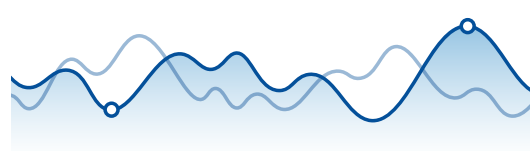


# Account takeover fraud 2020 trends



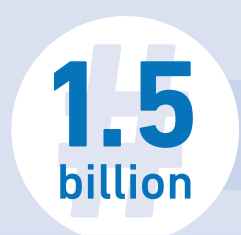
Account takeover (ATO) fraud — a form of identity theft that involves unauthorized access to a user's online accounts to enable financial crimes — was already on the rise before the onset of the COVID-19 pandemic.

A sharp increase in the number of online transactions is creating unique opportunities for criminals seeking to perpetrate this type of fraud. The first step in preventing ATO is understanding it and the financial risks it represents.

## Successful ATO attempts

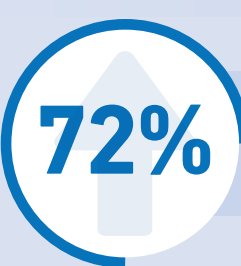
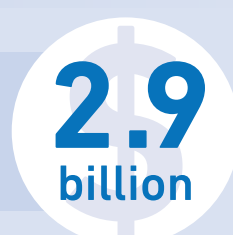
### ATO trends pre-COVID-19

In 2019, fraudsters took advantage of data breaches to perpetrate successful ATO attempts.



**Number of records exposed in the United States in 2019 due to data breaches:** approximately 5 records per American (Statista.com)

**Increase in ATO fraud between 2018 and 2019**  
(Javelin Strategy & Research, 2020)



**Rise in ATO rate in 2019, with criminals taking full control of the account more than half of the time**  
(Javelin Strategy & Research, 2020)

## Potential ATO losses

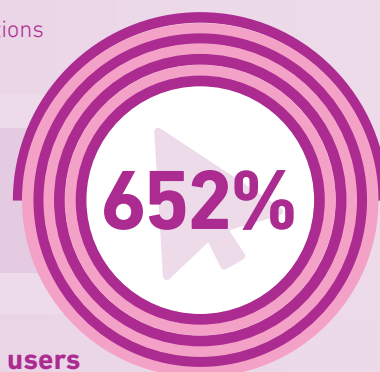
### ATO trends since the onset of COVID-19

In 2020, the rapid shift to life online — particularly for online banking — is leading to greater risk for ATO losses.



**First-time online banking usage increase immediately following shelter-in-place orders**  
(Aite Group, "Workplace Distancing: Adapting Fraud and AML Operations to COVID-19," April 2020)

**Year-over-year increase (2019–2020) in records found on the dark web**  
(Experian CyberAgent technology)



**Number of online banking adopters who are first-time users**  
(McKinsey & Company, Survey: U.S. consumer sentiment during the coronavirus crisis, Apr 25-28, 2020)

**Number of Americans who now consider a digital bank to be their primary bank, a 67% jump from January 2020**  
(Forbes, "The Digital Banking Insurgency," July 2020)



**Increase in human farming — real people being hired for purposes of fraud — month-over-month in March 2020**  
(Arkose Labs)

**Increase in time spent on mobile devices to work, bank, socialize and shop**  
(Nielson, 2020)



### How Experian solves the ATO problem

We provide a range of sophisticated analytics and tools that support the volume demands of the account-access environment. Our open architecture fraud platform enables us to provide a wide range of owned and partner solutions — enabling you to quickly adopt the most current relevant technologies like biometric and behavioral metrics to protect your portfolio and your customers from fraudsters.

To learn more about ATO and how to prevent it, visit [www.experian.com/accounttakeover](http://www.experian.com/accounttakeover).