

Payment Redirection: Fraud Your Credit Decision Never Sees

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Payment redirection fraud produces a credit loss with no failure in the credit decision itself: an attacker impersonates a supplier and redirects a creditworthy customer's payment to a fraudulent account. Business email compromise generated over \$3 billion in losses in 2025. No function currently owns this risk, though credit and AR are best positioned to catch it. Four measures close the gap, all within an ordinary department's existing authority and budget.

A loss disguised as a paid invoice

Most credit risk work assumes the loss arrives through a customer who cannot or will not pay. Payment redirection produces the same loss through a route your credit process never sees. Someone impersonating your company contacts your customer's accounts payable department with updated remittance instructions. The customer, acting in good faith, pays the invoice to an account that is not yours. The first sign of trouble is a routine collection call, weeks later, about an invoice the customer's system shows as paid in full.

Nothing in the credit decision was wrong. The customer is creditworthy and paid on time, with wire confirmation to prove it. What follows is a dispute between two parties who both behaved reasonably, over who absorbs a loss neither caused, and the commercial relationship rarely...

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About the Author



Chris Woodard is the CMO and Co-Founder of Handle.com. Handle's software powers the largest credit and finance teams in construction. Fortune 500 material suppliers and contractors trust Handle on a daily basis to provide their credit and collections departments with an end-to-end solution that saves their staff 10-12 hours per week.