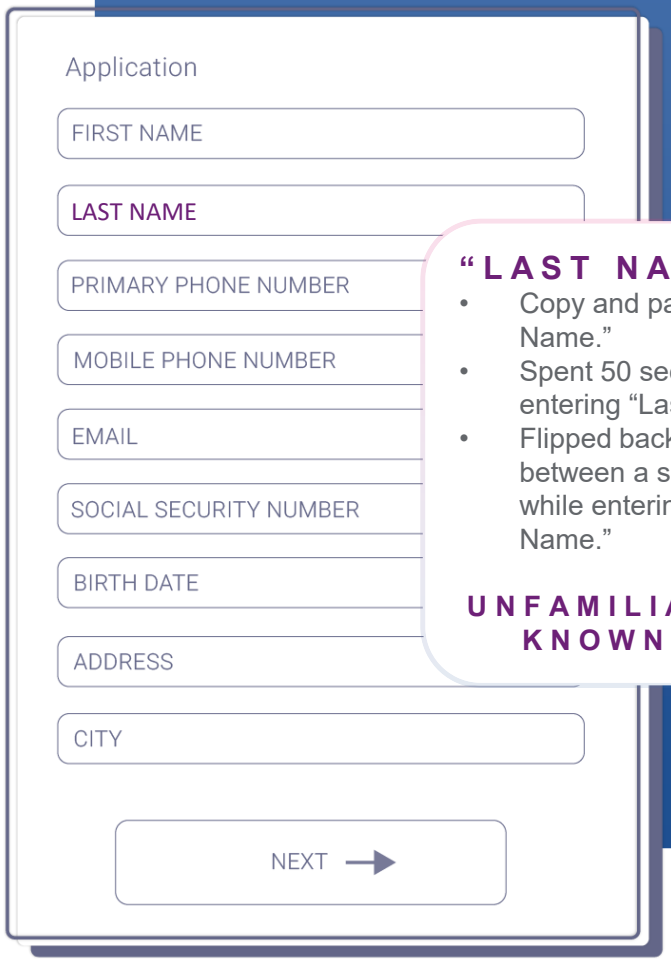

**"LAST NAME"**

- Not tied to AML lists
- Regular KYC check
- Looks good to a data provider

**NO BEHAVIORAL INSIGHT**

APPROVE

## *How* PII is entered




**"LAST NAME"**

- Copy and pasted "Last Name."
- Spent 50 seconds entering "Last Name."
- Flipped back and forth between a spreadsheet while entering "Last Name."

**UNFAMILIAR WITH KNOWN INFO**

DECLINE

# Fraud Attacks – Consumer or Business?

- First-party fraud
- Identity theft
- Synthetic Identity Fraud
- AI, Automated Bot Attacks
- Account Takeover
- Scams

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First Payment Default
Never Pay
Bust-out
Financial Misrepresentation
Loan Stacking




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Minor/Elder Abuse
Phoenix Fraud

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Deep Fakes

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Ship-to Fraud

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Ship-to Fraud
Romance Scams
Business Email Compromise
Push Payment Fraud




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# Common Themes and Verbatims

Peer Insights – how do I compare?

Credit Washing

Preparing for fraud enabled by Agentic AI and automation

Scams

Commercial Synthetic Identity – clear signals in email addresses, inaccurate phone number, no evidence that the business was legitimate (“no match”)

Fraudulent applications highly correlated to risky email addresses

Delinquencies for accounts booked in final quarter 2024/first quarter 2025 are up 2 to 4 times from prior period

Life Hacks

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# Typical Consumer Fraud Capabilities

## Behavioral Analytics

- How is the information entered?
- Is this bot/automated behavior?

## Fraud Risk Scores and Signals

- Does the applicant have the intent to repay?
- Does the identity match the PII presented?
- Is this identity real?

## Expanded Fraud and Identity Attributes

- Are there multiple identities tied to the applicant information?
- Can we positively verify the identity across data assets?

## Phone and Email Intelligence

- Does the phone and email match to the PII entered?

## Device and Network Signals

- Do we recognize this device?
- Do the network and identity location match?




