

E-commerce Fraud Attacks Grew More Than 30% From 2016 to 2017

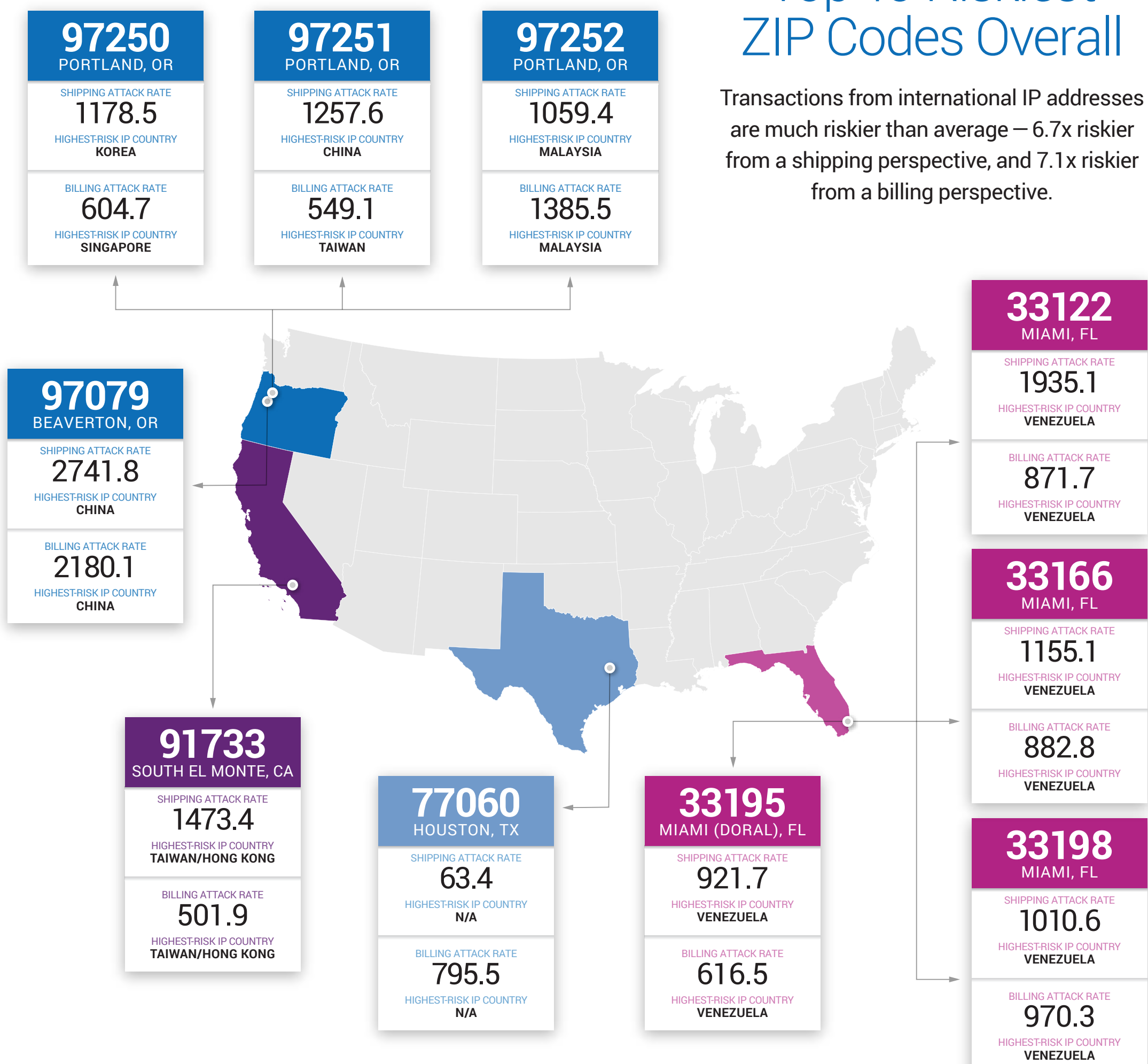
Where Does E-commerce Fraud Occur?

Experian® analyzed millions of e-commerce transactions from our 2017 client data to identify fraud attack rates for both shipping and billing locations across the United States. The data reveals the increase of e-commerce attacks in 2017, the geographical differences and how international IP addresses affect the overall riskiness of a transaction. Fraud attack rates represent the attempted fraudulent e-commerce transactions against the population of overall e-commerce orders.

Reshippers, or “shipping mules,” continue to be an area of concern and a driver of fraud. To acquire the proceeds of fraudulent transactions, attackers get creative, often using reshippers or freight forwarders to ship to a final, often overseas, destination. All 10 of the riskiest ZIP™ codes have large international ports or airports with orders originating from China, Venezuela, Taiwan and Hong Kong IP addresses.

