



GLOBAL FRAUD TRENDS 2025

FRAUD & PAYMENTS SURVEY REPORT

ravelin.com

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CEO AT RAVELIN
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KEY FINDINGS

\$10.6m
average annual
loss to fraud
per merchant

AI and customer fraud
listed as top concerns for the future

Customer PII theft & loss of revenue
the top consequences of fraud reported

Friction/customer churn
the top blocker for fraud prevention

“Mostly bought in”
leaders’ attitude to fraud prevention

Fraud teams prefer blocking
– but C-suites want balance

Almost 8 in 10
say we should do more to stop fraud

Marketplaces and Travel
the most pessimistic sectors

Travel & Hospitality
suffer the most negative publicity from fraud

Marketplaces
report the biggest rise in fraud



INTRODUCTION

For the fifth year, Ravelin surveyed companies that sell products and services online, asking questions around their experiences, observations, and expectations related to fraud and payments.

The Global Fraud Trends: Fraud and Payments Survey 2025 report is the result of this effort, presenting **the responses of 1466 fraud and payments professionals working in enterprises across ten countries**.

We're also comparing this year's findings to those from 2024, as well as exploring the sentiments of individual sectors, countries, and teams.

To enable secure growth for its partners, merchants and PSPs, Ravelin builds sophisticated fraud and payments solutions. AI-native, they leverage the power of machine learning, NLP, LLMs and big data analysis.

We pride ourselves on the breadth and depth of our data – and surveys such as this add one more dimension, allowing us to understand the online risk landscape, as well as merchants' own experiences, concerns and needs.

We are excited to be sharing our findings with the wider online community, and hope you find the insights within illuminating and useful.

For more information about our **methodology and demographics**, please see [page 53](#).

FOREWORD BY MARTIN SWEENEY, CEO AT RAVELIN

Just a few months ago, we celebrated ten years of Ravelin – and what a decade it has been.

Back when we started, fraud was mainly seen as a transactional problem. However, we thought, fraud is about people. About better understanding customers and their intentions. We built Ravelin around this idea: **providing a story; building context around who your customers are.**

Steadily, we grew, adding more products, helping more companies, addressing more problems. I am immensely proud that Ravelin has blossomed into a key vendor in the fraud and payments industry.

And I want to thank everyone who's contributed to this success. From the early days of engineering experiments to delving deep into data and our recent acquisition

by Worldpay, there have been hundreds of people – employees, partners, clients and so many more – who helped make Ravelin what it is today.

Despite the changes that time has brought, some things have stayed the same. Here is one of them: **At Ravelin, we believe in listening.**

Every year, we reach out to merchants and ask, “How has fraud been for you? What have you observed? What is coming up?” Then, we release our findings for the benefit of everyone in fraud, payments and ecommerce.

I invite you to explore what your peers have shared by browsing this year's edition – which also **compares results to last year, and breaks findings down by sector** and in other useful ways.



Welcome to the Global Fraud Trends Report 2025!



SECTION A

THE CONSEQUENCES OF FRAUD

In this section, we're looking at the consequences of fraud, including its financial cost and the public attention it gathers.

Which metrics suffer the most to fraud and abuse?
How do different business functions feel about fraud?

We'll look at all of this and more. We'll also compare the results to last year's answers, as well as present findings by sector.



\$10.6m

average annual loss to fraud per merchant



Customer PII theft & loss of revenue

top consequences of fraud reported



Travel & Hospitality

suffers the most negative publicity from fraud



“Mostly bought in”

leaders' attitude to fraud prevention



HOW IS FRAUD AFFECTING COMPANIES IN 2025?

“WHICH OF THESE POTENTIAL CONSEQUENCES OF FRAUD HAVE AFFECTED YOUR COMPANY IN THE PAST 12 MONTHS?”

Customer PII theft is trending upwards – and more companies have been hit by increased operational costs as a result of fraud, compared to last year.

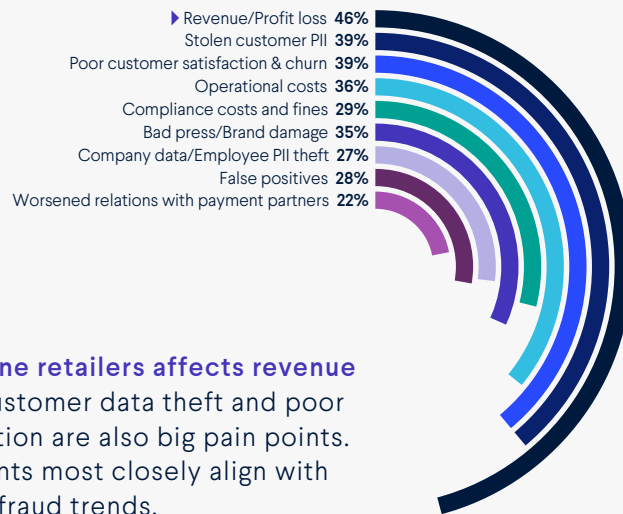
Profit loss came in joint first, as it did in 2024, setting the tone for money concerns being central to this year’s survey results.

Operational costs negatively affected by fraud had the biggest year-on-year increase, at +8% .

Depending on your sector, fraud will affect your company in different ways. The reasons range from infrastructure to customer habits and average company maturity within your vertical. In fact, fraudsters attack different companies in different ways, even within the same sector.



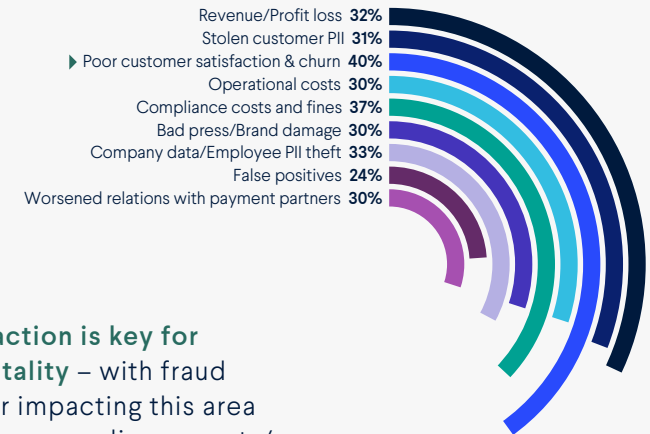
RETAIL



Fraud against online retailers affects revenue **the most**, while customer data theft and poor customer satisfaction are also big pain points. Retailers' pain points most closely align with the overall online fraud trends.



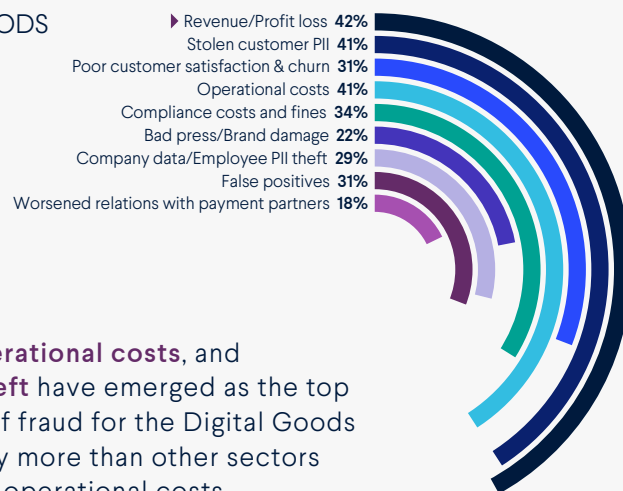
TRAVEL



Customer satisfaction is key for **Travel and Hospitality** – with fraud against the sector impacting this area the most, as well as compliance costs/ fines and company data theft.



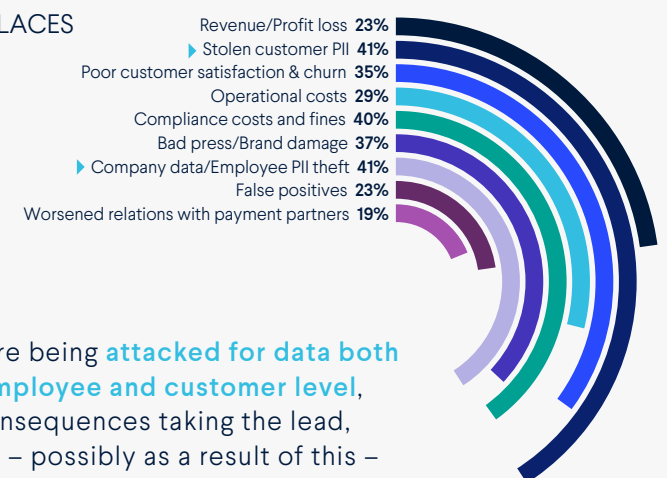
DIGITAL GOODS



Revenue loss, operational costs, and customer data theft have emerged as the top 3 consequences of fraud for the Digital Goods sector – with many more than other sectors reporting a toll on operational costs.



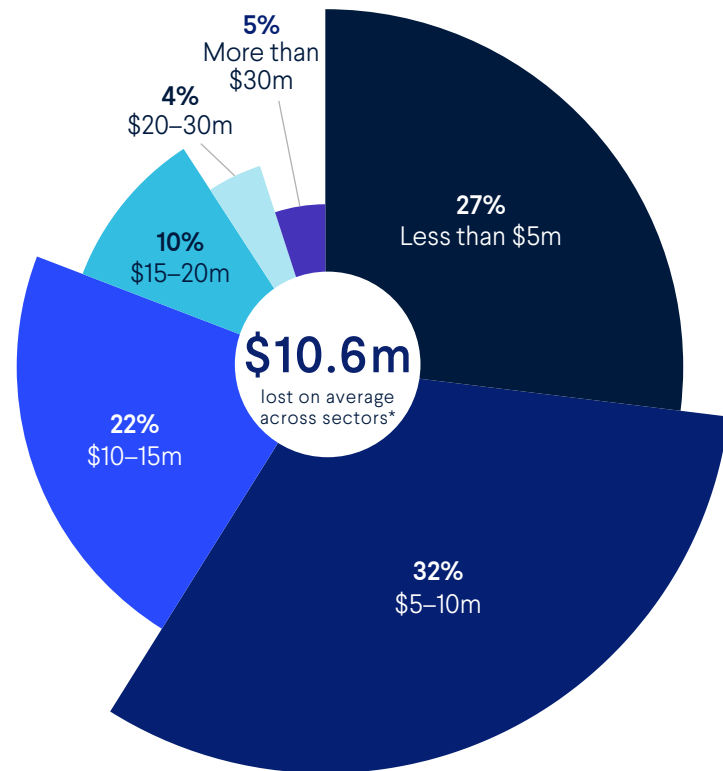
MARKETPLACES



Marketplaces are being **attacked for data both on company/employee and customer level**, with the two consequences taking the lead, while bad press – possibly as a result of this – comes in at no 3.

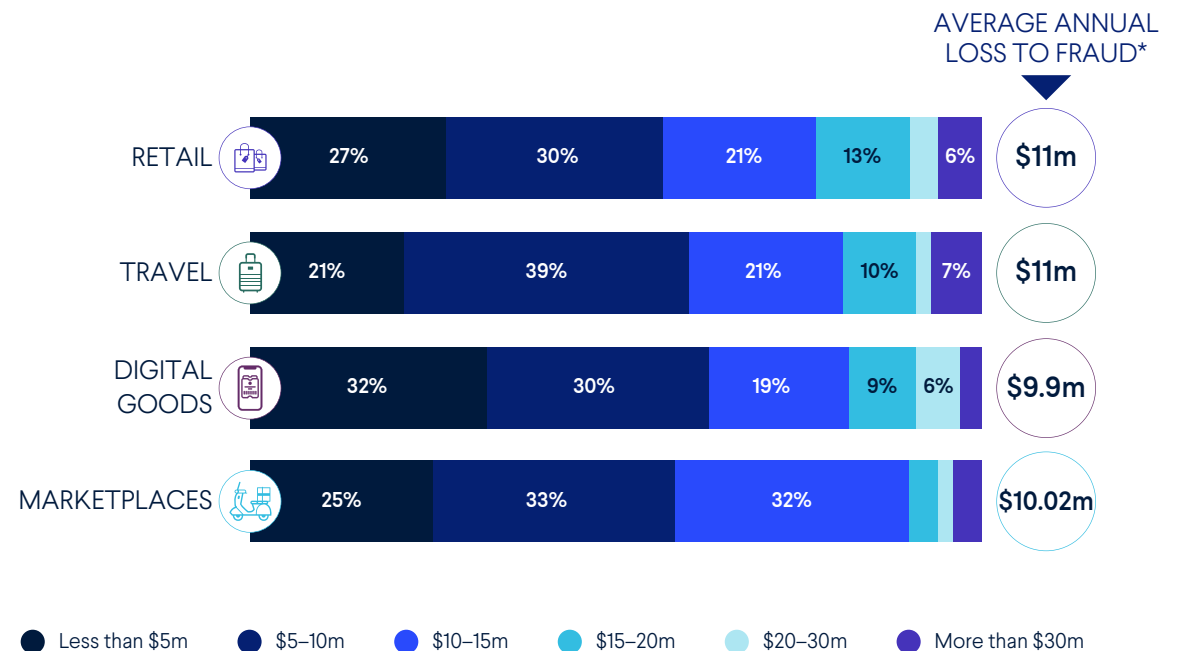
THE COST OF FRAUD

“HOW MUCH DOES FRAUD COST YOUR COMPANY PER YEAR? (IN USD)”



Over **41%** of companies suffer losses to fraud of **more than \$10m**

WHICH SECTOR LOSES THE MOST TO FRAUD?



*Estimated averages based on the midpoint of each range, and \$40m used for “More than \$30m”.

“Fraudsters have diversified, but traditional card fraud is still going strong.”

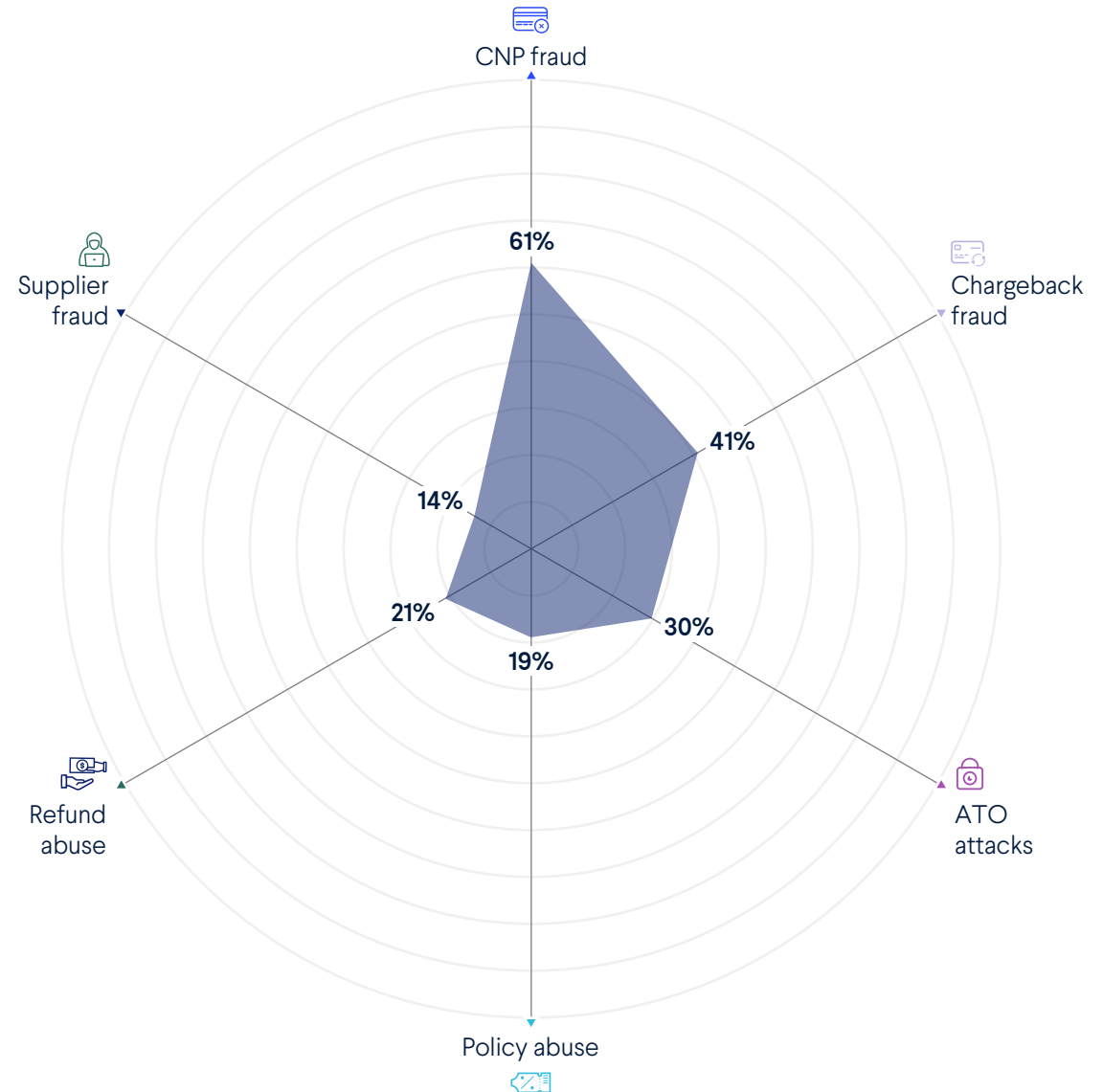
It’s also obvious that merchants are facing difficulties understanding and quantifying newer types of fraud – for example, refund abuse.”

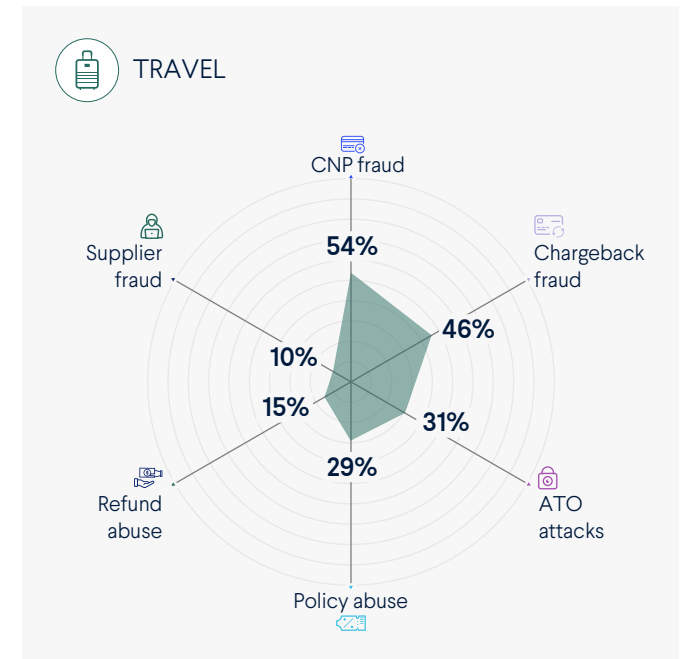
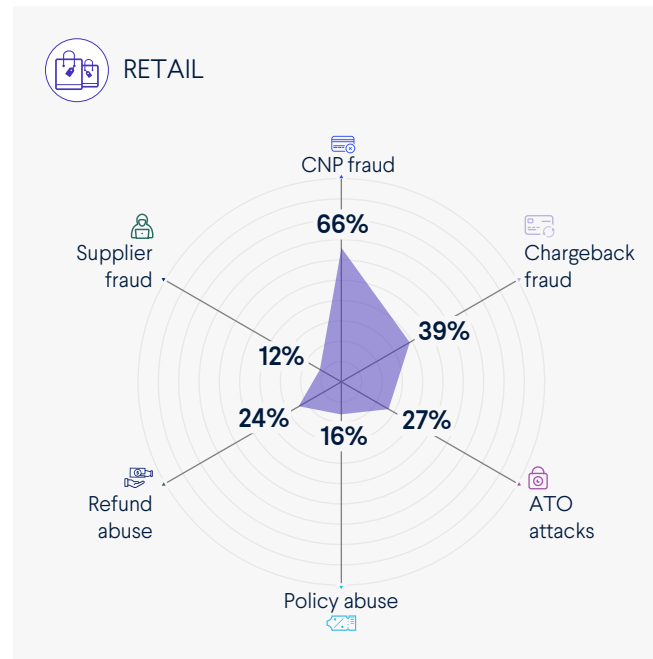
Mairtin O’Riada
Co-Founder & COO at Ravelin

THE MOST EXPENSIVE TYPES OF ONLINE FRAUD

“WHICH TYPE OF FRAUD COSTS YOUR BUSINESS THE MOST? CHOOSE UP TO 2.”

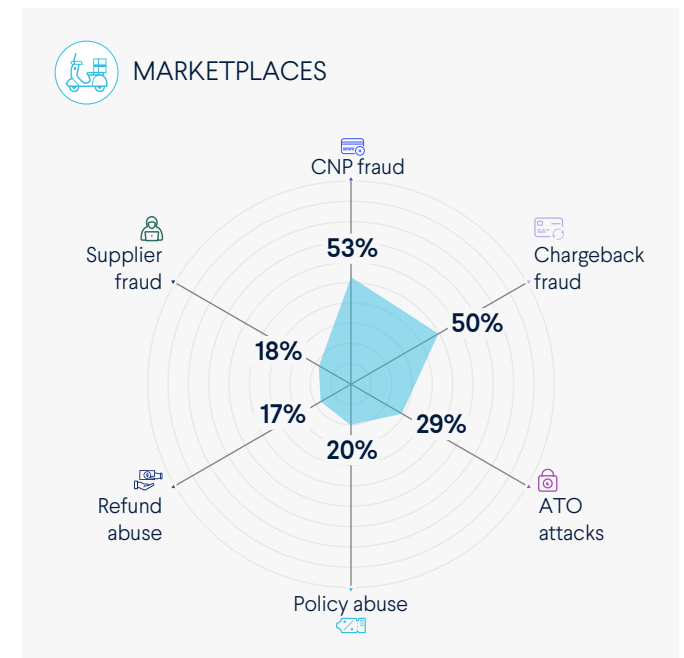
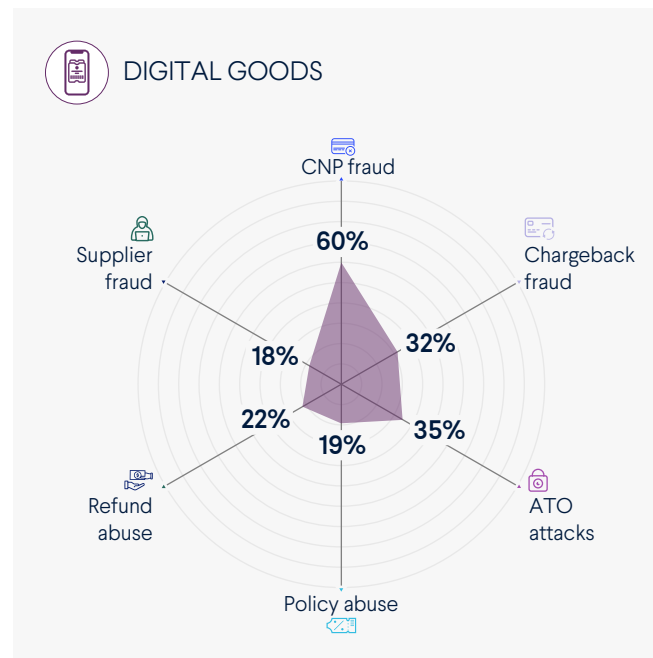
Respondents in almost every sector report that **payment fraud** and **fraudulent chargebacks** cost them the most.

