

# Five Key Threats for Businesses and Consumers in 2022



## Experian's Annual Future of Fraud Forecast

With consumers continuing to take a digital-first approach to everything from shopping to dating and investing, fraudsters are finding new and innovative ways to commit fraud, including:



### Buy Now, Pay Never

The Buy Now, Pay Later (BNPL) space has boomed recently. In fact, the number of BNPL users in the U.S. has grown by more than 300 percent per year since 2018, reaching 45 million active users in 2021 who are spending more than \$20.8 billion<sup>1</sup>. Without the right identity verification and fraud mitigation tools in place, fraudsters will take advantage of some BNPL companies and consumers in 2022. Experian predicts BNPL lenders will see an uptick in two types of fraud: identity theft and synthetic identity fraud, when a fraudster uses a combination of real and fake information to create an entirely new identity. This could result in significant losses for BNPL lenders.

<sup>1</sup>The Economic Impact of Buy Now, Pay Later in the U.S.: <https://afterpay-corporate>

<sup>2</sup>Federal Trade Commission: <https://ftc.gov>

<sup>3</sup>U.S. Treasury's Financial Crimes Enforcement Network: <https://fincen.gov>

<sup>4</sup>Federal Bureau of Investigation: <https://ic3.gov>



### Beware of Cryptocurrency Scams

Digital currencies, such as cryptocurrency, have become more conventional and scammers have caught on quickly. According to the FTC, investment cryptocurrency scam reports have skyrocketed, with nearly 7,000 people reporting losses totaling more than \$80 million from October 2020 to March 2021<sup>2</sup>. In 2022, Experian predicts that fraudsters will set up cryptocurrency accounts to extract, store and funnel stolen funds, such as the billions of stimulus dollars they have already swindled.



### Double the Trouble for Ransomware Attacks

In the first six months of 2021, there was \$590 million in ransomware-related activity, which exceeds the value of \$416 million reported for the entirety of 2020 according to the U.S. Treasury's Financial Crimes Enforcement Network<sup>3</sup>. Experian predicts that ransomware will be a significant fraud threat for companies in 2022 as fraudsters will look to not only ask for a hefty ransom to gain back control, but criminals will also steal data from the hacked company. This will not only result in companies losing sales because of the halt caused by the ransom attack, but it will also enable fraudsters to gain access and monetize stolen data such as employees' personal information, HR records and more – leaving the company's employees vulnerable to personal fraudulent attacks.



### Love, Actually?

Because more consumers went on dating apps and social media to look for love during the pandemic, fraudsters saw an opportunity to create intimate, trusted relationships without the immediate need to meet in-person. From January 1, 2021 — July 31, 2021, the FBI Internet Crime Complaint Center received over 1,800 complaints, related to online romance scams, resulting in losses of approximately \$133 million<sup>4</sup>. Experian predicts that romance scams will continue to see an uptick as fraudsters take advantage of these relationships to ask for money or a "loan" to cover anything from travel costs to medical expenses.



### Digital Elder Abuse Will Rise

According to Experian's latest [Global Insights Report](#), there has been a 25 percent increase in online activity since COVID-19 as many, including the elderly, went online for everything from groceries to scheduling health care visits. This onslaught of digital newbies presents a new audience for fraudsters to attack. Experian predicts that consumers will get hit hard by fraudsters through social engineering (when a fraudster manipulates a person to divulge confidential or private information) and account takeover fraud (when a fraudster steals a username and password from one site to takeover other accounts). This could result in billions of dollars of losses in 2022.

## Looking ahead

The digital-first world offers fraudsters the ability to be even more creative and agile. With the right data and analytics, businesses can prevent fraud and protect consumers in 2022 and beyond.

Learn more: [experian.com/fraud-management](https://experian.com/fraud-management)