

Payments Fraud:

Trends, AI and Ways Banks Can
Combat the Rise in Fraud

John Meyer
Senior Director
Cornerstone Advisors



Fraud losses continue to mount

Individual transactions are showing significant attack rates:



P2P

+40%

Attempted Fraud
\$ Amount



Check

+171%

Attempted Fraud
\$ Amount



Wire/ACH

+75%

Attempted Fraud
\$ Amount

Year over year for 2022 vs. 2021



Source:
Actimize Fraud
Insights Report

connect to address 192.168.1.10

username: *****

password: *****

Access granted...

exited after 0.006146 seconds with return value
any key to continue

**109 U.S. Financial
Institutions
targeted with
specific trojans in
2023.**

--Zimperium



FRAUD

Authorized push payment fraud:

Fraudsters deceive consumers or individuals at a business to send them a payment under false pretenses to a bank account controlled by the fraudster. 21% of attacks and 16% of losses

Bust out fraud:

Opening a credit account with no intention to repay. 21% of attacks and 16% of losses

Account takeover fraud:

Cybercriminals gain illicit access to a user's account credentials, enabling them to impersonate the account holder and carry out fraudulent activities. 13% of attacks and 12% of losses.

Source: Alloy Labs



1 in 5 banks is looking to replace their fraud and AML system in 2024. Some vendors are jacking up renewal prices.

CONTRACT

1. The Subject of the Agreement

The Contractor shall provide photography services to the Customer. The Contractor shall accept the results of the services provided to the Customer.

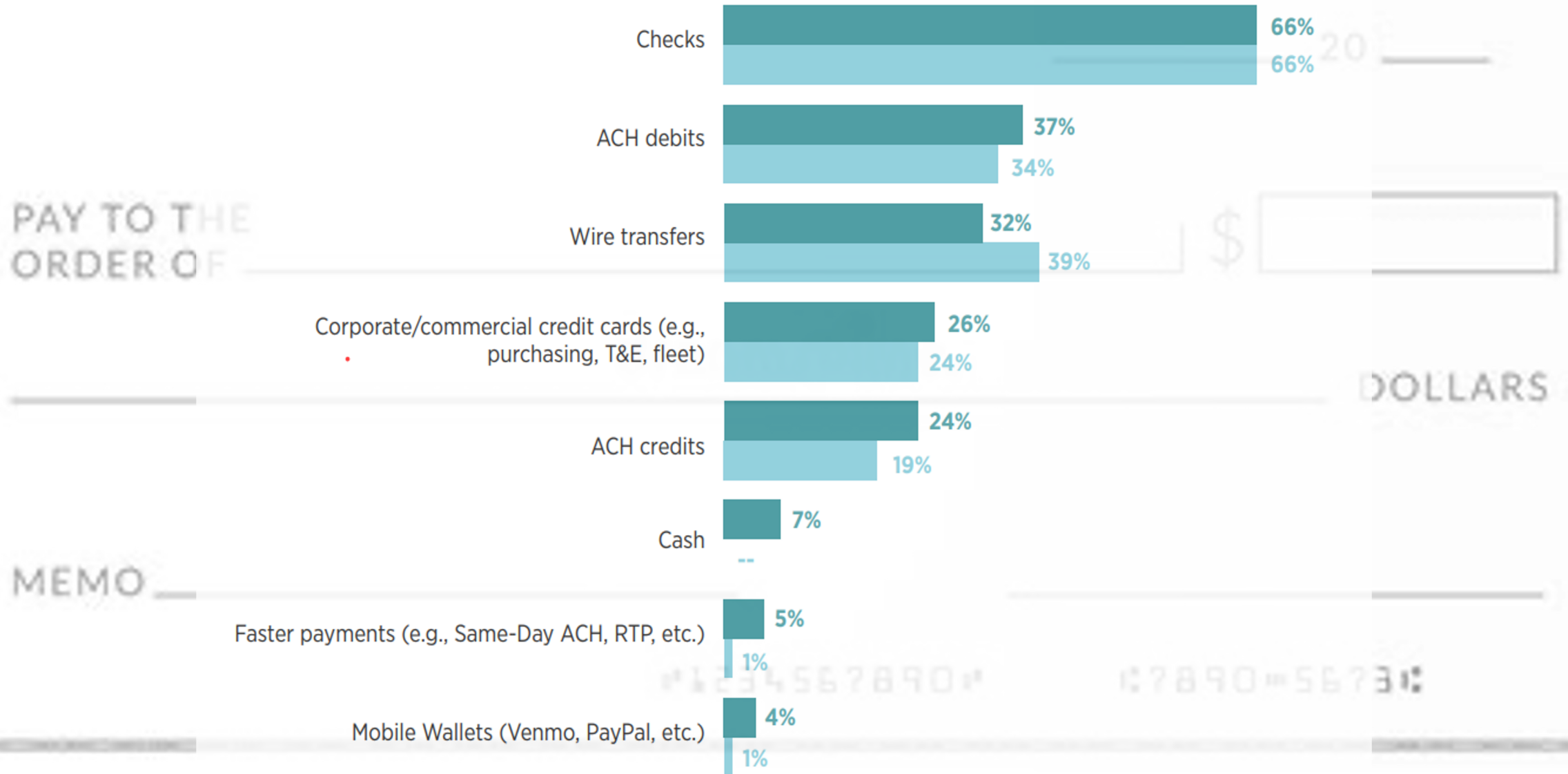
	For which of the following systems or applications will/did your organization select a new or replacement system?				
	2024 (planned)	2023 (actual)	2023 (planned)	2022 (actual)	2022 (planned)
Consumer digital account opening	30%	16%	25%	19%	30%
Fraud/BSA/AML	18%	11%	12%	13%	11%
Customer relationship management (CRM)	17%	10%	20%	11%	22%
Call center system	15%	16%	18%	14%	17%
Consumer digital loan origination system	15%	15%	19%	12%	25%
Commercial/small business digital account opening	14%	6%	22%	6%	18%
Commercial/small business online banking platform	14%	7%	11%	7%	13%
Payments hub	14%	4%	9%	4%	9%
Data analysis/business intelligence	13%	11%	14%	7%	13%
Commercial/small business mobile banking platform	13%	5%	9%	7%	12%
Consumer online banking platform	12%	12%	11%	9%	15%
Commercial/small business digital loan origination system	11%	13%	17%	9%	20%
Person-to-person (P2P) payments	11%	14%	15%	20%	20%
Consumer mobile banking platform	11%	13%	11%	11%	13%
Marketing automation	10%	10%	17%	8%	13%
Online bill payment	9%	9%	7%	6%	10%
Credit card processing	8%	6%	10%	6%	9%
Mobile bill payment	7%	9%	6%	5%	6%
ATM processing	7%	3%	5%	4%	5%
Enterprise risk management	7%	7%	9%	8%	5%
Core integration/middleware platform	7%	6%	7%	7%	7%
Debit card processing	6%	4%	9%	8%	10%
Card self-service	6%	5%	5%	3%	8%
Core processing system	6%	5%	9%	8%	6%
Document imaging/workflow	4%	4%	9%	6%	8%
Interactive teller system	4%	6%	8%	6%	8%
Won't/Didn't select any new/replacement systems	17%	28%	19%	26%	14%
Demand Index	11.2%	8.8%	12.0%	8.6%	12.7%