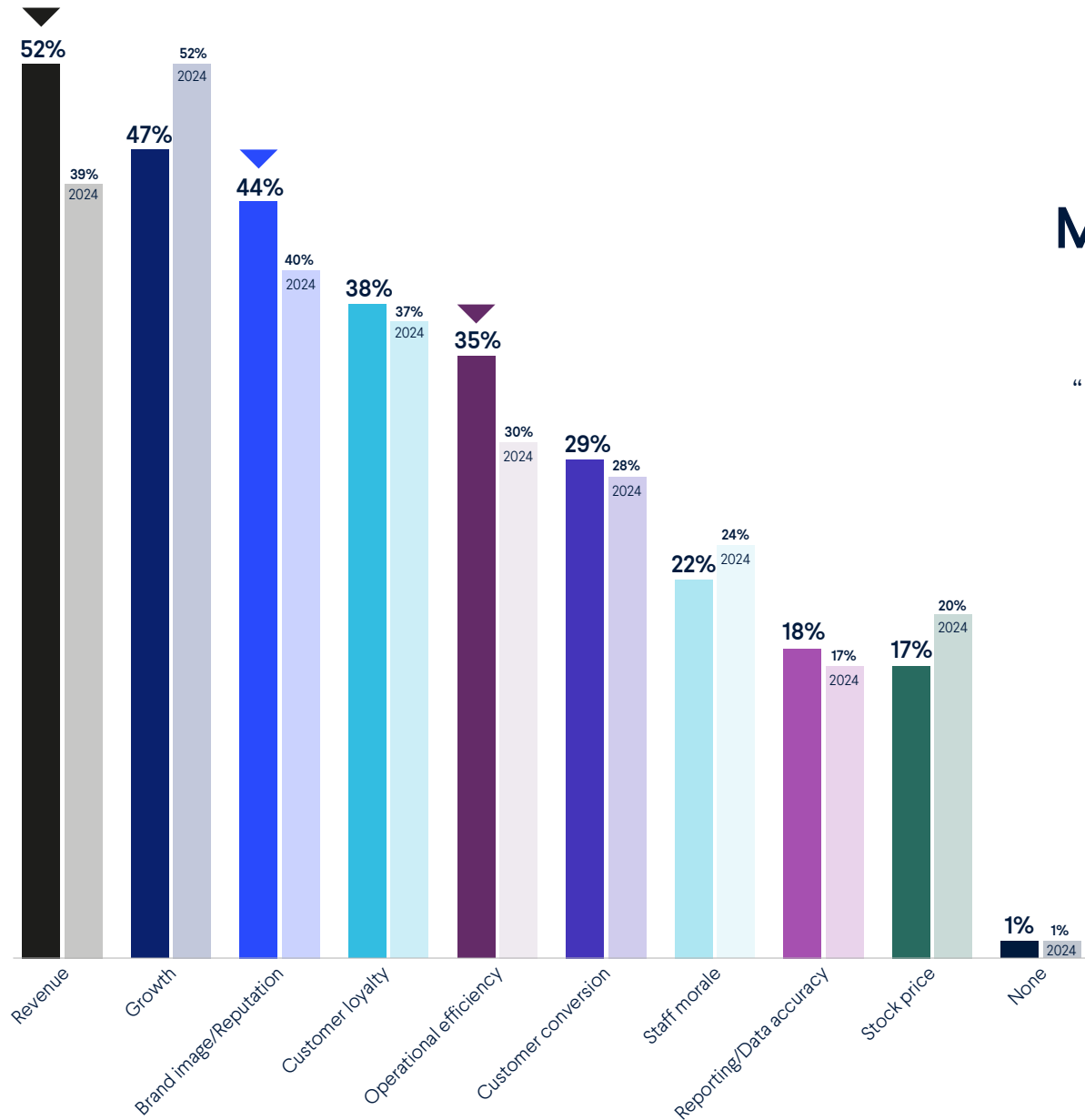




Uniquely, **Digital Goods** lose a **lot to ATO** as well. More than 1 in 3 of professionals in this sector select ATO as one of their top revenue leaks.

Refund abuse is a bigger pain point in **Retail** and **Digital Goods** than other sectors, though as it's difficult to quantify, responses might underestimate the issue.





WHICH BUSINESS METRICS SUFFER DUE TO FRAUD & ABUSE?

“HAVE FRAUDULENT ACTIVITIES AFFECTED ANY OF THE FOLLOWING METRICS AND RESULTS AT YOUR COMPANY AT ANY POINT IN THE PAST OR PRESENT?”

This is the shortest data-driven answer we can provide to the question: Why does fraud prevention matter?

This year, we observed some changes in the data. **Revenue took the lead from Growth** as the main KPI that respondents say is impacted by fraud.

More respondents than last year listed **brand image, operational efficiency and revenue** as a KPI that has been affected by fraudulent activity at their company.

FRAUD IN THE HEADLINES

“HAS YOUR COMPANY BEEN FEATURED IN THE PRESS OR SOCIAL MEDIA AS A RESULT OF FRAUD IN THE PAST 12 MONTHS?”

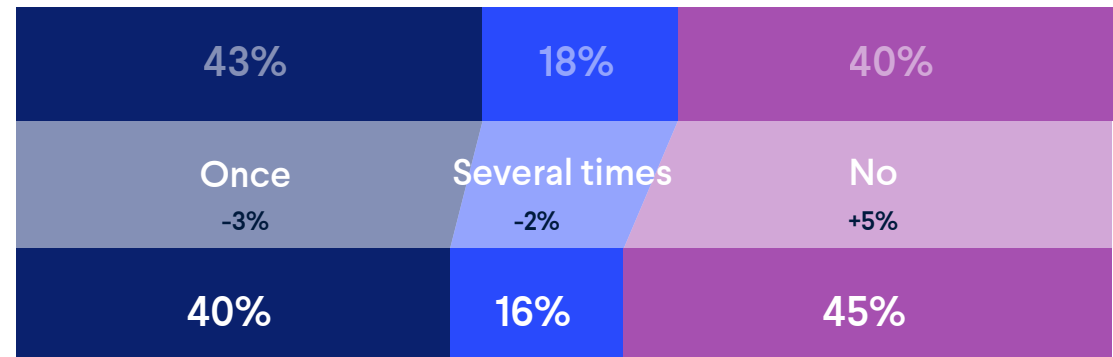
Reported is a slight drop in positive responses – it seems that fraud-related reports in the media have slightly reduced.

Still, **more than half of companies surveyed** have seen their name appear in the news in relation to fraud.

The **Travel & Hospitality sector suffers the most** from fraud-related media exposure – 69% of respondents have seen their company in traditional and social media in relation to fraud.

Marketplaces are second with 59%, while Retail is faring better, with just over half.

2024 RESPONSES



2025 RESPONSES



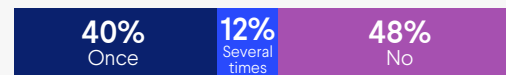
2025



2025



2025

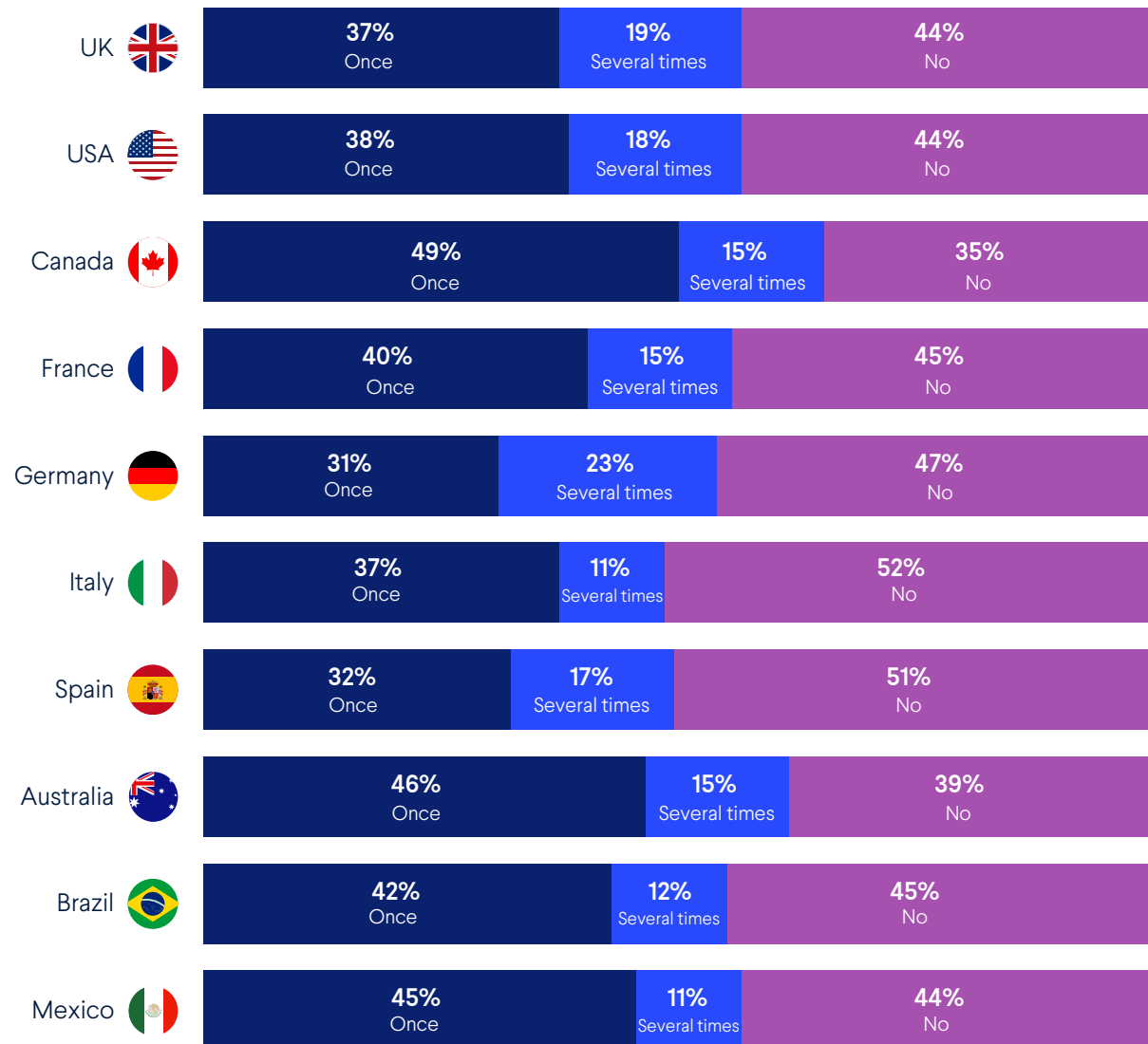


2025



“HAS YOUR COMPANY BEEN FEATURED IN THE PRESS OR SOCIAL MEDIA AS A RESULT OF FRAUD IN THE PAST 12 MONTHS?”

PER COUNTRY



Canada, Australia, the UK, and the USA report more active coverage of fraud incidents in the press.

“Mainstream media has been paying more attention to fraud and cybersecurity more generally – with more reports as a result.

Merchants would be wise to consider the impact fraud has on their brand image, including social media mentions and discussions.”

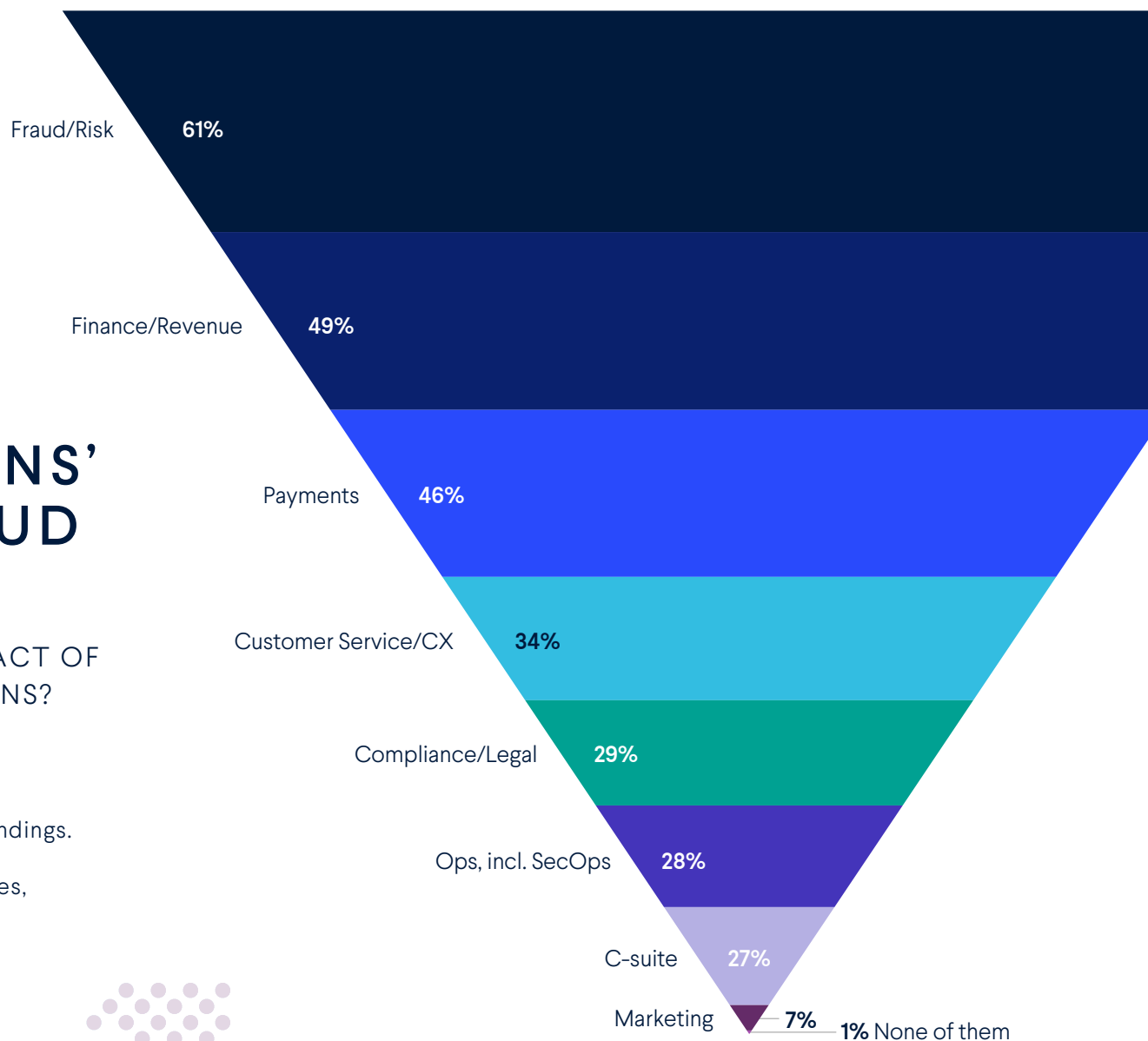
Nick Lally,
Co-Founder & CFO at Ravelin

BUSINESS FUNCTIONS' ATTITUDES TO FRAUD

“HAVE ANY TEAMS AT YOUR COMPANY EXPRESSED CONCERNS ABOUT THE IMPACT OF FRAUD ON THEIR RESULTS OR OPERATIONS? SELECT ALL THAT APPLY.”

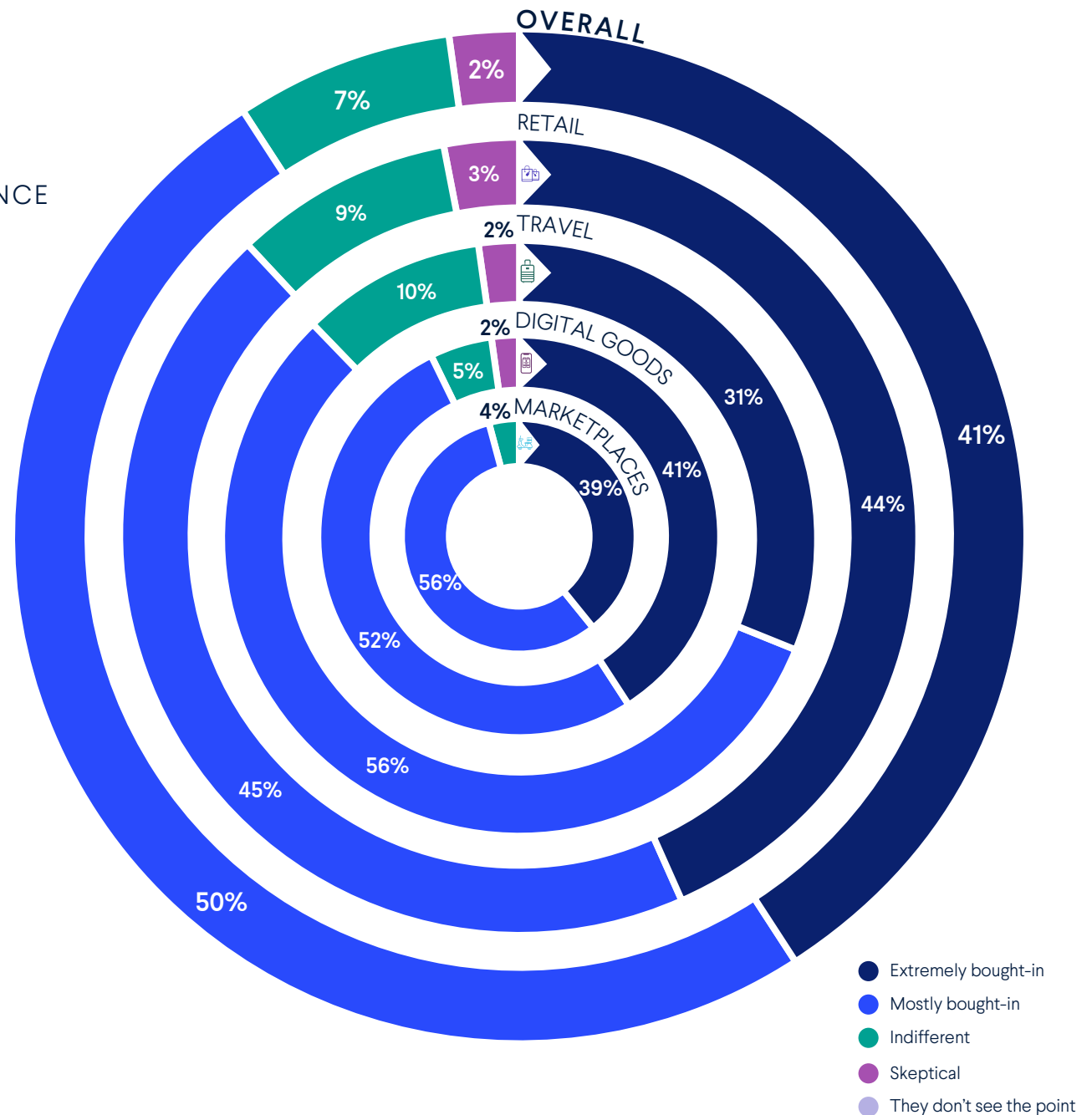
More than Fraud Managers care about fraud, per our findings.

From almost half of Finance to over one-fifth of C-suites, and even Marketing, there are several stakeholders at every company.



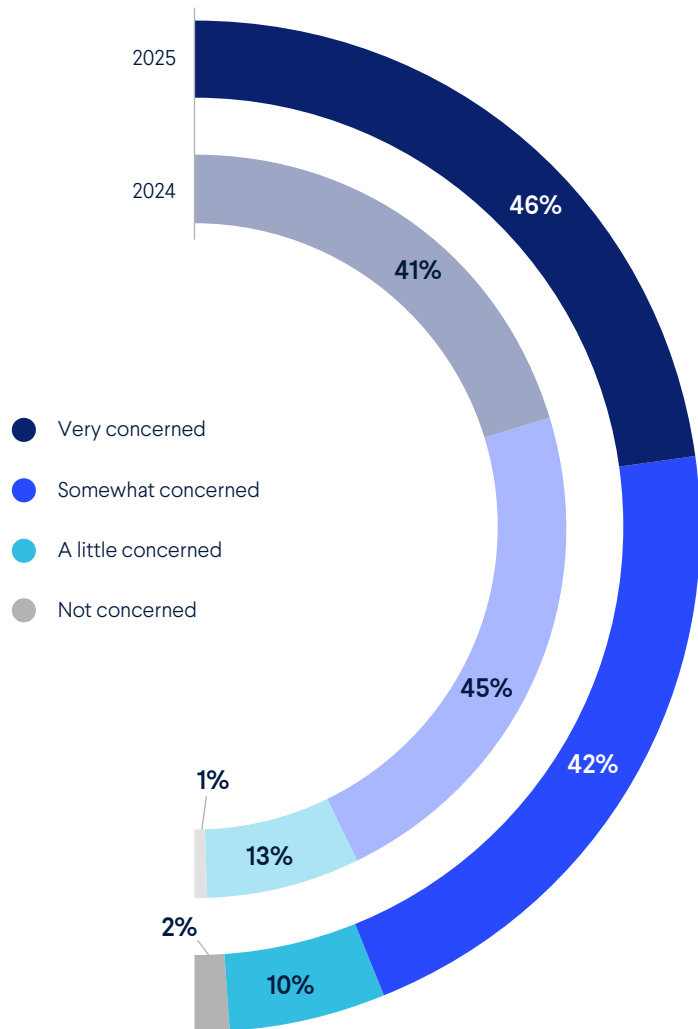
“HOW BOUGHT-IN ARE LEADERS AT YOUR COMPANY ON THE IMPORTANCE OF STOPPING FRAUD/OR ABUSE?”

