

What fintech fraud trends could mean for your business longterm

Data collected from Jan. 1, 2022 - June 8, 2022



Fraud rates are on the rise, and due to COVID-19's continued presence, online banking, fintech, and e-commerce will only continue to boom and create more opportunities for fraudsters to harm businesses and their customers.

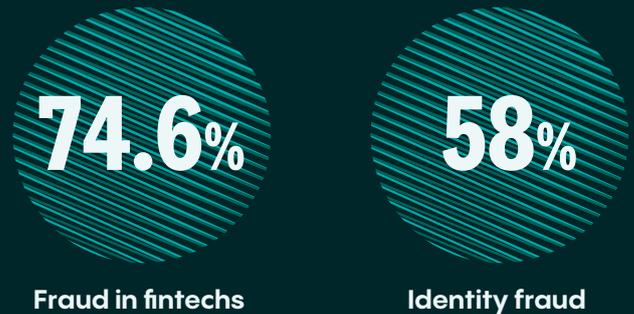
According to a TransUnion survey, 40% of consumers

with a financial account said they are using digital platforms more due to COVID-19.

The fintech industry is evolving as the demand reaches new heights and it's important for these institutions to keep fraud in mind as they scale to serve more customers.

What's happening with fintechs & fraud?

Fintechs experienced 4.9% of fraud in H1 2022, and Q2 was 15.3% more fraudulent than Q1. Significant growth came from recurring fraud, with 74.6% of the fraud seen for fintechs. Over half (58%) of all incidents in fintech fraud are made up of identity fraud.