The PBDD Ratio (Planned But Didn't Deploy) is poor for a number of systems/apps except for Fraud/BSA/AML.

Source: Cornerstone Advisors' What's Going On In Banking Report

Payment Methods Subject to Attempted/Actual Payments Fraud (Percent of Organizations)

● 2021 ● 2020



Peer Fraud Comparisons



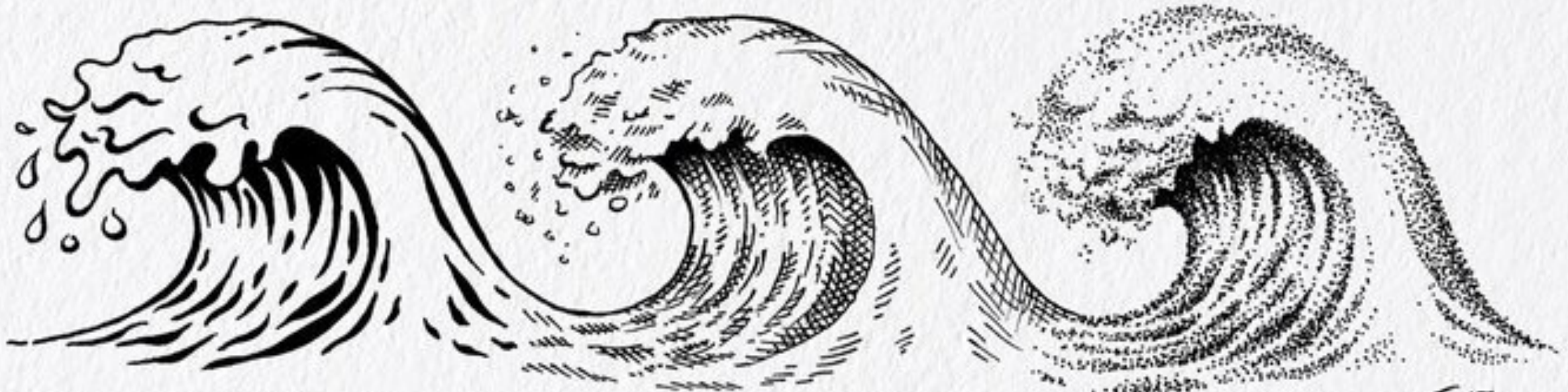
	Median	25th Percentile	75th Percentile
Assets	\$7,575,000,000	\$6,053,269,000	\$9,181,603
Deposit accounts per fraud/investigations FTE	63,939	37,665	89,147
Assets supported per fraud/investigations FTE	\$2,213,886,584	\$1,847,200,736	\$2,592,853,029
Total FTE per fraud/investigations FTE	287	206	383

THE FRAUD SYSTEM WAVES TO RIDE?

Real-time
Data Feeds

AI

Digital
Interdiction



*Stev
Hobson*



What is the impact of
Voice Cloning
on financial services?





Romance Scam

**Educating
Internal
Teams**

comcast

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Sure Price
Includes Digital Starter with Video On Demand
Included Video Equipment
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Digital Voice Unlimited
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Included with Package 07/16 - 08/15 0.00
Digital Converter
Included With Package 07/16 - 08/15 0.00
Technology Fee 07/16 - 08/15 \$0.00

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Other Charges & Credits
Billing Error
Total Other Charges & Credits

Taxes, Surcharges & Fees
TV
VA Communications 07/16
Sales Tax 07/16 - 08/15
PEG Fee 07/16 - 08/15
Rights of Way Use Fee 07/16 - 08/15
FCC Regulatory Fee 07/16 - 08/15

Educating Customers

JOHN MEYER

CORNERSTONE ADVISORS

SENIOR DIRECTOR



jmeyer@crnrstone.com

407 790 9015

Connect on LinkedIn:

[linkedin.com/in/john-
meyer-56375](https://www.linkedin.com/in/john-meyer-56375)