91% report that leadership at their companies understands how vital fraud prevention is.



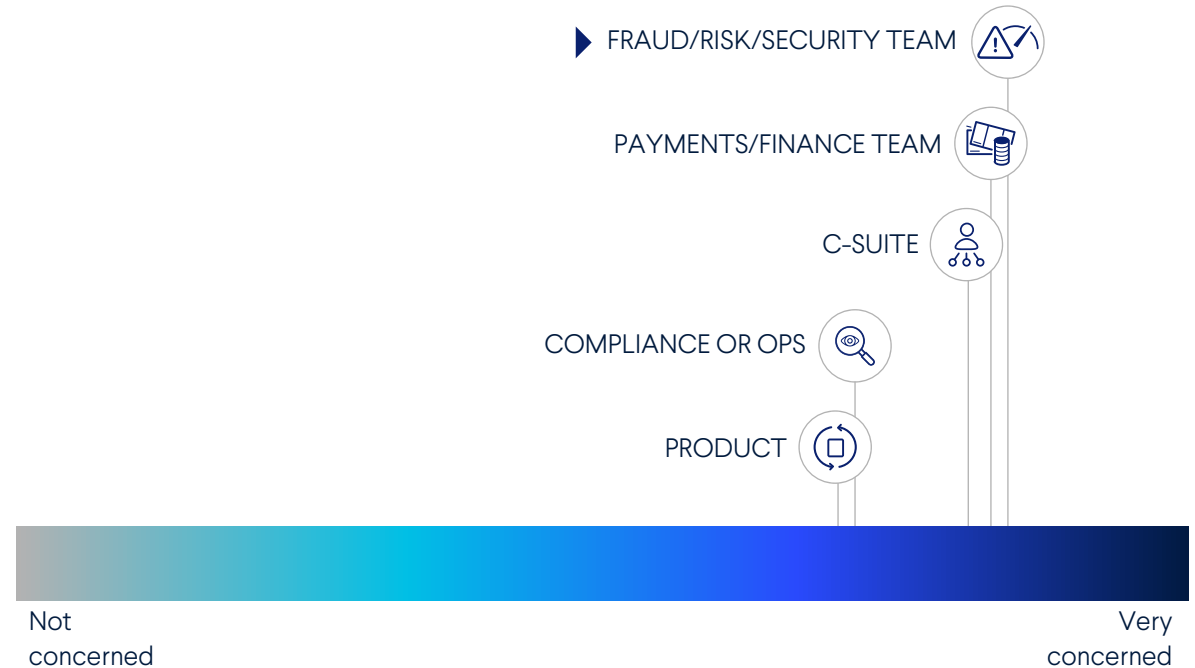
ARE COMPANIES WORRIED ABOUT FRAUD?

“HOW CONCERNED ARE YOU ABOUT THE VOLUME OF FRAUD FACED BY YOUR COMPANY AT PRESENT?”



Merchants' concern about fraud has **increased** in the past year.

AVERAGE CONCERN LEVEL BY ROLE



SECTION B

CURRENT & EMERGING FRAUD TRENDS

Let's now dive into the fraud landscape as reported by fraud managers, payments professionals, and other stakeholders from the world of ecommerce.

How have different types of fraud changed over the past year? How have chargebacks, refunds and consumer behavior shifted? What is different about the fraud we have observed?

Read on to find out.



77% of merchants

saw a YoY rise in fraud



Marketplaces

report the biggest rise in fraud



47%

say customers are more likely to attempt fraud



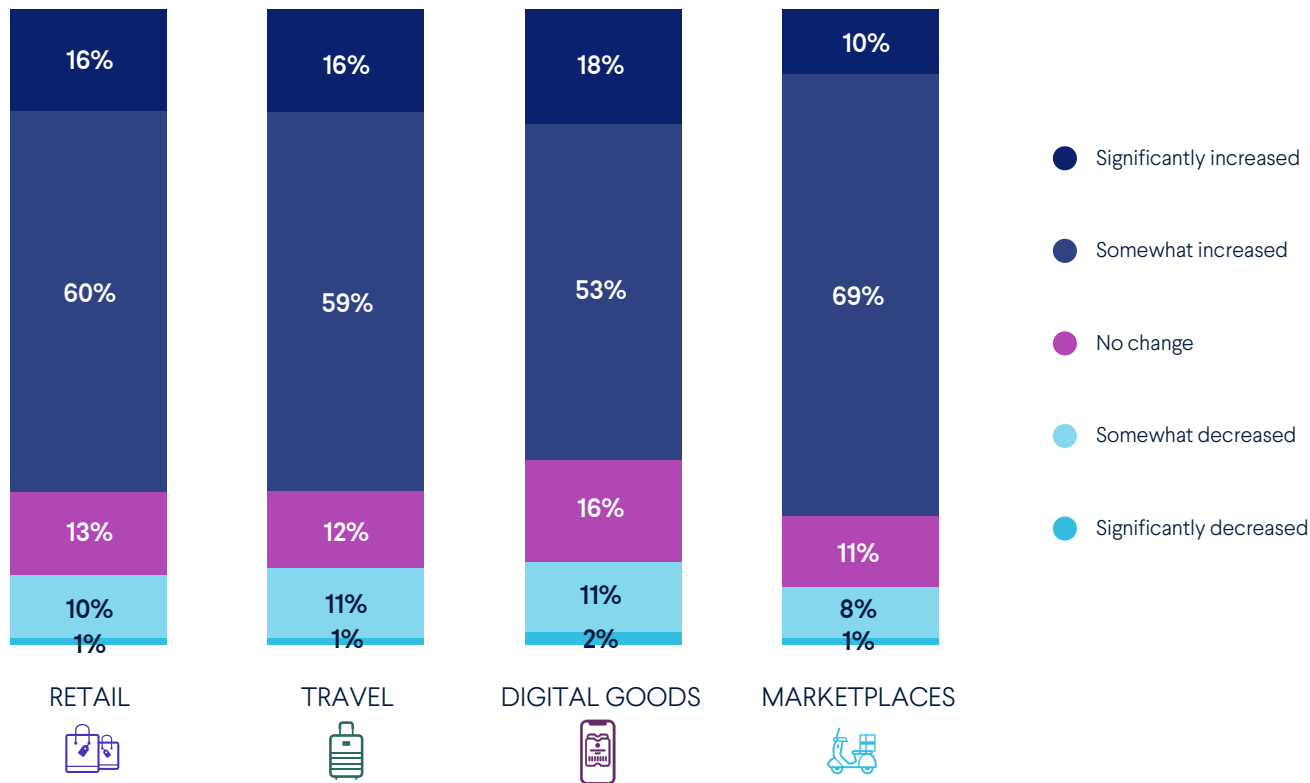
76%

feel pressured to refund even when suspicious

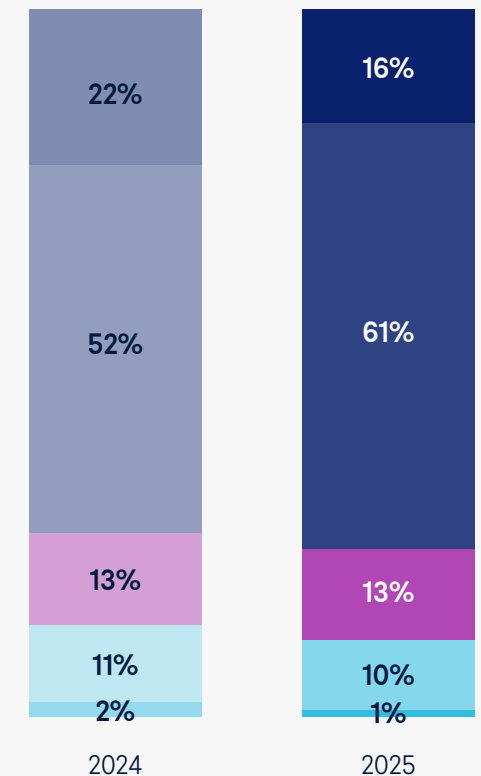
FRAUD IS INCREASING ACROSS THE BOARD

“IN THE PAST 12 MONTHS, HAVE YOU NOTICED A CHANGE IN THE VOLUME OF FRAUD THAT AFFECTS YOUR COMPANY?”

PER SECTOR



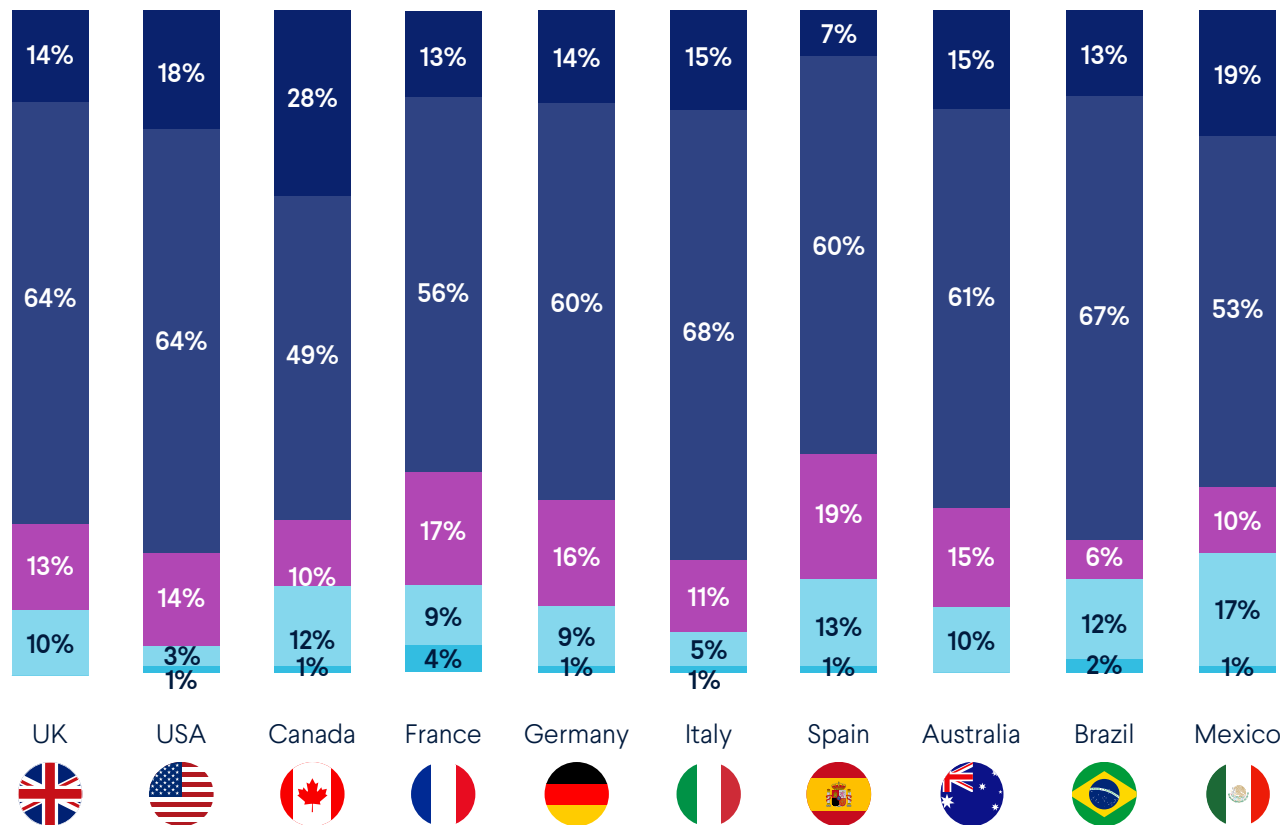
OVERALL



77% of merchants report a rise in fraud in the past year. This year-on-year change for the worst has been felt in the Marketplaces sector the most.

“IN THE PAST 12 MONTHS, HAVE YOU NOTICED A CHANGE IN THE VOLUME OF FRAUD THAT AFFECTS YOUR COMPANY?”

PER COUNTRY



Looking at the answers we received by country, **Italy, the USA and Brazil** report the **biggest increases in fraud**.

It's also interesting to note that **Canadian merchants** have seen the most significant increase, at 28%.

On the other hand, it's **good news for Mexico and Spain**. Up to 18% of merchants in these countries report decreases.

Brazilian merchants are polarized, with the country also featuring as third on this list as well. It seems that in Brazil, few saw no change at all to their levels of fraud.

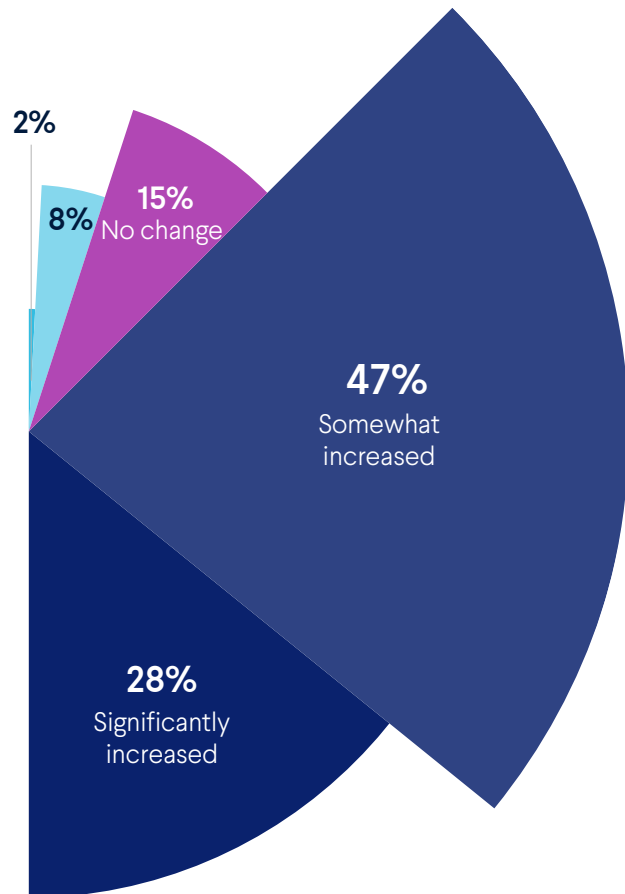
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- Somewhat decreased
- Significantly decreased



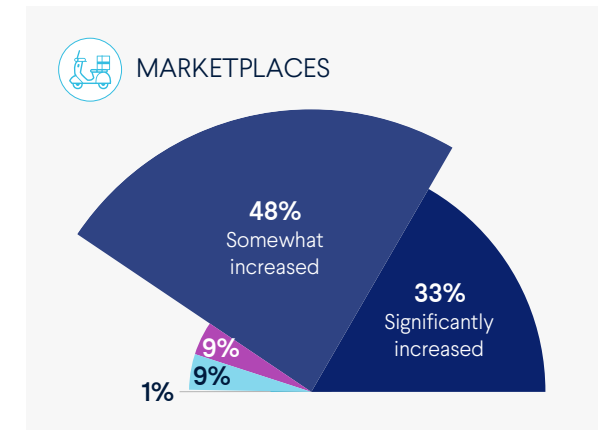
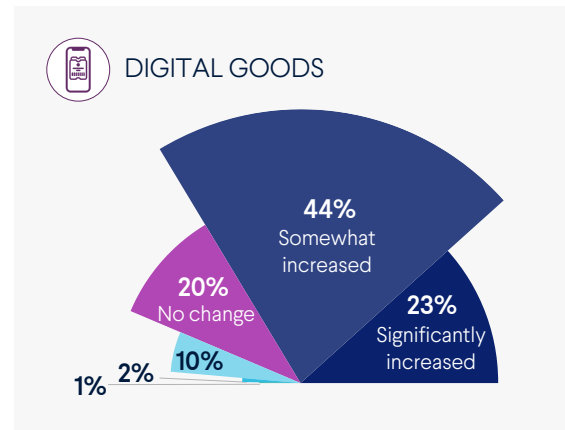
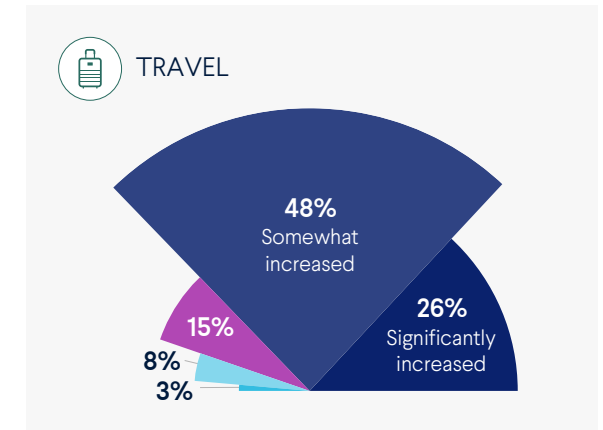
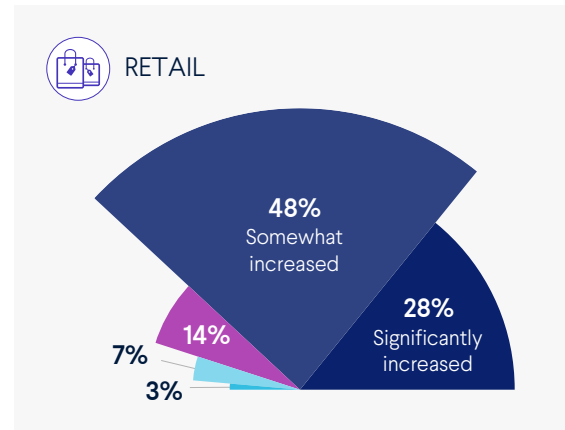
FRAUD PAIN POINT #1: ONLINE PAYMENT FRAUD

“HOW HAS EACH OF THESE FRAUD TYPES CHANGED AT YOUR COMPANY IN THE PAST 12 MONTHS?”
ONLINE PAYMENT FRAUD (E.G. STOLEN CARDS)”

OVERALL



PER SECTOR



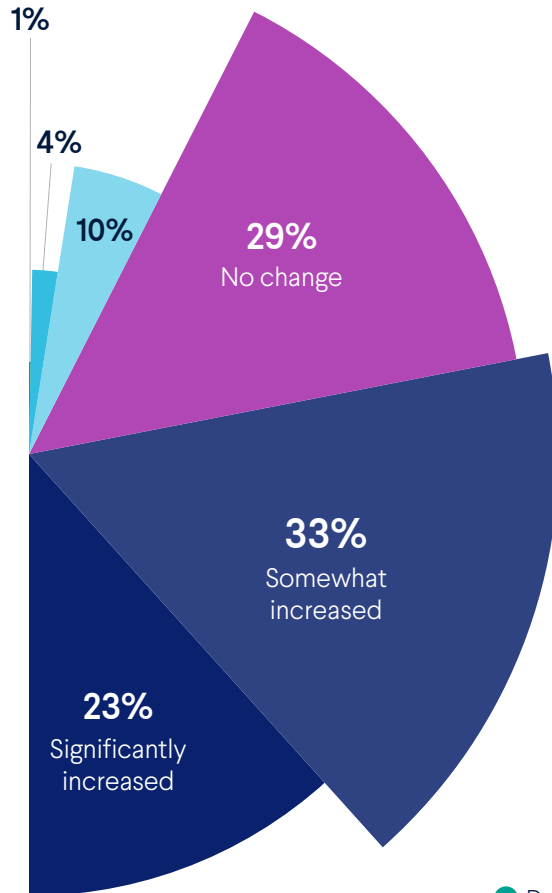
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 ● Somewhat increased
 ● Significantly increased



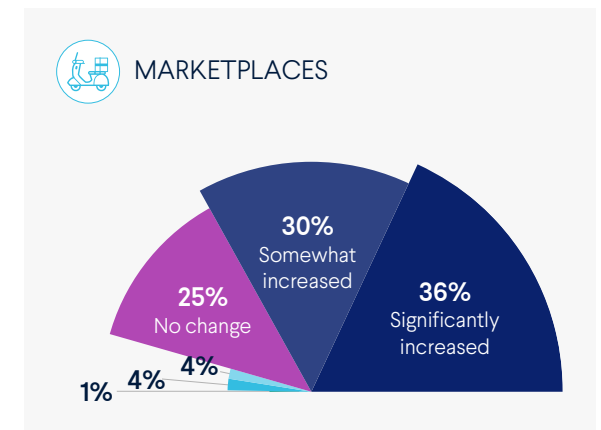
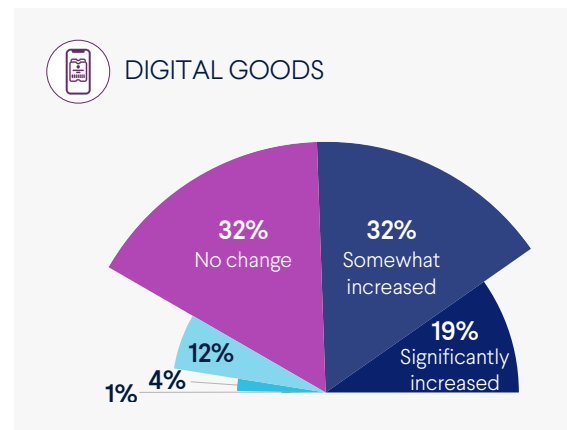
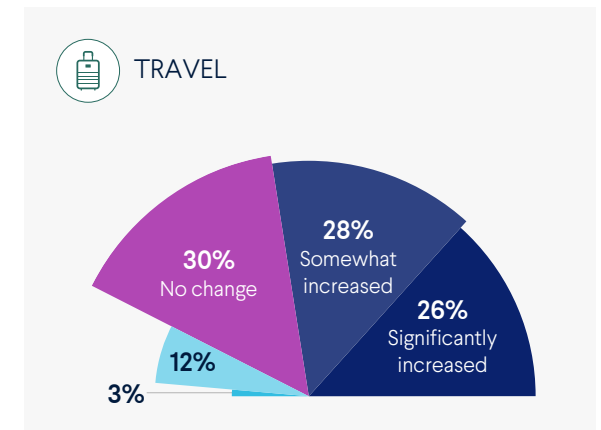
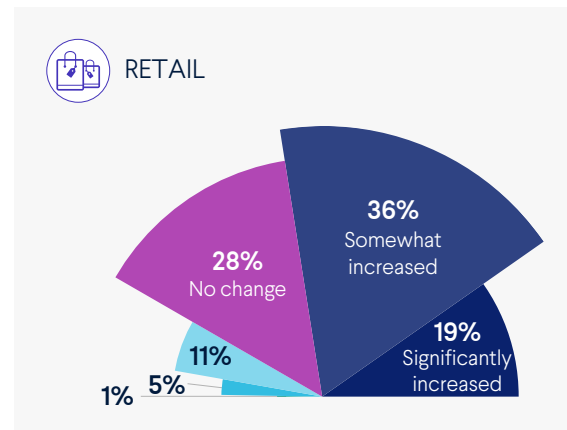
FRAUD PAIN POINT #2: CHARGEBACK FRAUD