Mean fraud rate globally across industries in H1 2022: **9.2%**

Mean fraud rate in fintech in H1 2022: **4.9%**



Q1 Fraud rate



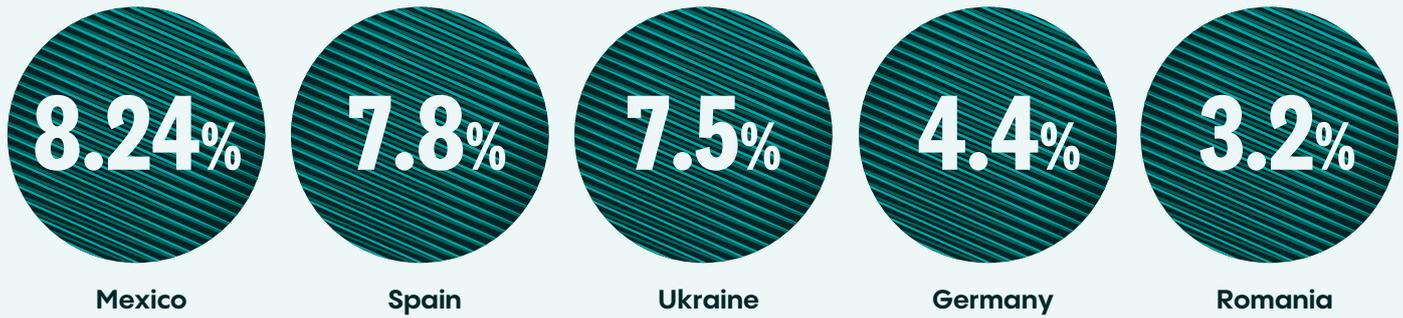
Q2 Fraud rate



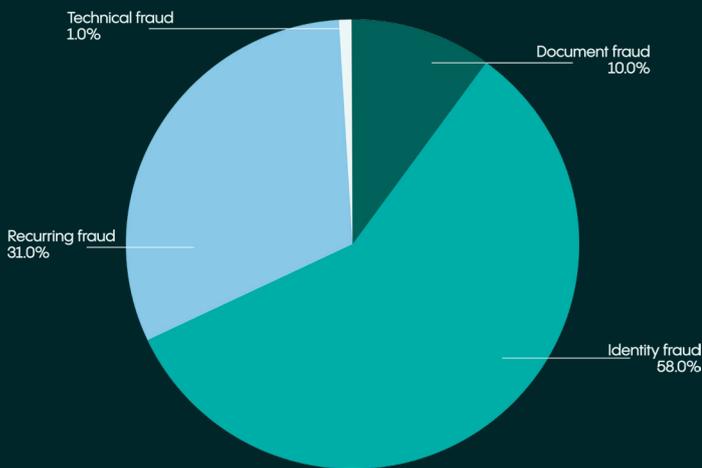
15.31%

Growth from Q1 to Q2

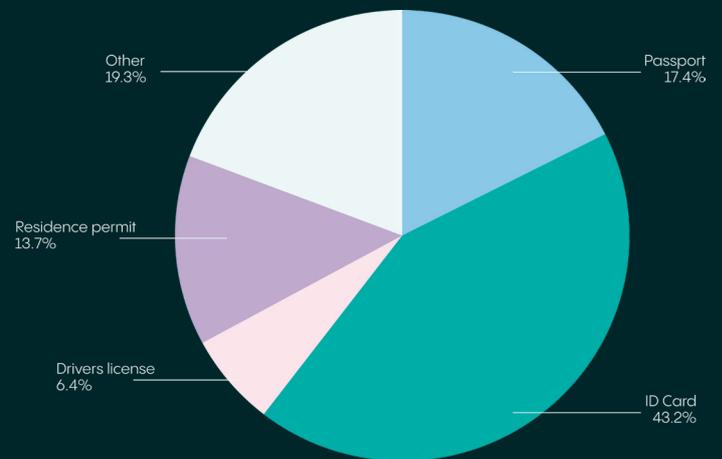
Countries with the most fraud in fintech have been:



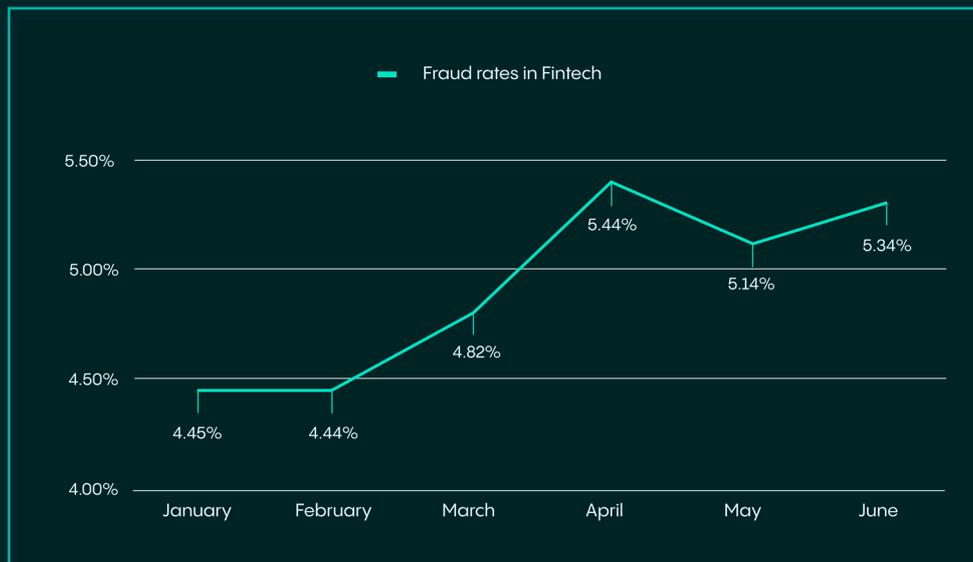
Top fraud types in fintech H1 2022:



Top documents used for fraud H1 2022:



Fraud rates month over month in fintech in H1 2022:



Fintechs need comprehensive KYC compliance without hurting customer conversions. Veriff’s solution satisfies FINRA, SEC, and GDPR requirements, as well as enforce AMLD5 guidelines, while also increasing conversions by 30%. We have built-in safety nets that rely on a

hybrid identity verification solution that allows for a human to make checks when automation is inconclusive without the need for a human to conduct the entire verification process. Veriff is the only solution that is prepared for all of fintech’s needs.