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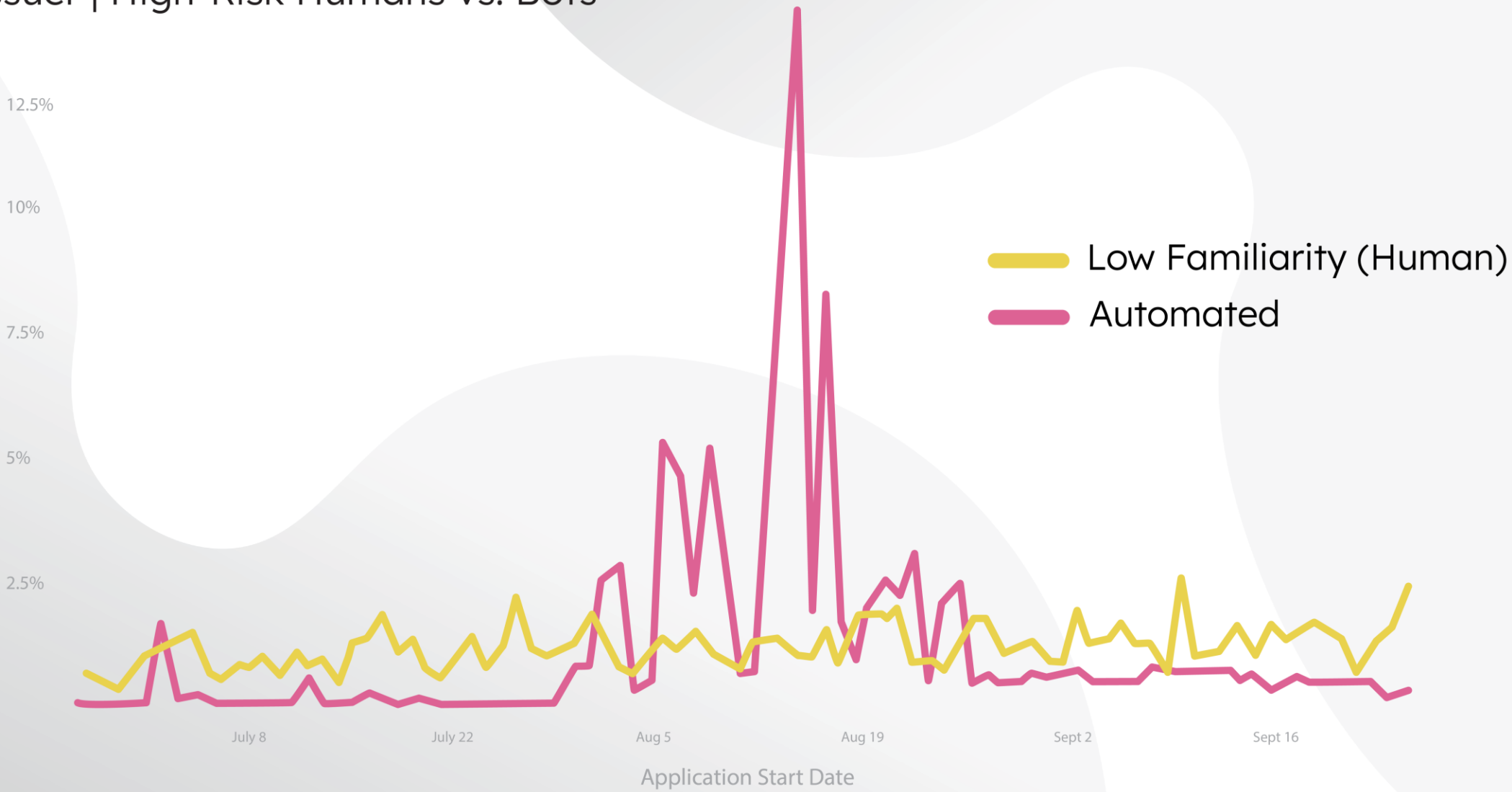
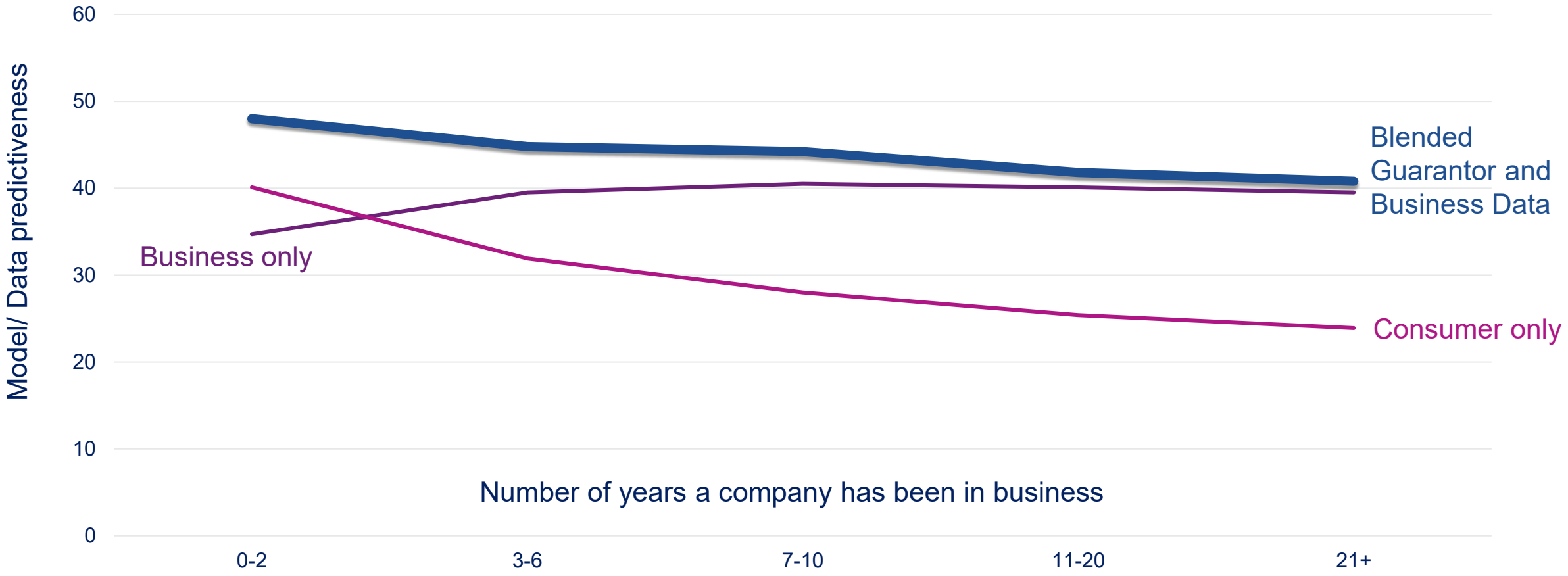
# Risky Traffic

Credit issuer | High-Risk Humans vs. Bots



# Blended data outperforms at all ages of a business




*Source: Experian Commercial Ascend and Author's Calculations*

# Thank you!

## Experian 2025 U.S. Identity & Fraud Report

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