“HOW HAS EACH OF THESE FRAUD TYPES CHANGED AT YOUR COMPANY IN THE PAST 12 MONTHS?”
FRAUDULENT CHARGEBACKS (FRIENDLY FRAUD)”

OVERALL



PER SECTOR



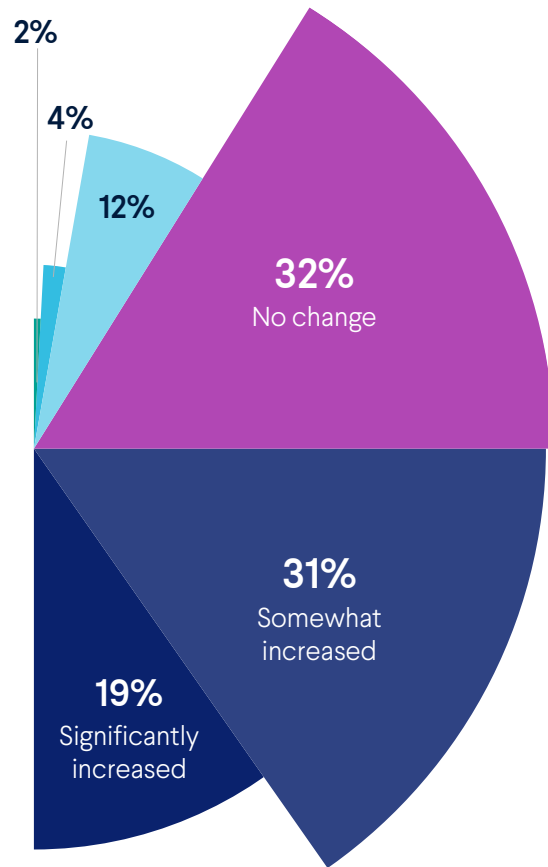
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FRAUD PAIN POINT #3: ACCOUNT TAKEOVER ATTACKS (ATO)

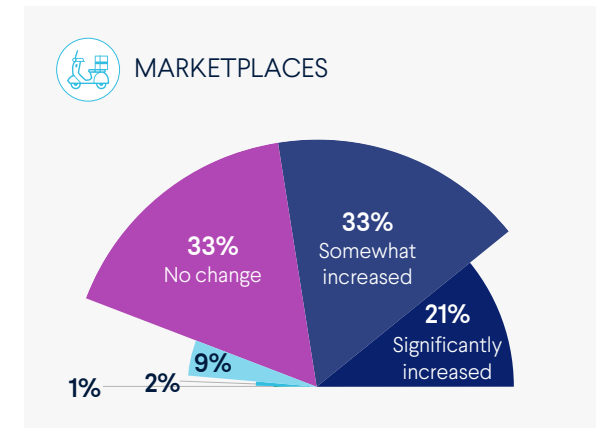
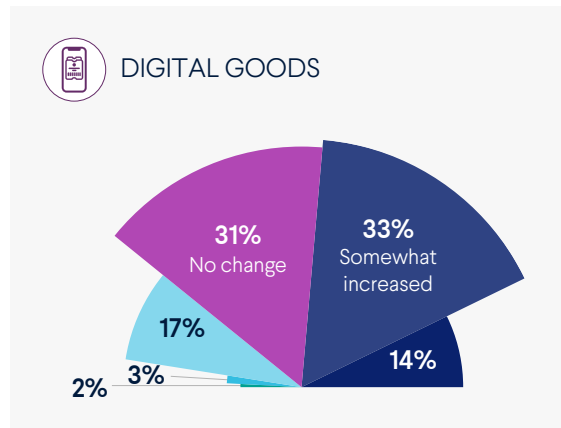
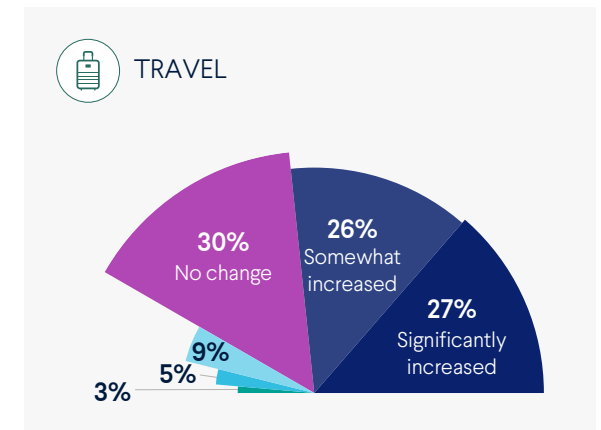
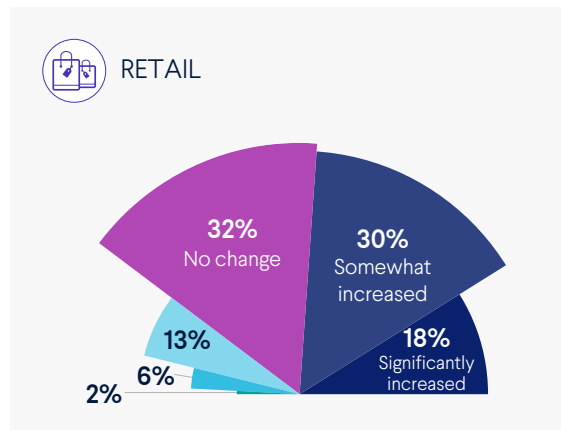


“HOW HAS EACH OF THESE FRAUD TYPES CHANGED AT YOUR COMPANY IN THE PAST 12 MONTHS?”
ACCOUNT TAKEOVER ATTACKS”

OVERALL



PER SECTOR



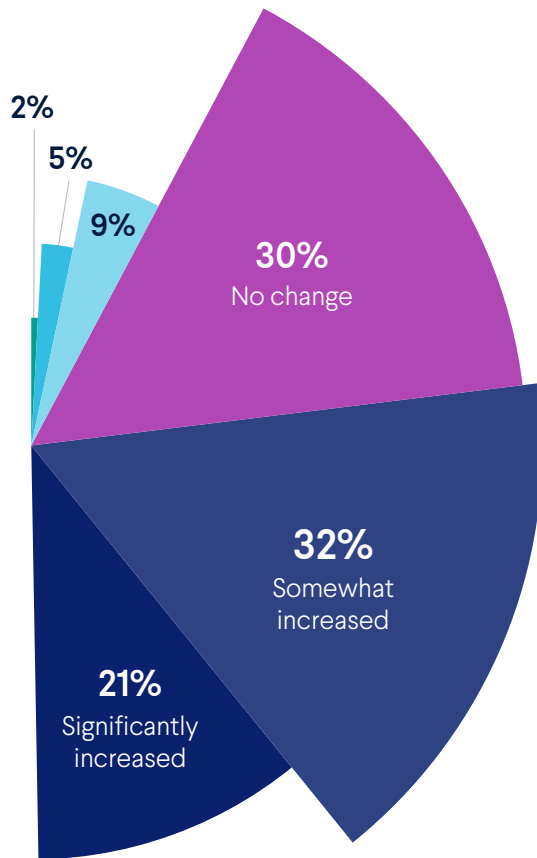
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FRAUD PAIN POINT #4: PROMO, VOUCHER & POLICY ABUSE



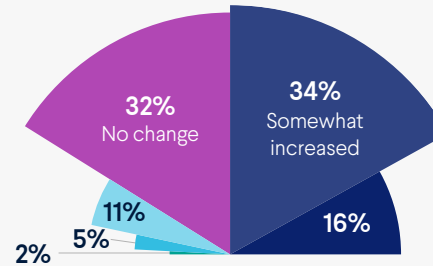
“HOW HAS EACH OF THESE FRAUD TYPES CHANGED AT YOUR COMPANY IN THE PAST 12 MONTHS?
PROMO, VOUCHER AND RELATED POLICY ABUSE”

OVERALL

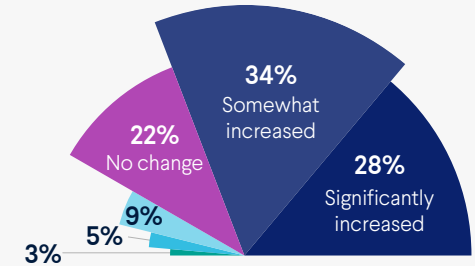


PER SECTOR

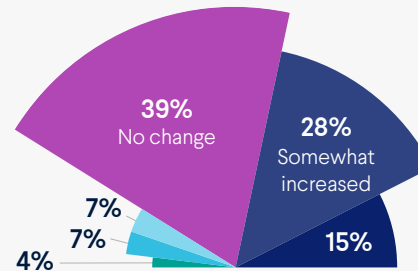
RETAIL



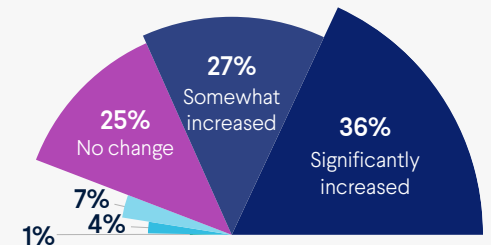
TRAVEL



DIGITAL GOODS



MARKETPLACES



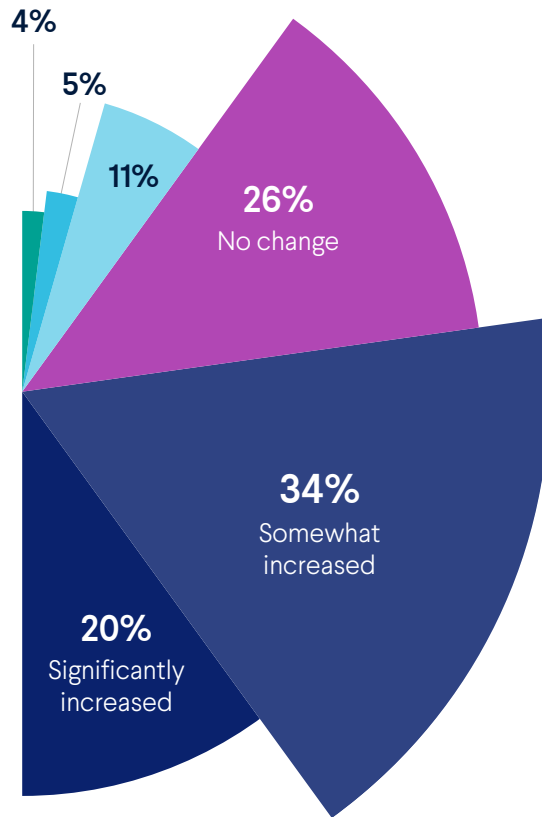
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 ● Significantly increased



FRAUD PAIN POINT #5: REFUND ABUSE

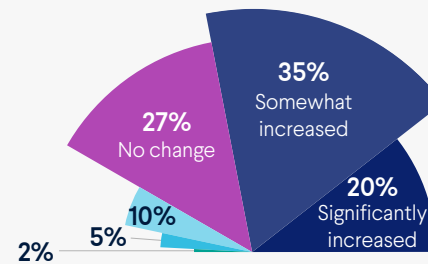
“HOW HAS EACH OF THESE FRAUD TYPES CHANGED AT YOUR COMPANY IN THE PAST 12 MONTHS?”
REFUND ABUSE”

OVERALL

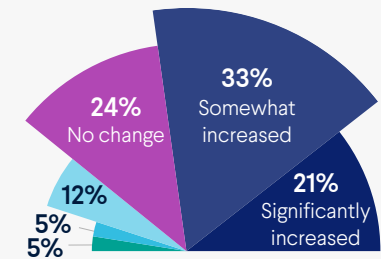


PER SECTOR

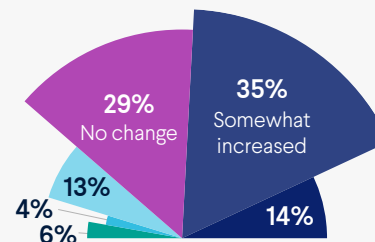
RETAIL



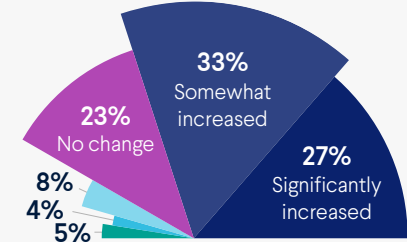
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DIGITAL GOODS



MARKETPLACES



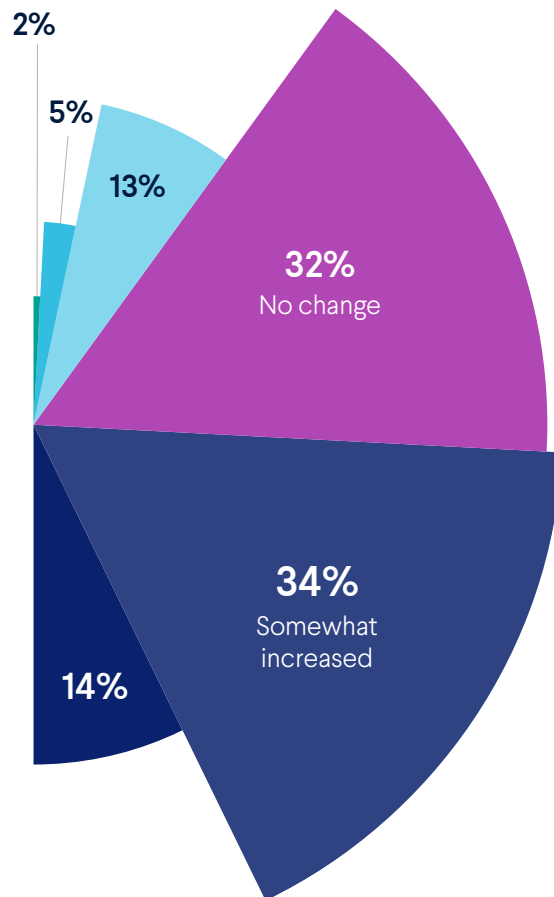
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FRAUD PAIN POINT #6: SUPPLIER, PARTNER & SELLER FRAUD

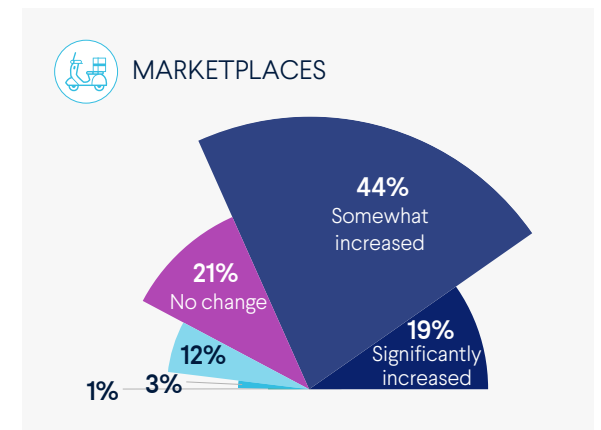
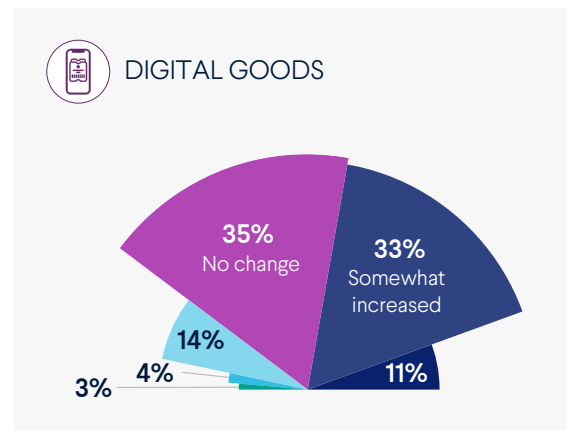
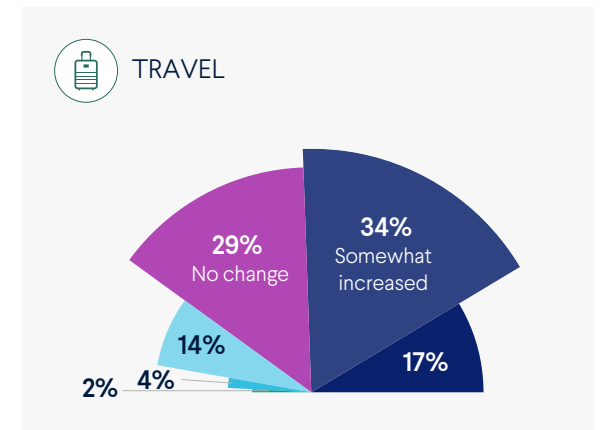
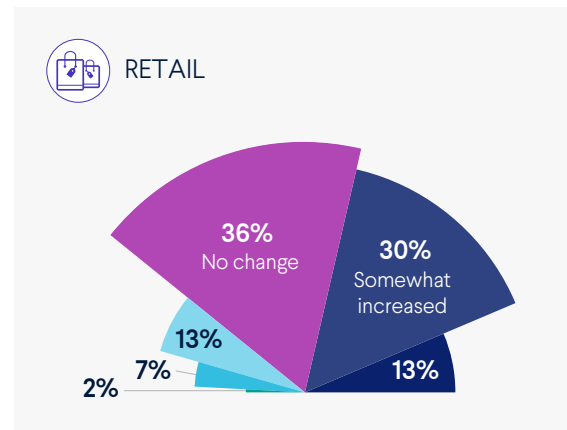


“HOW HAS EACH OF THESE FRAUD TYPES CHANGED AT YOUR COMPANY IN THE PAST 12 MONTHS?
SUPPLIER, PARTNER OR SELLER FRAUD”

OVERALL



PER SECTOR

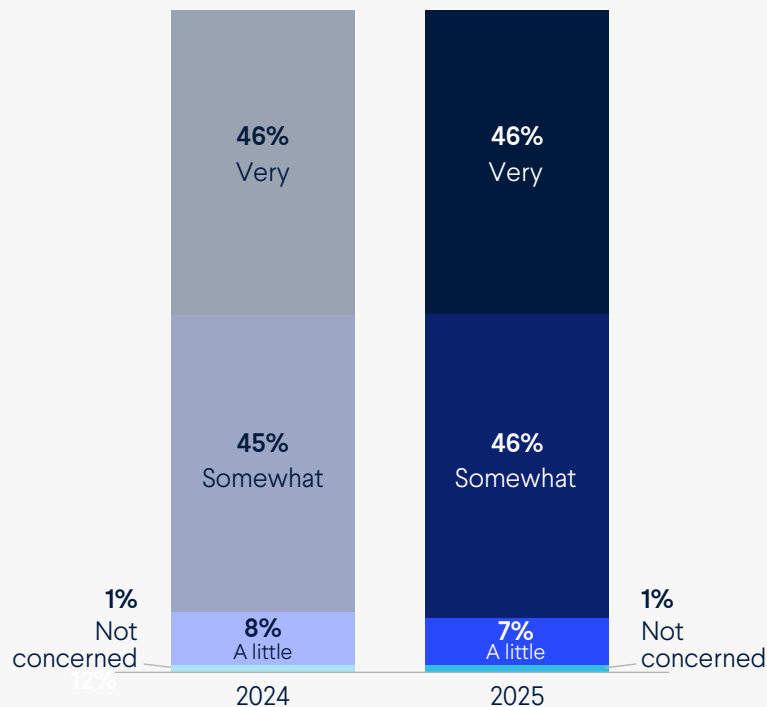


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 ● Somewhat increased
 ● Significantly increased

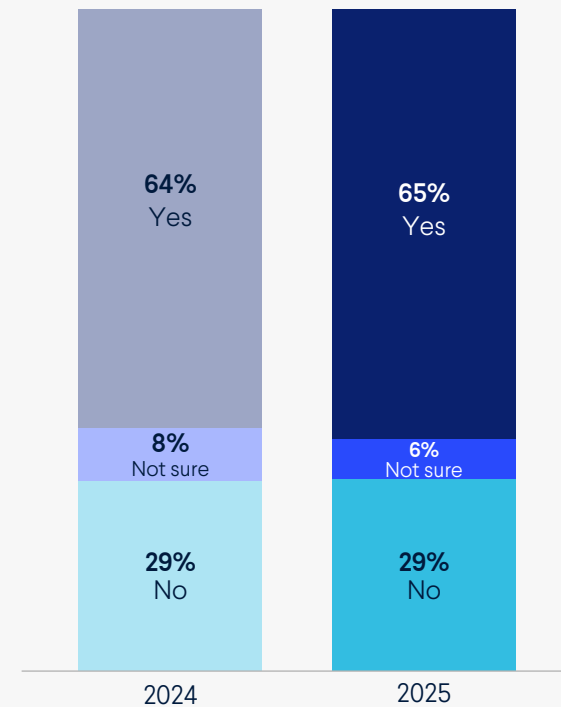
AI FRAUD TRENDS: AI USE BY FRAUDSTERS

Little change has been noted in AI fraud trends since last year – with more than **6 in 10 merchants confident they have been attacked** by fraudsters using artificial intelligence.

"ARE YOU CONCERNED ABOUT FRAUDSTERS USING AI TO ATTACK YOU/YOUR CUSTOMERS?"



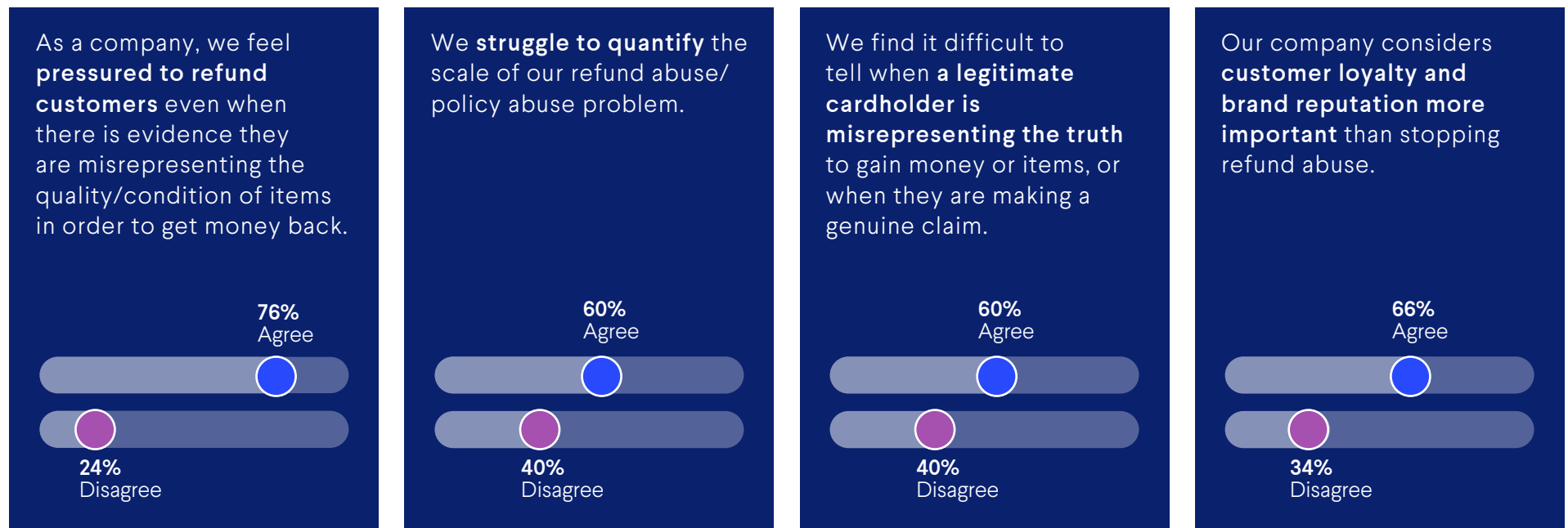
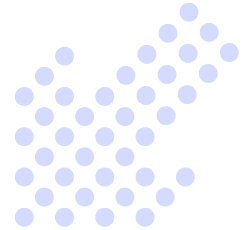
"ARE YOU AWARE OF ANY FRAUDULENT ACTIVITY INVOLVING AI ATTEMPTED AGAINST YOU/YOUR CUSTOMERS IN THE PAST YEAR?"



**Examples of AI technology presented to survey participants included large language models (LLMs), machine learning (ML), and synthetic IDs.*

ATTITUDES TO REFUNDS AND RETURNS

“THINKING ABOUT THE FRAUD YOUR COMPANY HAS EXPERIENCED OVER THE PAST 12 MONTHS, DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?”



We wanted to gauge how merchants feel about refunds and how refund abuse protection might impact the loyalty and satisfaction of good customers. Participants were asked to state their agreement or disagreement with relevant thoughts we’ve heard from fraud managers before.

More than 8 in 10 merchants feel pressured to refund customers despite reasonable suspicions of abuse. Moreover, **brand loyalty and reputation are regarded by the majority as a deterrent** to efficient refund abuse prevention.

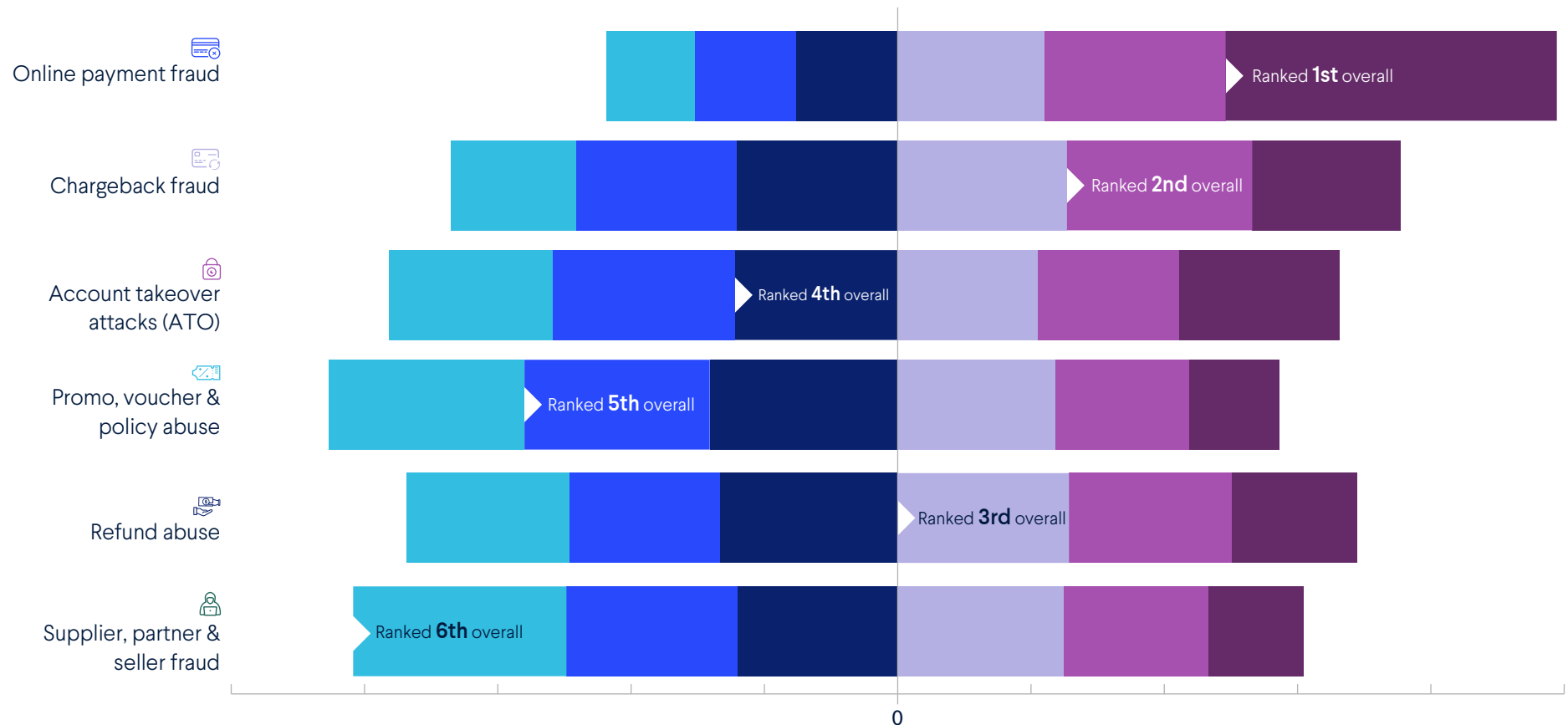
“This is a false dilemma. A good refund abuse solution actually increases the loyalty and satisfaction of good customers instead of introducing friction.”



Martin Sweeney, CEO at Ravelin

WORST TYPES OF FRAUD

“ON AVERAGE, WHICH OF THESE TYPES OF FRAUD HAVE THE WORST IMPACT ON YOUR BUSINESS?”



Merchants continue to rank **payment fraud at number one**, which is also closely linked to fraudulent chargebacks at no 2.

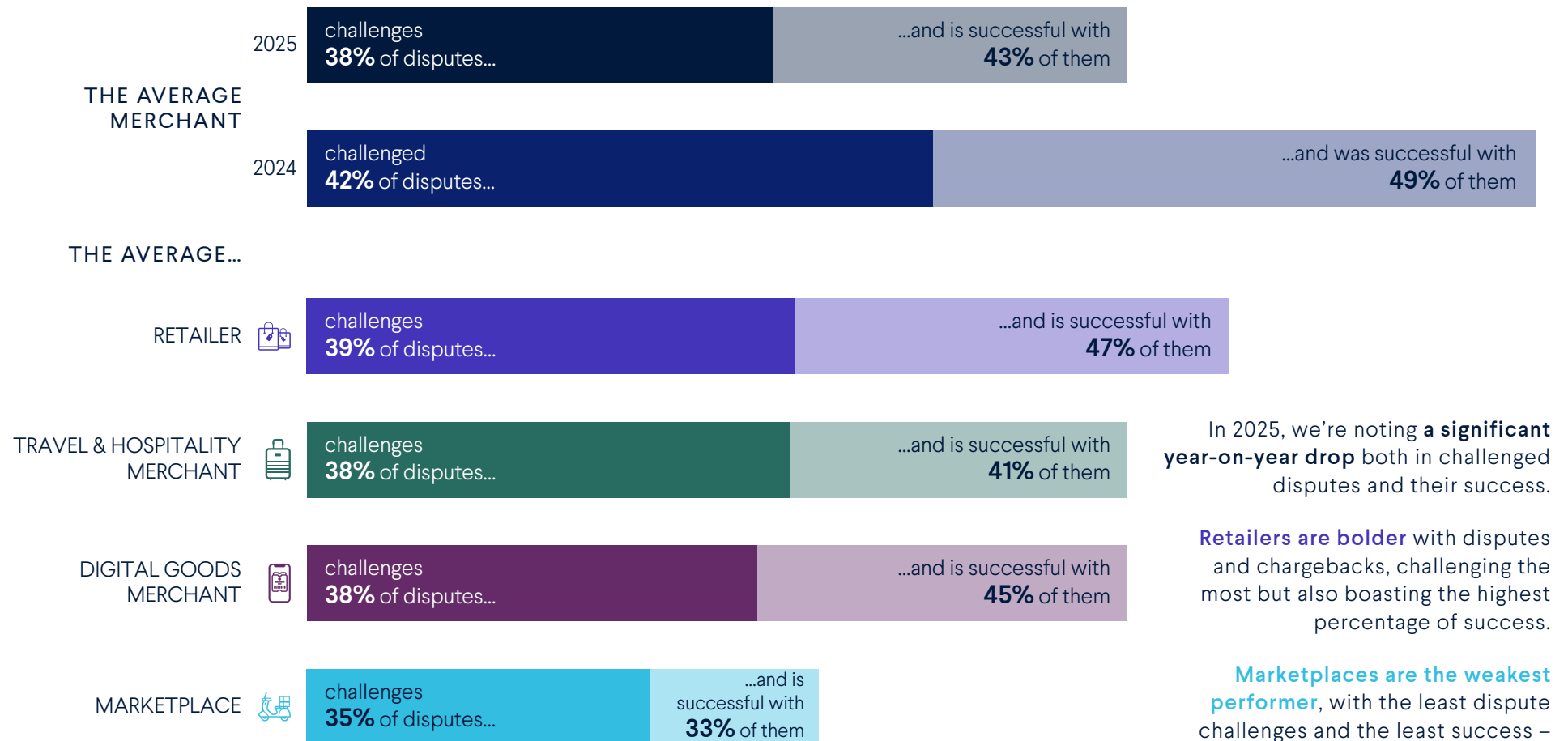
Refund abuse is certainly attracting attention at number three, however, while supplier fraud is also rearing its head – in the last place but still ranked high by many.

● Ranked 1st
● Ranked 2nd
● Ranked 3rd
● Ranked 4th
● Ranked 5th
● Ranked 6th

TRENDS IN CHARGEBACKS AND DISPUTES

“ON AVERAGE, WHAT PERCENTAGE OF CHARGEBACK REQUESTS DO YOU CHALLENGE?”

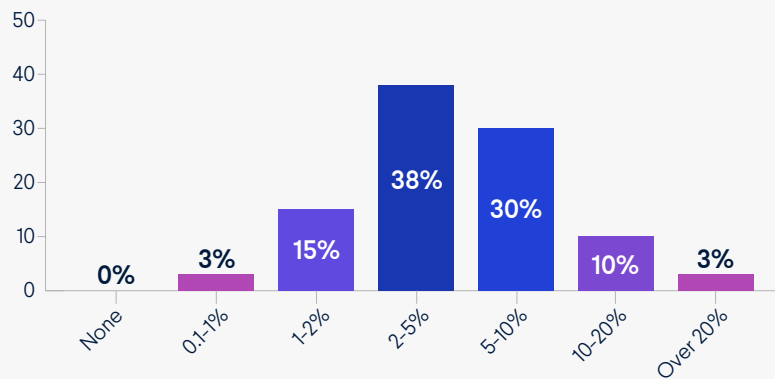
“ON AVERAGE, HOW SUCCESSFUL ARE YOU WITH THE CHARGEBACK REQUESTS YOU CHALLENGE?”



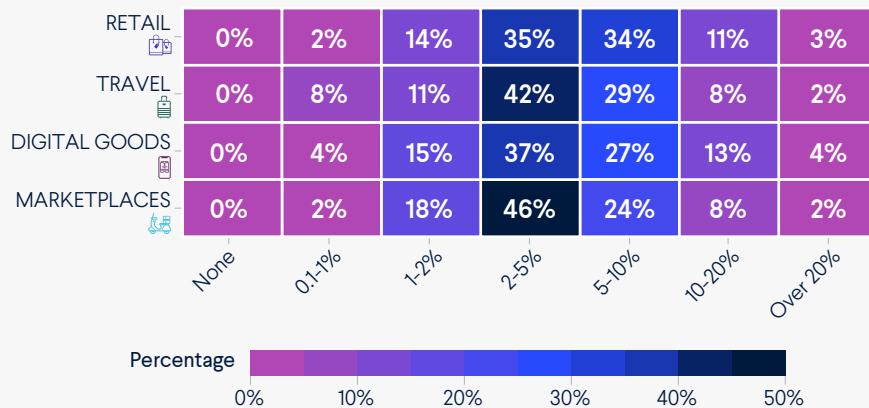
TRENDS IN REFUNDS & REFUND ABUSE

“IN THE PAST 12 MONTHS, WHAT PERCENTAGE OF YOUR SALES DID YOU RECEIVE REFUND REQUESTS ON?”

OVERALL

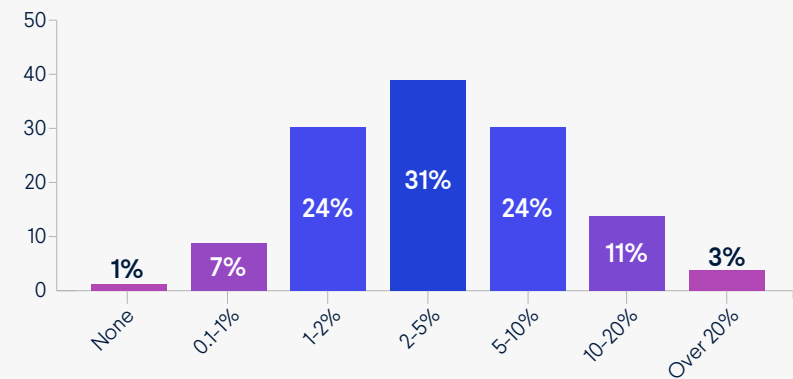


PER SECTOR

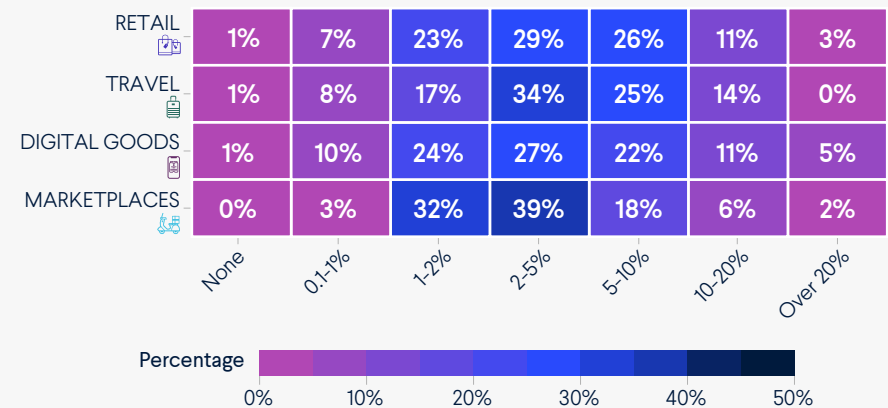


“IN THE PAST 12 MONTHS, WHAT PERCENTAGE OF ALL RETURNS OR REFUNDS DO YOU ESTIMATE TO BE A RESULT OF POLICY ABUSE?”

OVERALL



PER SECTOR



FIRST-PARTY FRAUD & ABUSE TRENDS

“HAVE YOU NOTICED A CHANGE IN CUSTOMER/LEGITIMATE CARDHOLDER BEHAVIOR OVER THE PAST 12 MONTHS?”

We’re seeing a **year-on-year increase in the number of merchants facing first-party fraud.**

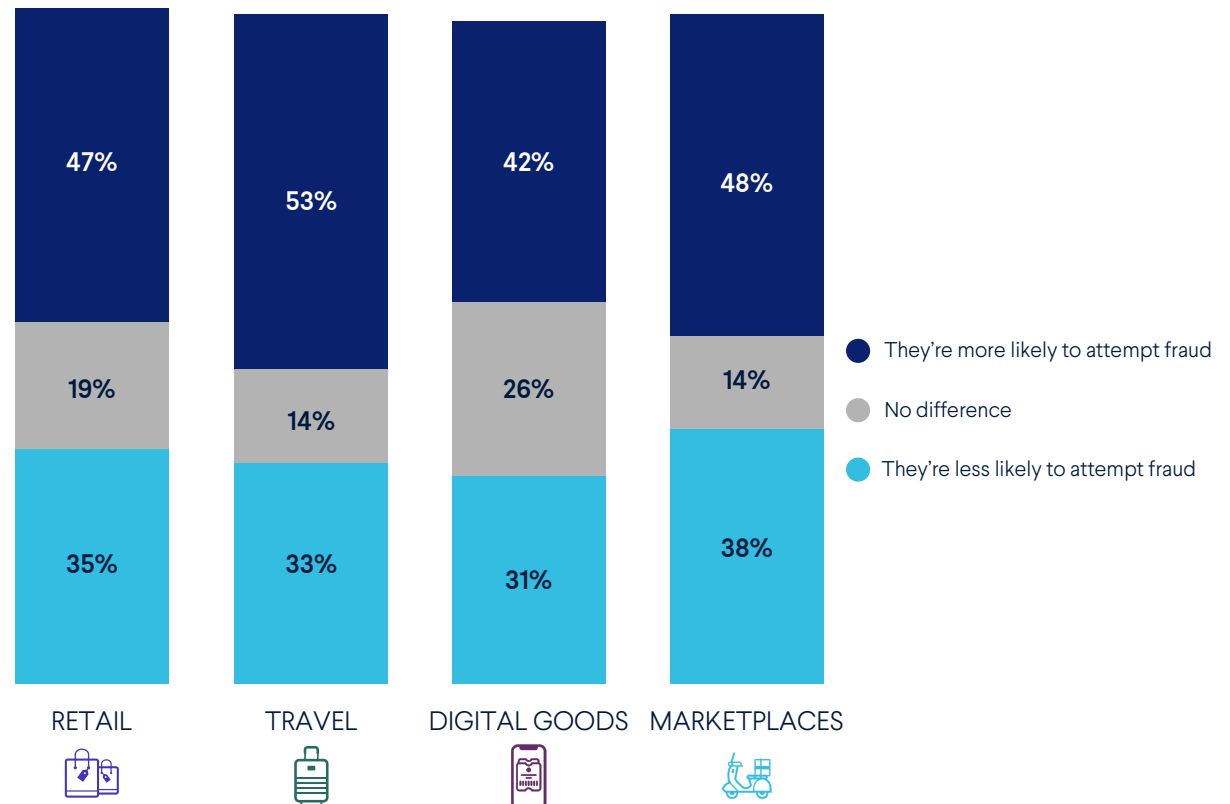
More than half of Travel & Hospitality merchants say that customers are more likely to demonstrate fraudulent behavior. In **Digital Goods**, **one-fourth have not noticed a difference** in cardholder behavior.

Generally speaking, however, results are similar across the four ecommerce sectors we’ve surveyed.

OVERALL



PER SECTOR 2025 RESPONSES



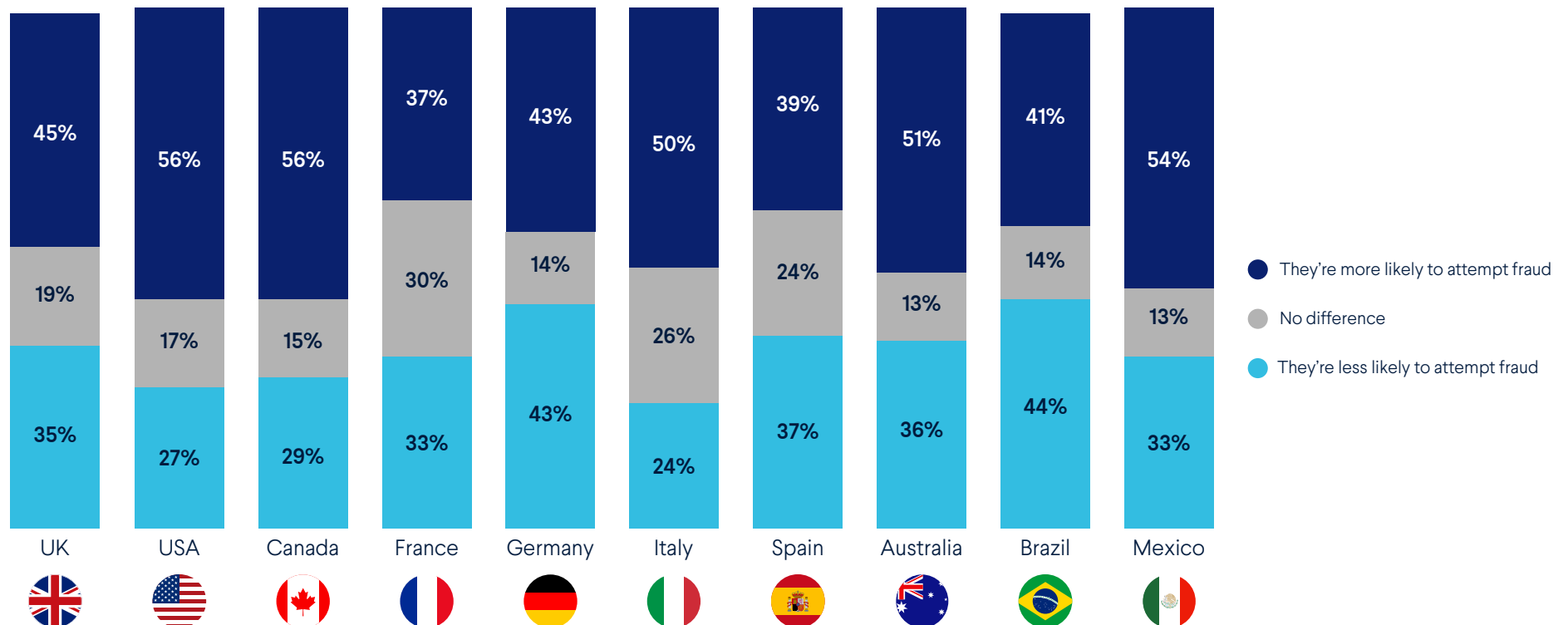
“HAVE YOU NOTICED A CHANGE IN CUSTOMER/LEGITIMATE CARDHOLDER BEHAVIOR OVER THE PAST 12 MONTHS?”

Performing best is France, where less than 4 in 10 merchants have seen first-party fraud increase. France, Germany, Italy and Spain range from 39% to 50% – with **fraudulent UK cardholder behavior rising more than anywhere else** (45%).

Across the pond, there’s a more pronounced increase in friendly fraud, with 56% in both the US and Canada finding consumers more likely to attempt it. Mexico comes in third place with 54%.

On the other hand, the majority of Brazilian merchants say consumers are less likely to demonstrate fraudulent behavior. In fact, it’s **the only country where consumers are less likely than before to commit fraud**.

PER COUNTRY 2025 RESPONSES



FRIENDLY VS PROFESSIONAL FRAUD: PERCEIVED LEVELS OF THREAT

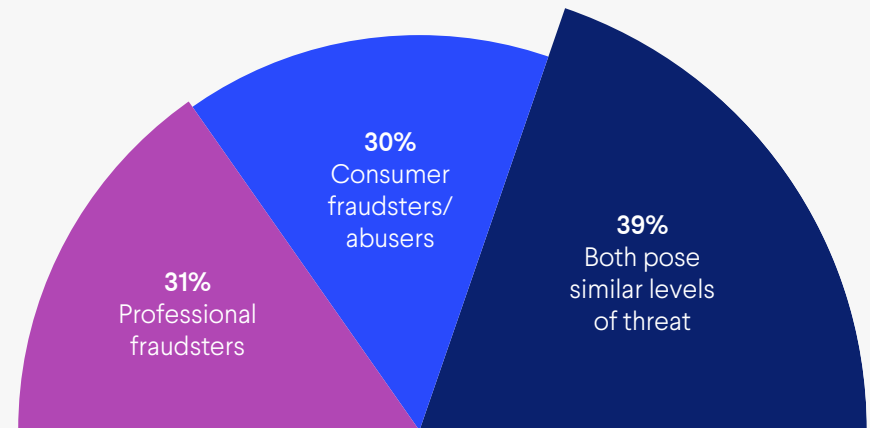
Most merchants in our survey believe that **consumers pose as much threat as professional fraudsters.**

“HOW MUCH OF A THREAT DO THESE ACTIVITIES POSE (TO GROWTH, REVENUE, ANY METRIC THAT MATTERS TO YOUR COMPANY)?”

THREAT RANKING FOR THE AVERAGE MERCHANT

- 1  The use of stolen cards by fraudsters
- 2  False claims for chargebacks by consumers
- 3  False claims for refunds by consumers
- 4  Account takeover attempts by criminals
- 5  Promo abuse by consumers
- 6  Supplier fraud by criminals

“OF THE FOLLOWING, WHO POSES MORE OF A THREAT TO YOUR COMPANY?”



Stolen cards and chargebacks feature high across all four verticals.

Account takeovers are considered a bigger threat in Digital Goods and Marketplaces – but not as much by the other two sectors.

Travel & Hospitality seems to be **struggling with promo abuse.**

Supplier fraud ranks higher than was perhaps expected for Travel and Digital Goods.

Retail is facing more of a surge in first-party fraud, with refund and chargeback-focused abuse featuring highly.

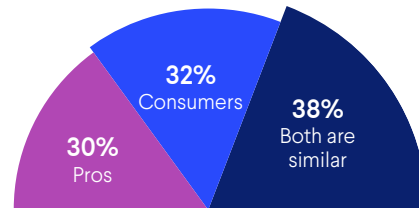


RETAIL

PERCEIVED THREAT HIERARCHY

- 1 The use of stolen cards by fraudsters
- 2 False claims for chargebacks by consumers
- 3 False claims for refunds by consumers
- 4 Account takeover attempts by criminals
- 5 Promo abuse by consumers
- 6 Supplier fraud by criminals

FRAUDSTER VS CONSUMER FRAUD THREAT PERCEPTION

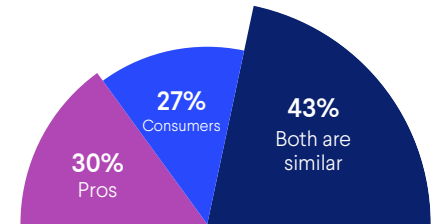


TRAVEL

PERCEIVED THREAT HIERARCHY

- 1 The use of stolen cards by fraudsters
- 2 Promo abuse by consumers
- 3 Supplier fraud by criminals
- 4 False claims for refunds by consumers
- 5 False claims for chargebacks by consumers
- 6 Account takeover attempts by criminals

FRAUDSTER VS CONSUMER FRAUD THREAT PERCEPTION

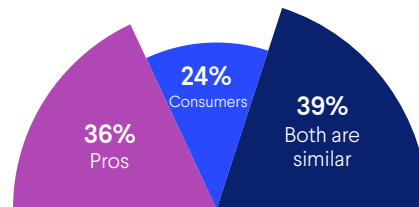


DIGITAL GOODS

PERCEIVED THREAT HIERARCHY

- 1 The use of stolen cards by fraudsters
- 2 Account takeover attempts by criminals
- 3 False claims for refunds by consumers
- 4 Supplier fraud by criminals
- 5 Promo abuse by consumers
- 6 False claims for chargebacks by consumers

FRAUDSTER VS CONSUMER FRAUD THREAT PERCEPTION

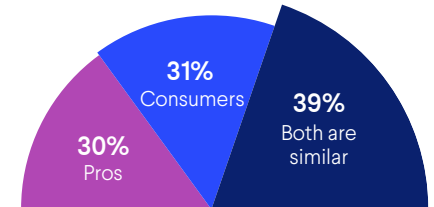


MARKETPLACES

PERCEIVED THREAT HIERARCHY

- 1 Account takeover attempts by criminals
- 2 False claims for refunds by consumers
- 3 The use of stolen cards by fraudsters
- 4 False claims for chargebacks by consumers
- 5 Supplier fraud by criminals
- 6 Promo abuse by consumers

FRAUDSTER VS CONSUMER FRAUD THREAT PERCEPTION



SECTION C

FIGHTING FRAUD

Here, we focus on the tactics, tools and strategies merchants use to detect and prevent ecommerce fraud.

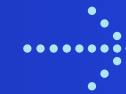
What works? What doesn't? What stops fraud teams from fighting fraud more efficiently?

We'll also explore that all-important question: Is it better to have stronger security but subject customers to friction, or to enable smooth checkouts but risk fraud slipping through?



87% of merchants

use AI against fraudsters



Fraud teams

eager to block – but
C-suites want balance



Almost 8 in 10

think we should do more to
stop fraud



**Friction/customer
churn**

the top blocker for fraud
prevention

ANTI-FRAUD TECHNOLOGY

“WHICH OF THE FOLLOWING TOOLS DO YOU FIND MOST EFFECTIVE FOR FIGHTING FRAUD?”

Two-factor authentication

59%

Machine learning

48%

Device ID/Device fingerprinting

40%

IP analysis

37%

Link analysis/
Graph networks

29%

Rules engine

24%

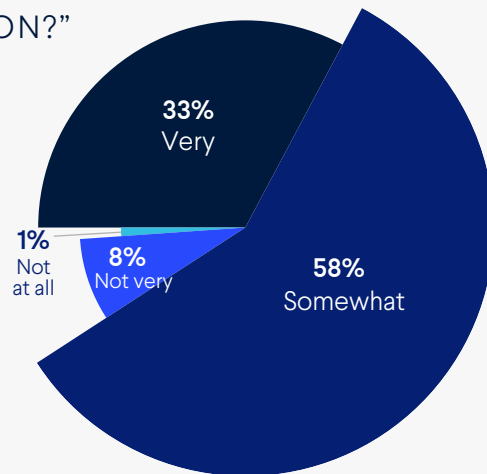
Behavioral analysis

18%

Consortium data

16%

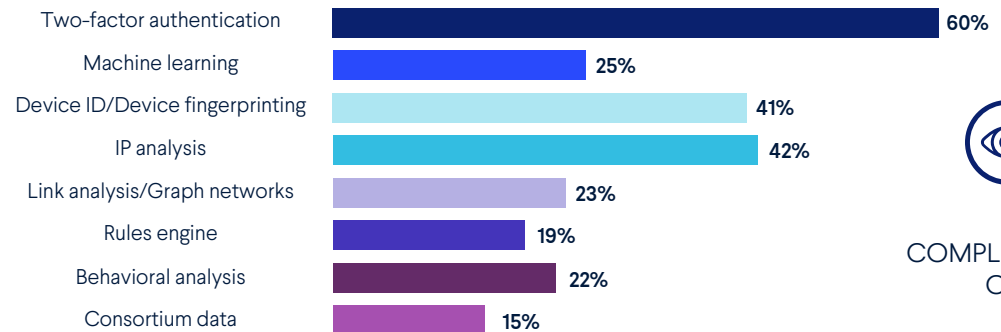
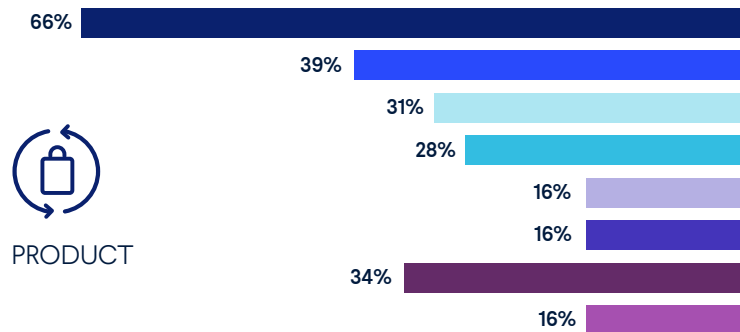
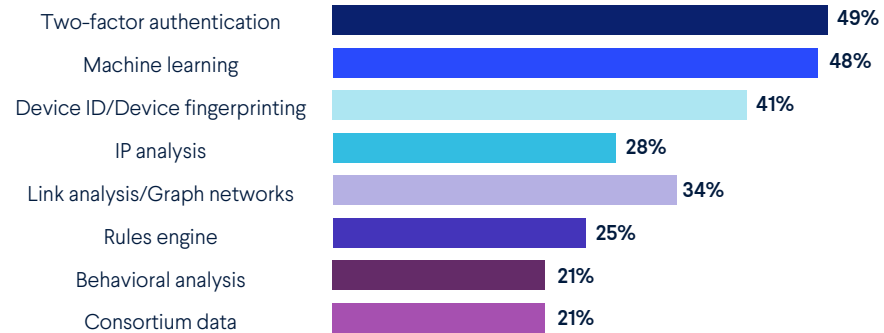
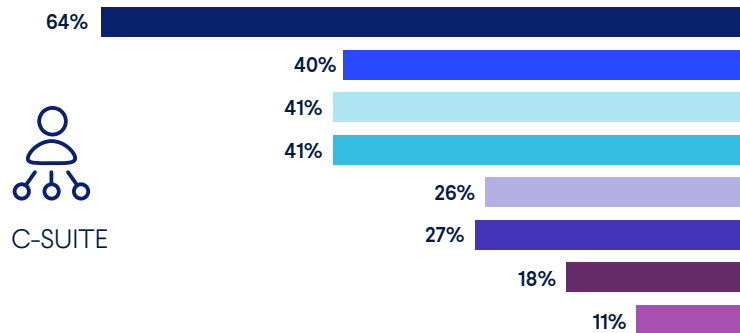
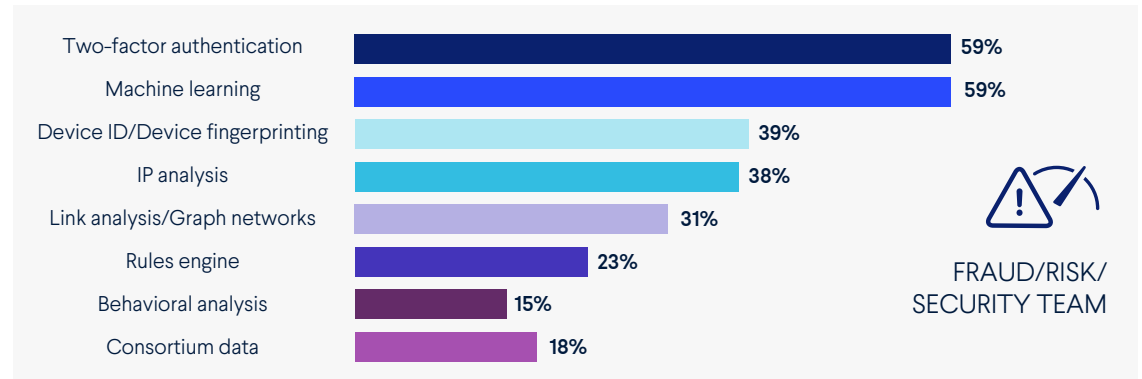
“HOW SATISFIED ARE YOU WITH YOUR CURRENT FRAUD PREVENTION SOLUTION?”



PERCEIVED TOOL EFFECTIVENESS BY TEAM

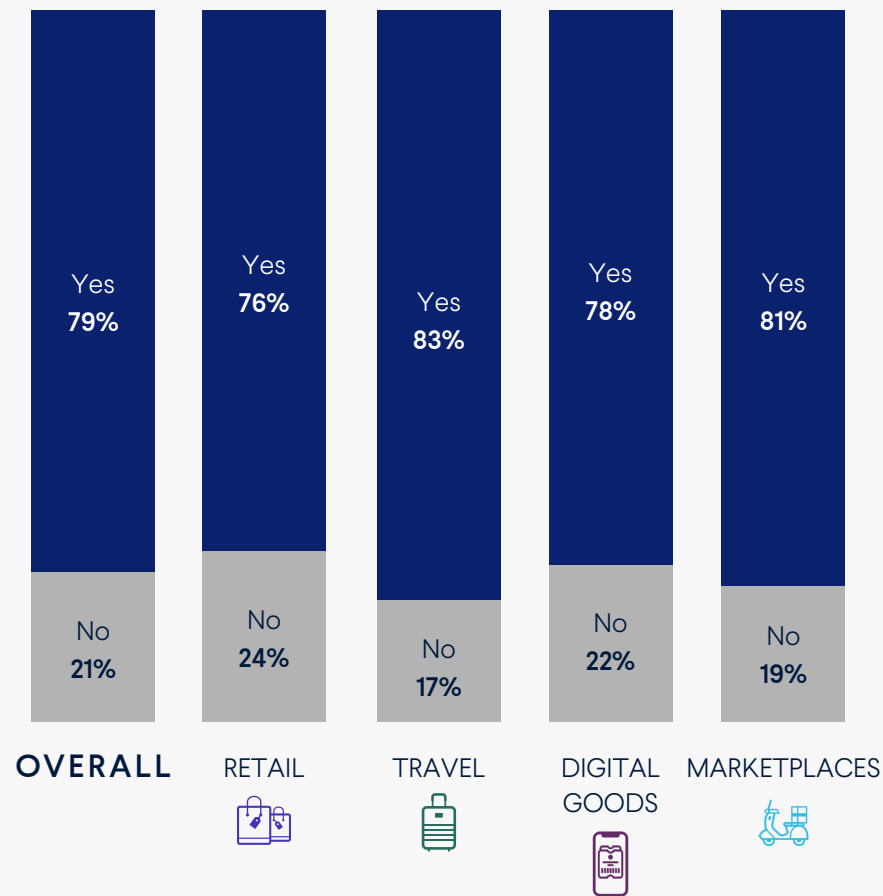
More than half of merchants consider 2FA/MFA and machine learning crucial.

Device fingerprinting and IP analysis also featured high.

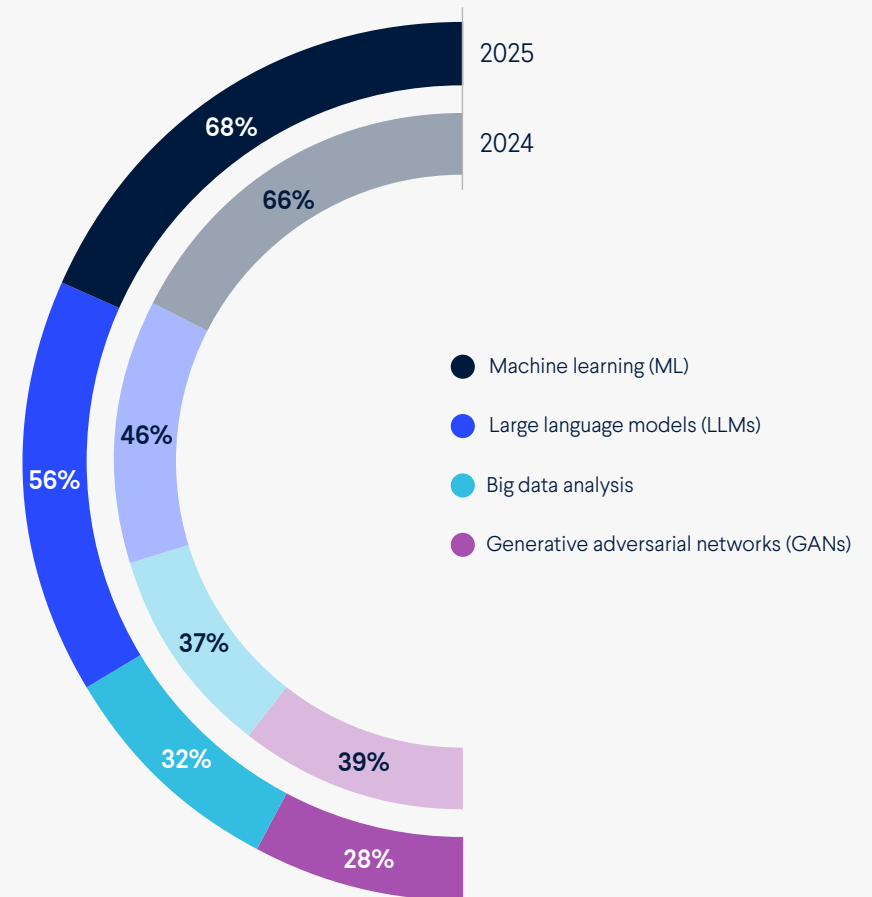


AI IN FRAUD PREVENTION

“ARE YOU CURRENTLY USING MACHINE LEARNING (ML), LARGE LANGUAGE MODELS (LLMs) OR ANY OTHER AI TECH TO DETECT/PREVENT FRAUD?”



“WHICH OF THESE TYPES OF AI DO YOU CONSIDER USEFUL IN THE FIGHT AGAINST FRAUD?”



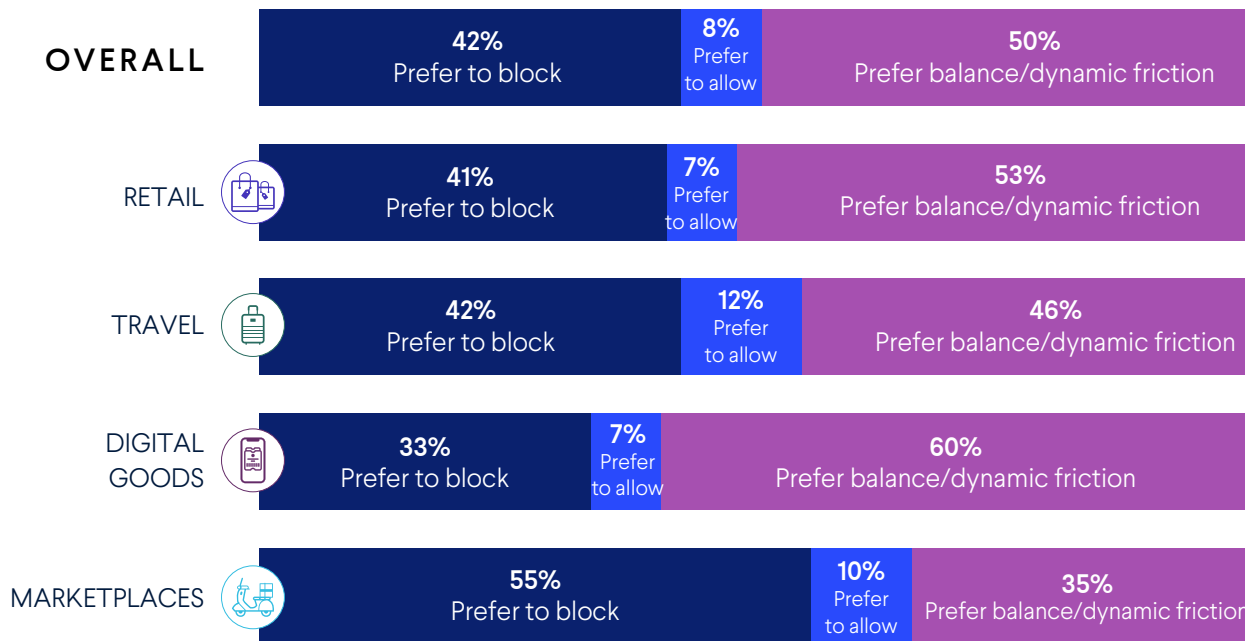
FRICITION VS SECURITY: A MERCHANT'S DILEMMA

“WHERE DO YOU STAND ON FRICTION VS SECURITY WHEN IT COMES TO ONLINE PURCHASES?”

I prefer to **block** as many fraudsters as possible, even if it means introducing friction into the journey of legitimate customers (potentially affecting customer loyalty and satisfaction)

I prefer to **allow** as many customers as possible, even if it means letting some fraudsters get away with it (potentially affecting revenue)

I prefer a balance of the two/**dynamic friction**



Interesting results here, with our different ecommerce verticals showing a lot of variation.

Online Marketplaces are more aggressive when blocking fraudsters, with dynamic friction also having the lowest score in this category. Is it lack of awareness or difference in strategy that caused this?

Meanwhile, Retailers have the highest investment in dynamic friction and Travel & Hospitality have the highest allow rate. Keep in mind that **a high allow rate is ultimately the result of efficient fraud prevention strategy** – so these merchants might either be more forgiving of fraud or more confident in their fraud prevention.



“WHERE DO YOU STAND ON FRICTION VS SECURITY WHEN IT COMES TO ONLINE PURCHASES?”

We’ve also compared the answers of each team in an effort to better understand the level of alignment. Not surprisingly, **members of the Fraud team are the most heavy-handed**, preferring to block potential fraud and erring on the side of caution.

Of the five teams surveyed, **Payments are the most open to allowing more customers**, even if that means letting some fraudsters get away.

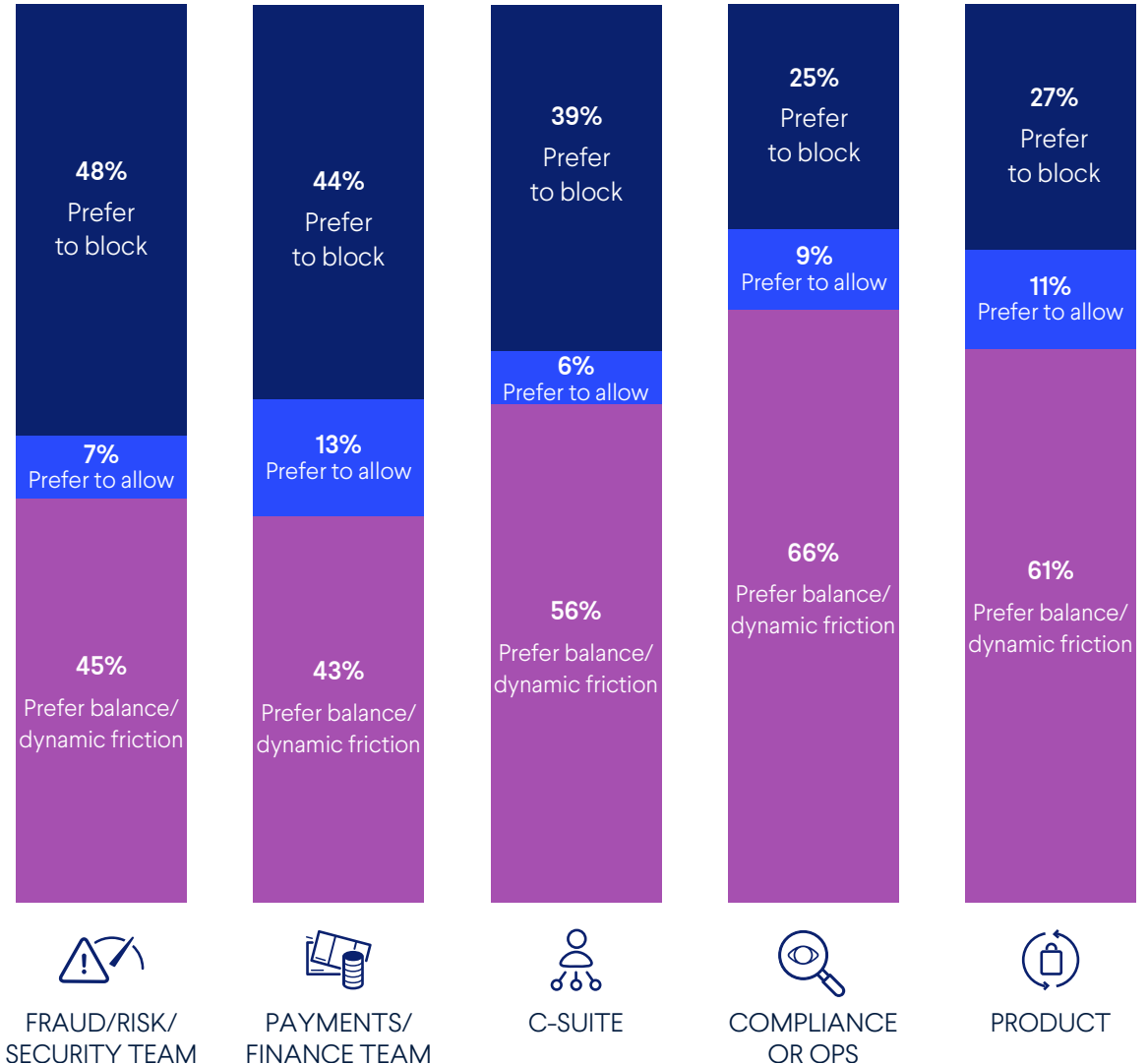
C-suite, Compliance and Product are more invested in finding a balance between customer experience and security, expressing a preference for dynamic friction.



“Consider these results as a starting point to dialogue and cross-department collaboration. Align, educate and consider meeting your colleagues half-way with your fraud strategy, to achieve buy-in.”

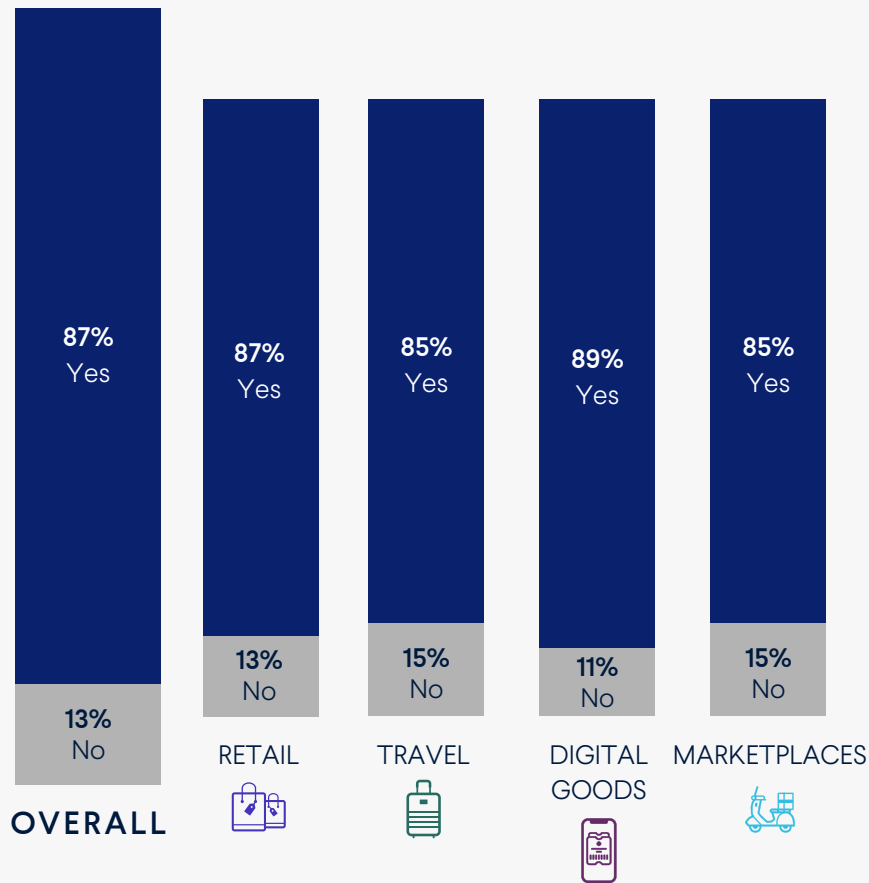
Mairtin O’Riada
Co-Founder & COO at Ravelin

BY TEAM

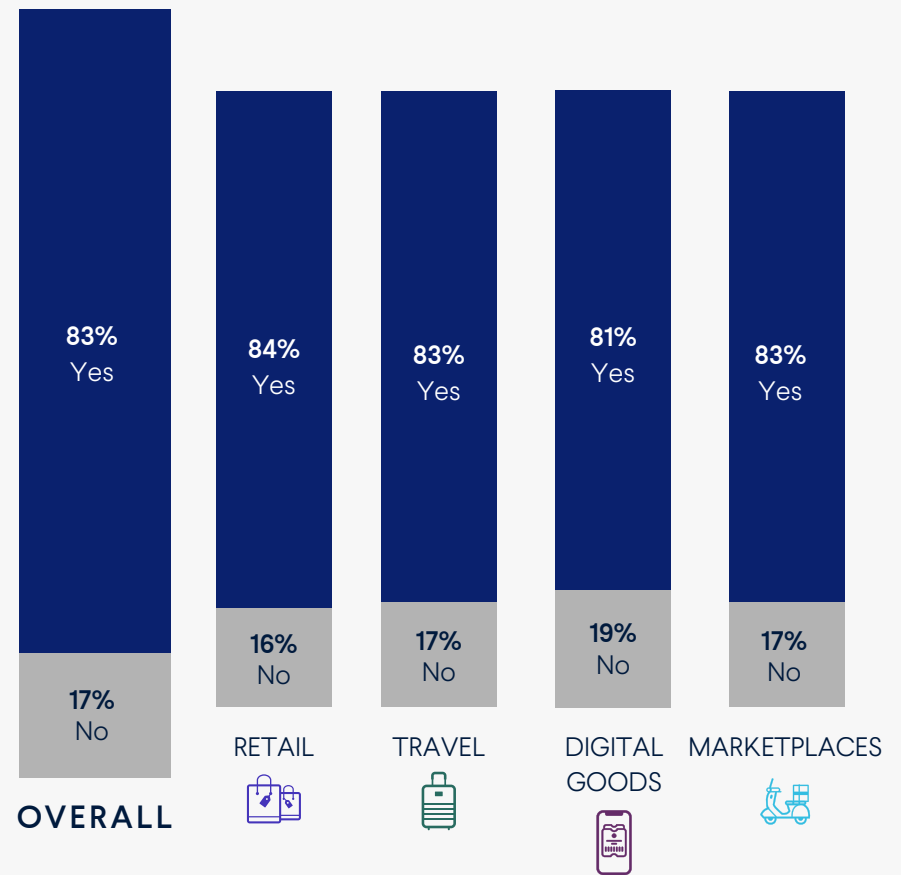


APPROACHES TO REFUNDS & RETURNS

“ARE QUICK AND SEAMLESS REFUNDS IMPORTANT TO YOUR BUSINESS MODEL AND/OR CUSTOMERS?”



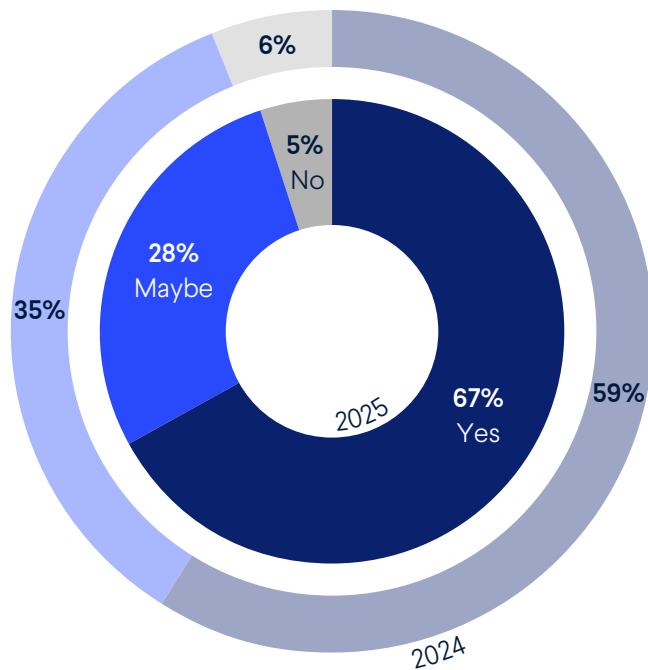
“DO YOU USE TECHNOLOGY TO ASSESS WHICH CUSTOMERS ARE TRUSTWORTHY TO BETTER MANAGE THEIR REFUND/RETURNS EXPERIENCE?”



COULD WE TRY HARDER?

“DO YOU BELIEVE YOUR COMPANY SHOULD BE DOING MORE TO BATTLE FRAUD?”

OVERALL

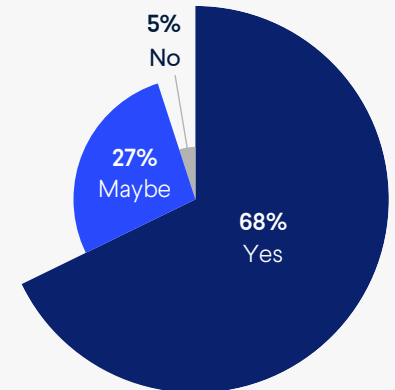
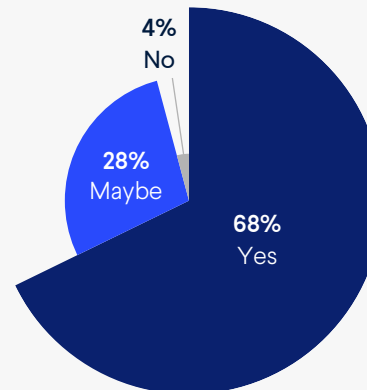
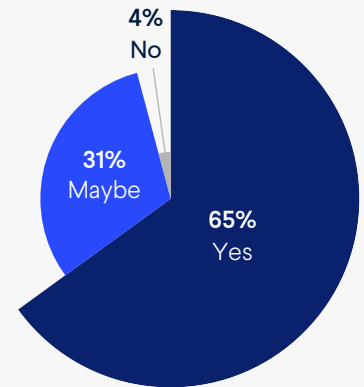
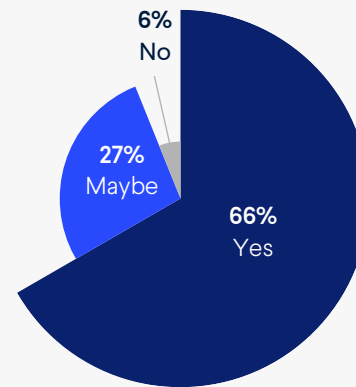


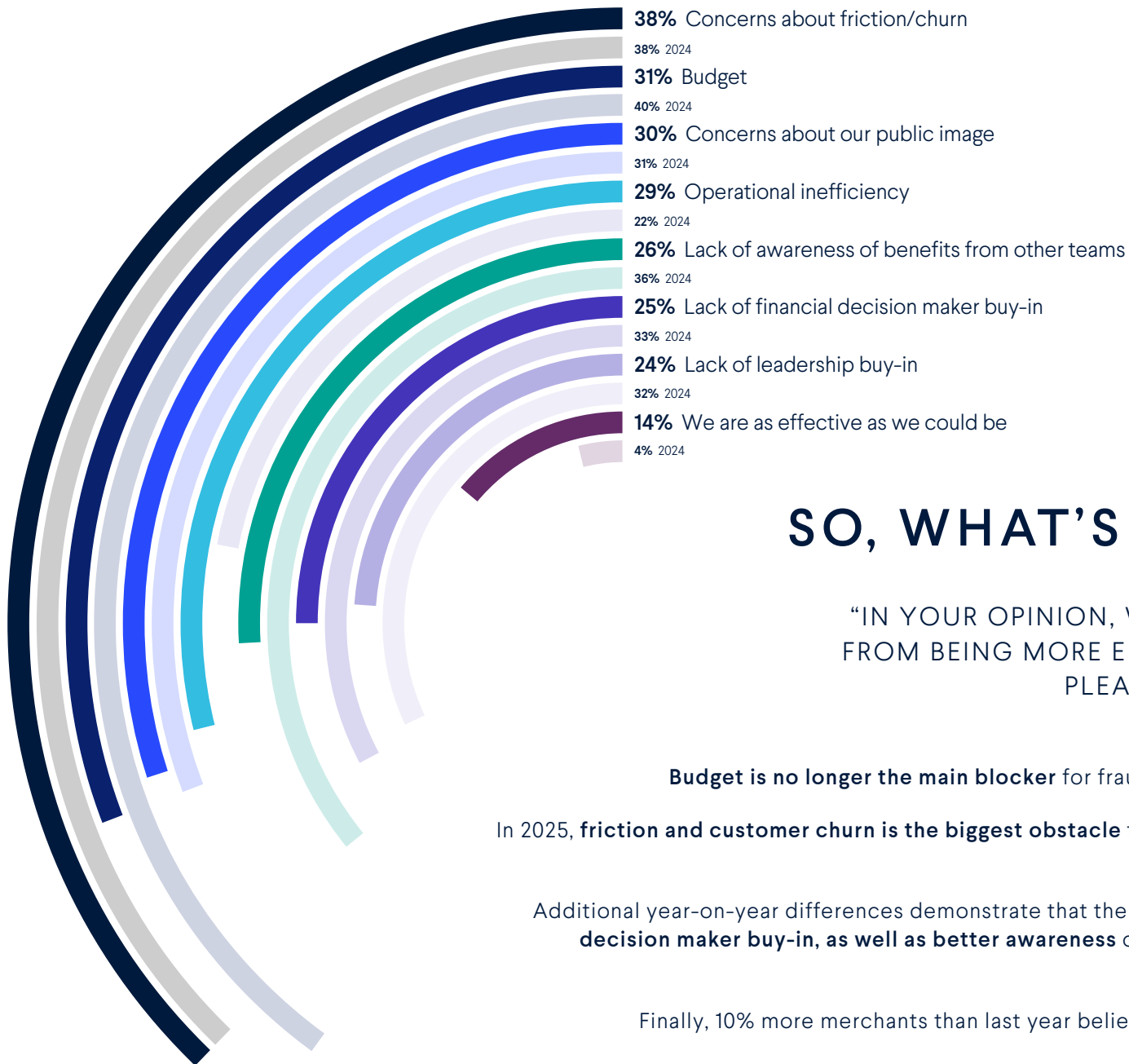
67%

think we should be doing more to combat fraud – a **8% increase** from last year



PER SECTOR





SO, WHAT'S STOPPING US?

“IN YOUR OPINION, WHAT STOPS YOUR COMPANY FROM BEING MORE EFFECTIVE IN FIGHTING FRAUD? PLEASE SELECT UP TO 3 ANSWERS.”

Budget is no longer the main blocker for fraud teams looking to improve their results.

In 2025, **friction and customer churn is the biggest obstacle** to efficient fraud prevention, with 38% of responders choosing it as a blocker.

Additional year-on-year differences demonstrate that there is **now higher leadership and financial decision maker buy-in, as well as better awareness** of the benefits of fraud prevention across organizations.

Finally, 10% more merchants than last year believe they are as effective as they could be.

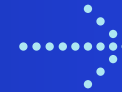
SECTION D

THE FUTURE OF FRAUD

In the final section of our survey, we asked respondents for their opinions and predictions around the short-term future of fraud.

Which sectors are more pessimistic and which expect to have fraud under control? What are their predictions around fraud spend?

We're also presenting some of the most interesting – and the most common – answers to the question “What is the biggest fraud challenge coming up for your company?”, in merchants' own words.



64%

expect fraud to increase in the next year



Marketplaces and Travel

the most pessimistic sectors



81% of merchants

predict a rise in the cost of fraud

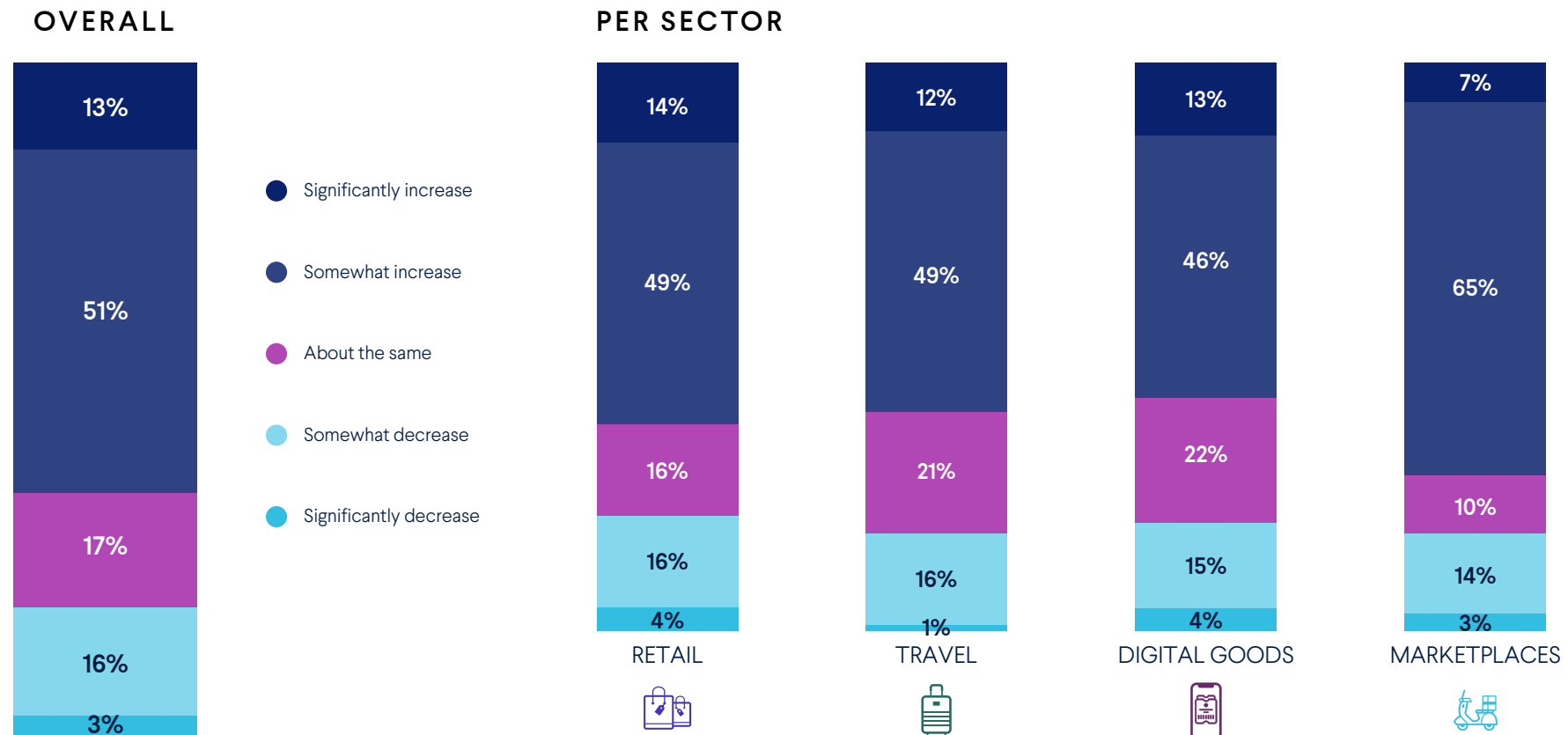


AI and customer fraud

listed as top concerns for the future

FUTURE FRAUD EXPECTATIONS

“DO YOU EXPECT FRAUD AGAINST YOUR COMPANY TO INCREASE OR DECREASE IN THE NEXT 12 MONTHS?”



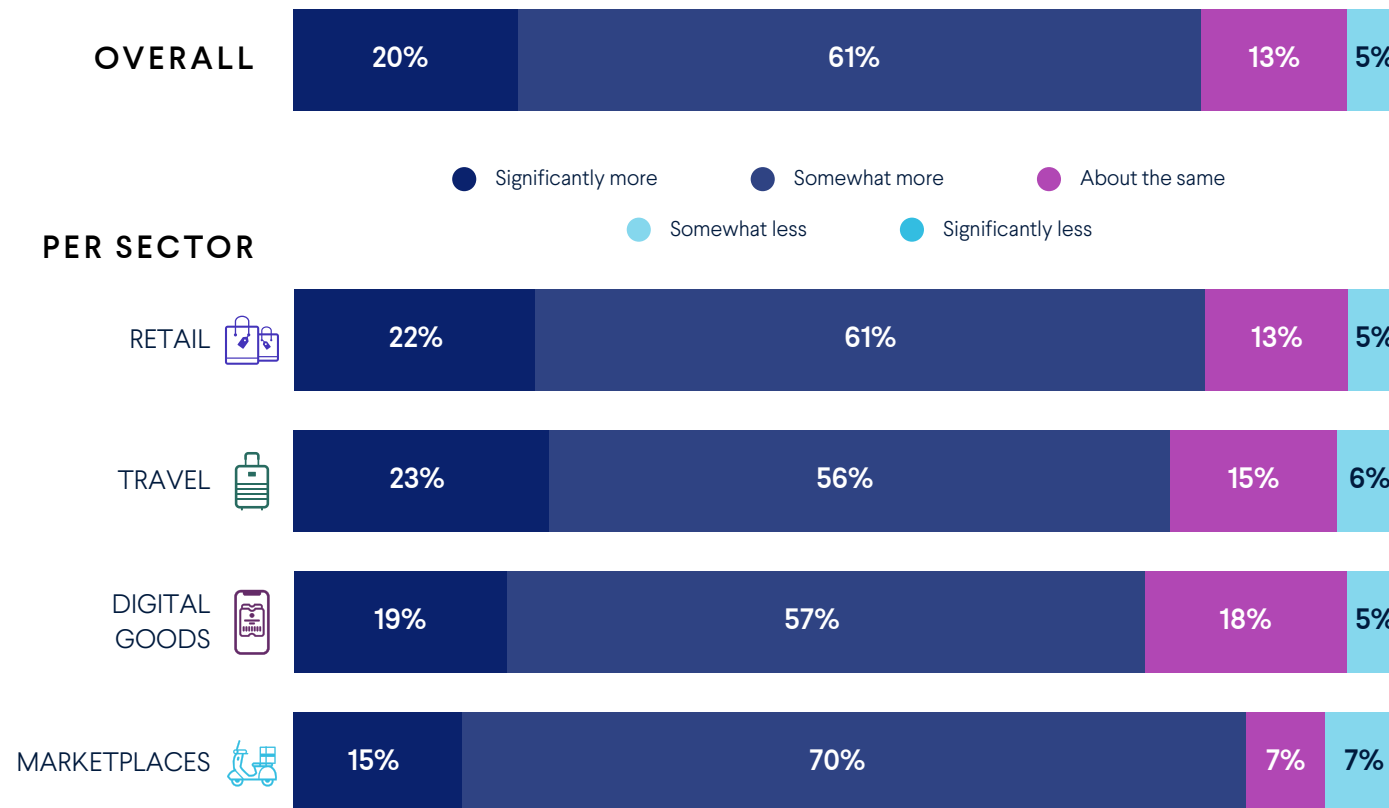
64%
of merchants think
fraud is **set to rise**

Although Marketplaces were the most optimistic sector in our 2024 Survey, this year they are **by far the most pessimistic**, with 72% of merchants responding that they expect an increase in the amount of fraud.

On the other hand, Retailers and those in Digital Goods expect decreases the most (20% each). The Travel & Hospitality sector sits somewhere in the middle in terms of future fraud expectations.

FUTURE FRAUD SPEND

“IN THE NEXT 12 MONTHS, DO YOU EXPECT TO SPEND MORE OR LESS ON COMBATING FRAUD, INCLUDING TOOLS/SOLUTIONS, CONTRACTORS, FRAUD LOSS, RESOURCES, ETC.?”



81%
expect that they'll **spend more on fraud** next year

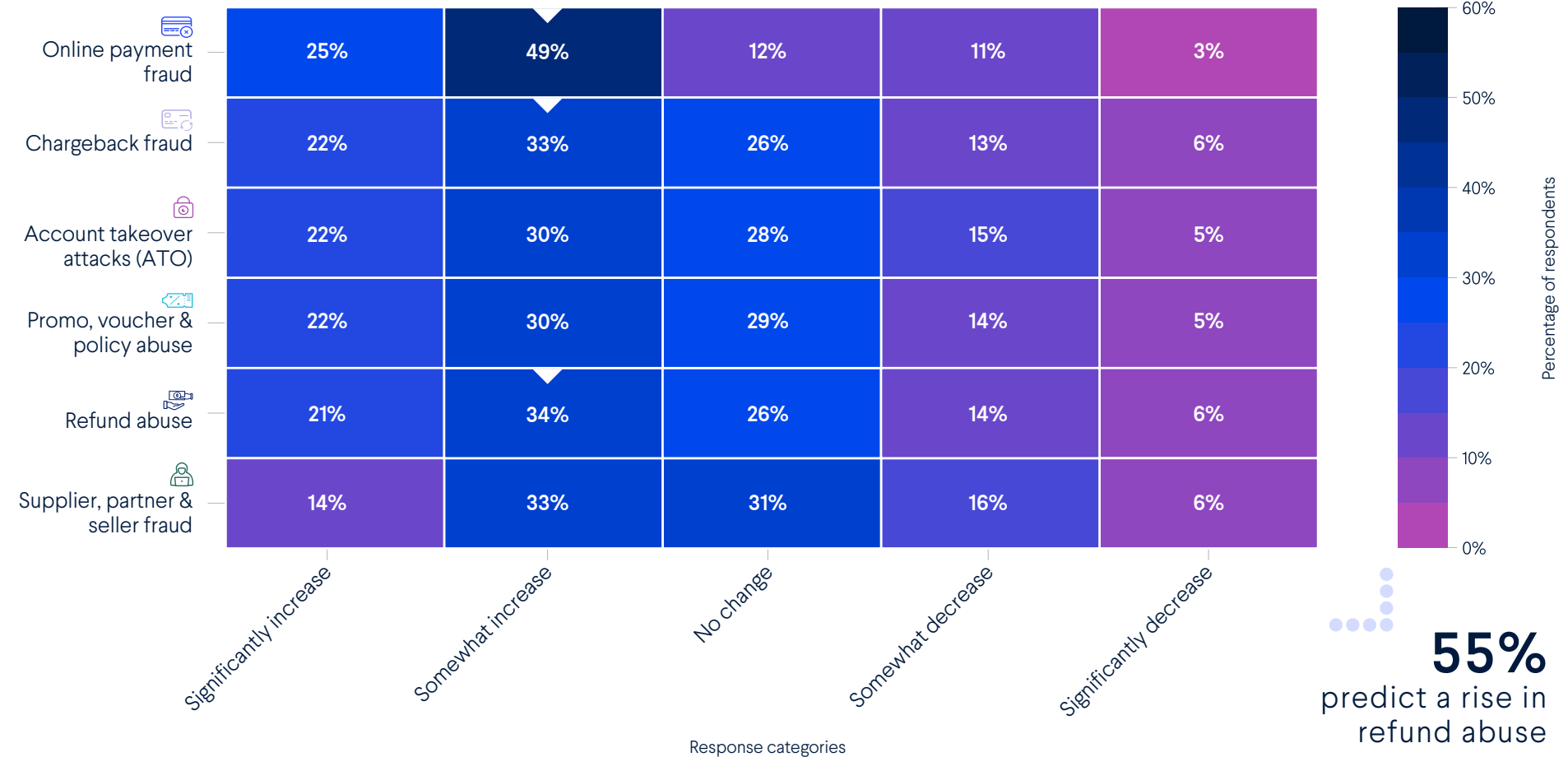
Of our four sectors of ecommerce, Marketplaces stood out with 85% answering “more” or “significantly more”, while Digital Goods had the lowest expectations – still at 79% “more” answers in total.

FUTURE FRAUD TRENDS & TYPES

“WHICH TYPES OF FRAUD DO YOU THINK WILL INCREASE IN THE NEXT 12 MONTHS, AND BY HOW MUCH?”

OVERALL

74%
expect payment fraud to rise



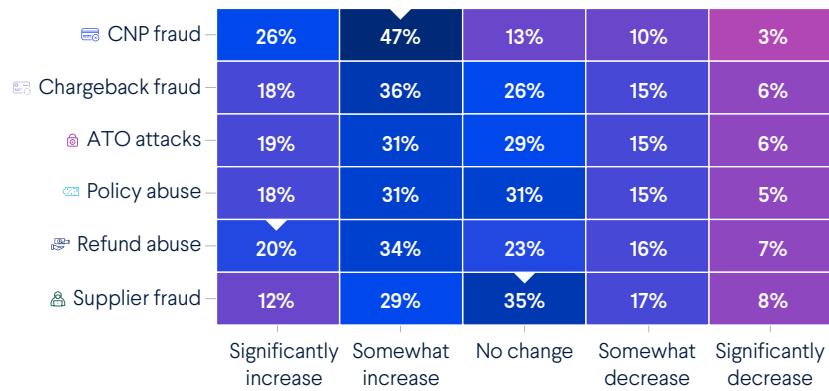


“WHICH TYPES OF FRAUD DO YOU THINK WILL INCREASE IN THE NEXT 12 MONTHS, AND BY HOW MUCH?”

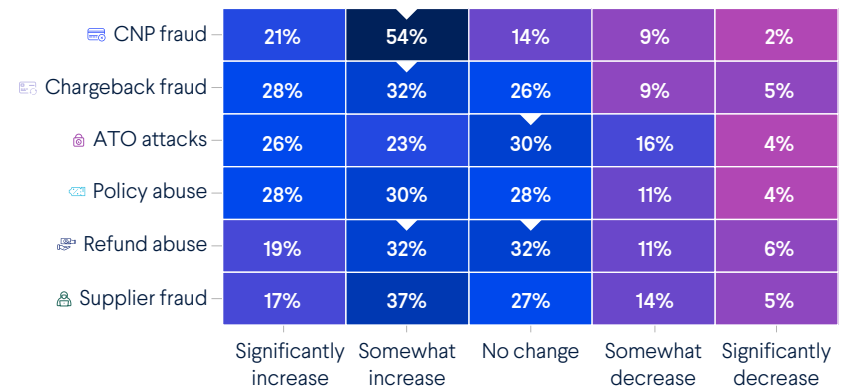
PER SECTOR



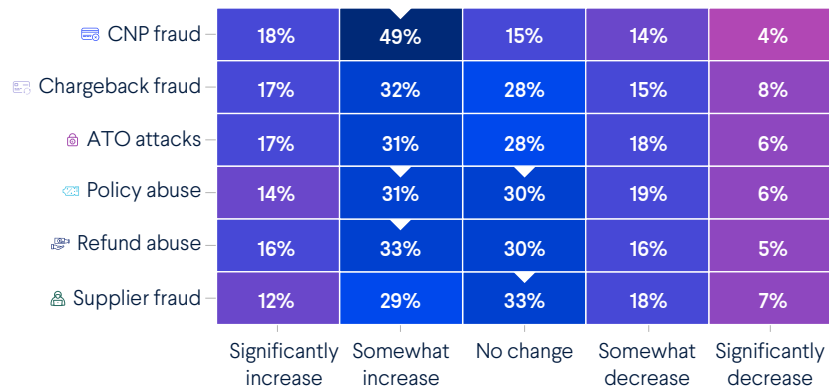
RETAIL



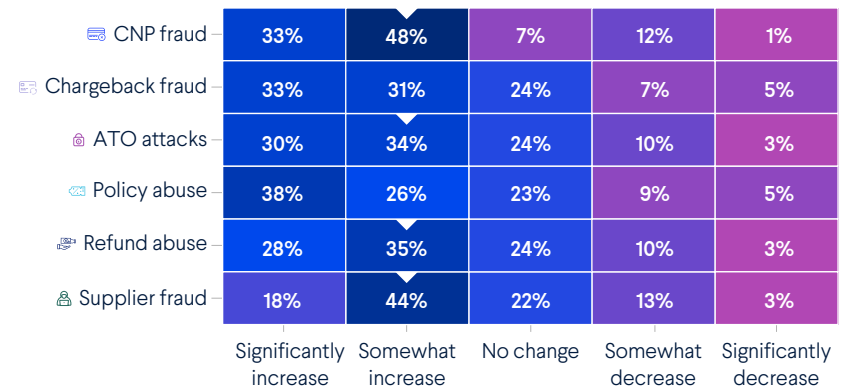
TRAVEL



DIGITAL GOODS



MARKETPLACES



TOP FRAUD ISSUES COMING UP FOR MERCHANTS...

“WHAT DO YOU CONSIDER TO BE THE BIGGEST FRAUD-RELATED CHALLENGE COMING UP FOR YOUR COMPANY?”

Providing an open text field, we asked participants to use their own words to share their predictions about the biggest challenge coming up in fraud.

We generated a word cloud from their answers. We have also chosen some replies that stood out:

“Balancing security measures with customer experience needs”

“Overcoming
internal resistance
to fraud prevention
initiative”

“Opaque refund policies encouraging fraudulent claims”

“More criminals using deepfake technology to commit fraud.”

“We have to protect ourselves and our honest customers.”

“Telling real and fake
refunds apart”



RAVELIN'S CO-FOUNDERS COMMENT ON THE FINDINGS

BY CEO MARTIN SWEENEY, CFO NICK LALLY, AND COO MAIRTIN O'RIADA

Looking at the findings of this year's survey, and comparing them to last year, we're presenting our key takeaways, thoughts and advice.

Here's what we learned, the bigger picture, and our Co-Founders' advice:

1
MONEY CONCERNS ARE CENTRAL THIS YEAR, WITH MORE FOCUS ON REVENUE, BUDGETS AND FINANCIAL FRAUD.

1 MONEY CONCERNS ARE CENTRAL THIS YEAR, WITH MORE FOCUS ON REVENUE, BUDGETS AND FINANCIAL FRAUD.

In 2025, merchants' responses have focused more on money than in last year's survey. **Revenue took over from growth as the top business metric that suffers** because of fraudulent activity. This is certainly in light of financial instability, but we shouldn't overlook developments in payments and ecommerce either. Shake-ups in payment legislation – such as

Japan's new SCA mandates and the upcoming PSD3 – are making merchants nervous.

Everyone understands the need for proactive budgeting and everyone wants to protect their revenues. Looking forward, the trend of revenue above growth and trying to retrench is set to continue. When it comes to fraud detection, we're still dealing with the consequences of the cost of living crisis and people used to getting things for free.

In our survey, **39% of merchants report revenue loss to fraud** in the past year and, based on

2
THE FRICTION/ SECURITY VS CUSTOMER SATISFACTION QUESTION IS TIMELIER THAN EVER.

the answers we were given, we estimate that **the average enterprise merchant loses to fraud \$10.6 million a year.**

Market uncertainty makes consumers more cautious in their spending habits – but fraudsters aren't constrained in the same way. That same uncertainty provides more motivation and more opportunity to fraudsters. Fraud as a percentage of revenue is expected to go up for that reason.

Combined with the low cost or free availability of LLMs and other AI tools, it's a perfect storm, allowing

3
MERCHANTS HAVE DIFFICULTY UNDERSTANDING, QUANTIFYING AND BLOCKING REFUND ABUSE.

fraudsters to attempt more fraud at scale. We need to maintain the same levels of vigilance even though overall revenues might be affected.

In fact, **payment fraud and fraudulent chargeback claims were both the most expensive and the most impactful types of fraud** merchants have faced last year. Confidence in how merchants are handling disputes and chargebacks is dwindling as well: **Merchants are challenging fewer chargebacks and are less successful with those that they challenge.**



And it's difficult to budget in times of uncertainty. Our responders **identified budget as the second biggest obstacle to better fraud prevention.** Although, per our survey findings, senior leaders understand the importance of fraud prevention, there can often be pushback related to budgeting for it, or to how much money it would be saving.

At Ravelin, we do our best not to overpromise. When a potential client asks us what savings they might achieve if they implement our solutions, we will only promise what we know for certain is feasible. If our solution manages to outperform our expectations, that's even better.

But in the long term and in the grand scheme of things, being pragmatic about finances pays off, because it leads to trust and to realistic financial decisions, which is something sorely needed in today's economy.

The bottom line is – fraud negatively affects revenue, as well as other metrics that ultimately lead to a drop in profit. Fraud prevention can be a significant investment. But it's one that will pay off if done smartly. **A good fraud**

prevention solution will allow your teams to automate their processes and save time.

That boosts revenues from multiple fronts – from reduced losses to chargebacks to customers feeling protected and thus more loyal, and fraud teams remaining nimble, among others.

2 THE FRICTION/ SECURITY VS CUSTOMER SATISFACTION QUESTION IS TIMELIER THAN EVER – CX & LOYALTY PERCEIVED AS OBSTACLES TO FRAUD PREVENTION.

It can be described in several different ways, but the question of how fraud prevention affects customers seems timelier than ever. **Concerns about friction and customer churn were chosen by participants as the number one obstacle to more efficient fraud prevention.**

Ravelin has existed for a decade. And discussions of how fraud prevention introduces friction are even older than us – but haven't aged as well. There is appetite

on the consumer side for some fraud prevention.

Now consider that in combination with the fact that many respondents have drawn **links between fraudulent activity and declining customer loyalty or even conversion** – 38% and 29% saying that fraud negatively affects each, respectively.

Although merchants worry that customers don't want fraud, at the same time they believe that customers don't want friction stemming from fraud prevention. These seemingly contradictory findings could be interpreted as a lack of understanding from consumers for what protects their interests.

But we should not disregard that, in 2025, good fraud prevention should not equal friction for most shoppers – only for the select few who fall into a gray area of not being clearly a good or a bad customer.

Now, add to the mix the fact that customers are increasingly seen as potential perpetrators of fraud and abuse. Not only do **the majority report that first-parties are more likely to commit fraud than before** but when asked who poses more of a threat, the most popular answer

was that **consumers pose as much of a threat to a company as professional fraudsters.**

We also asked merchants if they prefer to block even when it means false positives, allow even if it means false negatives, or implement dynamic friction. Though most opted for the dynamic approach, **42% still prefer to block even if that means good customers are prevented** from completing their payment or other action.

When done correctly, fraud prevention actually improves the customer journey. Sometimes, this simply comes from accurately gauging the level of risk a customer poses within an interaction. But there's more.

Ravelin, for example, also allows you to segment good customers based on their purchase history, allowing merchants to ensure they provide top quality service to their VIPs.

Fraud teams need to stress the point that consumers are very happy when companies are careful with their data and their money. There is quite some appetite for



being careful with these things. For most consumers, a little friction such as a 3DS check is a temporary but minor frustration.

Merchants need to be careful to communicate that they're not cavalier or overcautious but being careful and considerate with consumers' own data and money. So don't hesitate to reach out to your Marketing team. And **always present a positive view of the need for fraud detection – consumers like it!**

3 MERCHANTS HAVE DIFFICULTY UNDERSTANDING, QUANTIFYING AND BLOCKING REFUND ABUSE.

Merchants' hesitation and confusion around customer intentions, journeys and experiences is even more pronounced when considering the issue of refund abuse – which **increased in the past year for 54%** of participants.

Looking at numbers, **43% receive refund requests on more than**

5% of their sales. And of those, 38% believe that more than 5% are fraudulent.

Refund abuse remains a riddle, with merchants reporting problems quantifying and addressing it.

76% feel pressured to refund customers even when their claim is suspicious, with this pressure coming from stakeholders inside the company. "Keep your customers happy" is what you're told, even when you know there's something wrong.

As we recently heard at our fraud and payments conference, RavCon 25, building a business case for refund abuse prevention can be a major challenge even for experienced fraud managers.

When merchants were asked directly, **one in six said they struggle to qualify the scale of their refund abuse problem**. But even that might be an underestimate once we look at the biggest picture, including inconsistencies in other answers.

For example, **the majority (66%) say that customer loyalty and brand reputation are considered more important than stopping refund abuse** by their company overall – **but 44% also report that**

their brand image and reputation has suffered because of fraud.

Think about the ops teams and people dealing with your customers when they mail, call in, phone you. Those are stakeholders to win over – and there are more of them than in perhaps any other type of fraud we've discussed in this report.

Seamless refunds are important to the business model of an overwhelming 9 in 10 of merchants, so no wonder this is a central issue with many stakeholders.

And it's only bound to get more pressing to find the answer, with **55% expecting refund abuse to rise further.**

But it's not all bad, in a certain light. For first-party fraud, involving genuine consumers/cardholders who might commit minor fraud or abuse, there's always a second option: To talk to the individual if the revenue loss is high enough.

There's a chance for rehabilitation for those customers. For example, for "wardrobers": These customers routinely buy clothes, wear them once, and then return them. But they still buy using their real name and can also spend a lot of money with a merchant.

With a professional fraudster, you can never talk to them. There's no possibility for rehabilitation.

Therefore, the best advice we can give is: Make use of your data. It can come from fraud solutions like ours, which calculates lifetime value and gives you a full history of the client's shopping, returns, and refunds. Or the data can come from other types of software. But it's your friend. **Use it to segment your customers, understand them better, nudge them when they fall out of line.**

Make sure to make use of available resources. Listen to your peers, success stories from other companies. Refund abuse does not have to be uncharted territory.

10.7bn
fraud scores a year calculated
\$62bn
in transactions processed
300+
merchants protected

METHODOLOGY & DEMOGRAPHICS

In January 2025, Ravelin commissioned research provider Qualtrics to carry out an online survey of 1466 fraud and payments professionals from around the world, with a focus on the UK, USA, Canada, France, Germany, Italy, Spain, Australia, Brazil, and Mexico.

Participants belonged to the C-suite or Fraud/Risk, Finance/Payments, Compliance/Operations or Product teams of enterprises in the following industries: Retail, Travel & Hospitality, Digital Goods, Marketplaces. Survey participants all worked for businesses with more than \$50 million in annual revenue and/or over 500 employees, which sell their products either online or both online and offline.

They were asked questions around their observations, attitudes and predictions related to fraud and payments in the past 12 months, at present, as well as in the future.

All 2024 data referenced is from Ravelin's **Global Fraud Trends: Fraud & Payments Survey 2024**.



Thank you for reading our Global Fraud Trends Report

Ravelin has built solutions to address all these pain points, learning from your historical data to inform a fraud prevention strategy that works for your specific landscape – and no-one else's.

Get in touch today to chat about payment fraud, account takeover attacks, refund abuse, voucher, promo & policy abuse, transaction optimization, 3D Secure, link analysis or supplier fraud.

Book a call at ravelin.com/contact-us.

Questions? Comments?
Please write to marketing@ravelin.com.

We frequently release new findings in fraud and payments.

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