Top 10 Riskiest ZIP Codes Overall

Transactions from international IP addresses are much riskier than average – 6.7x riskier from a shipping perspective, and 7.1x riskier from a billing perspective.

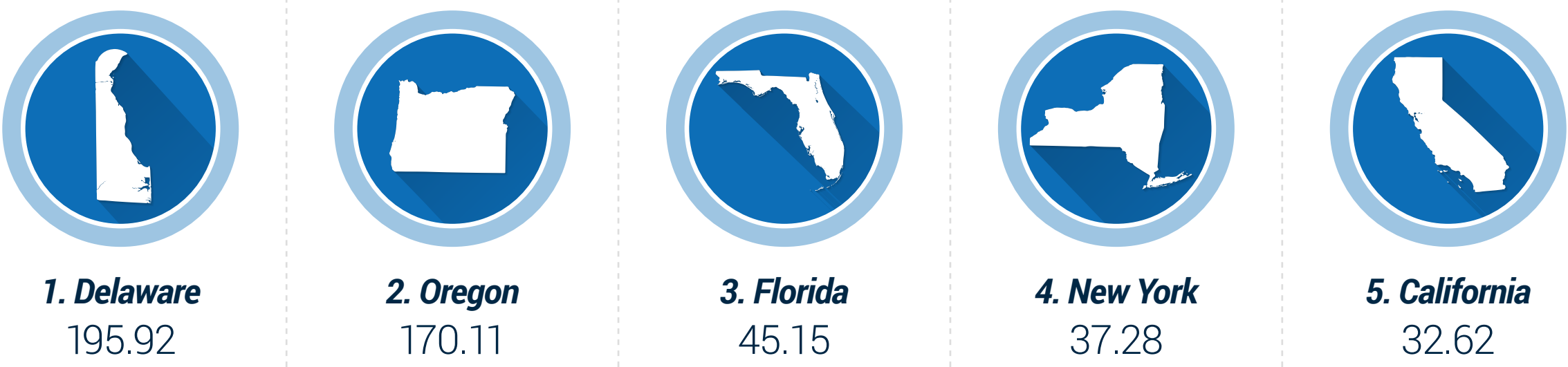


• A ZIP Code™ must have exceeded 1,000 transactions to make this list from either a shipping or a billing perspective.
• Attack rates are in basis points (bps) – 1bps = 0.01%

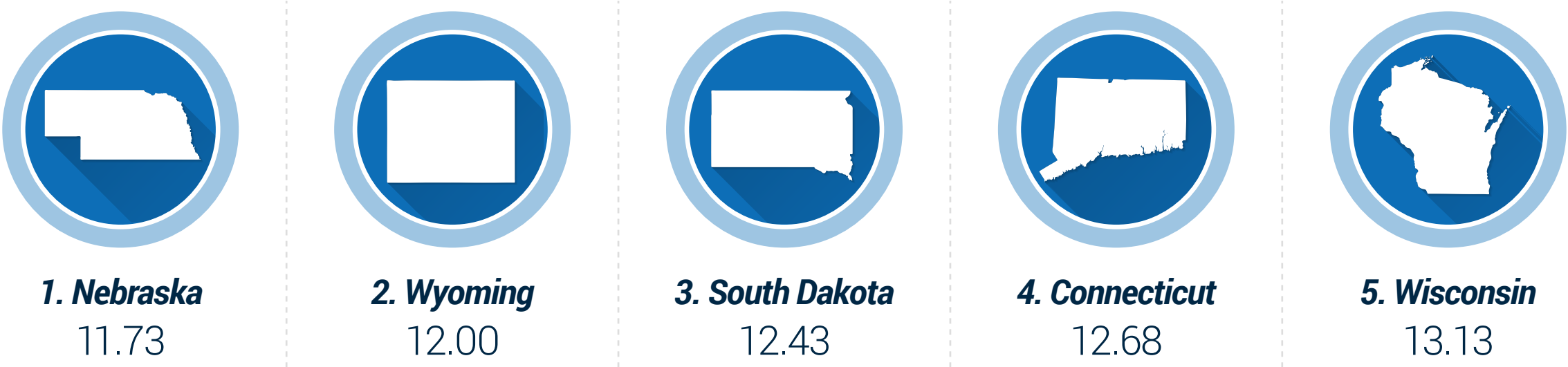
Top 5 Riskiest and Safest U.S. States

Fraud doesn’t discriminate. It happens all over the country due to the availability of compromised data. Attackers can be anywhere, making their digital footprint appear as though they are coming from the legitimate customer’s end device or profile.

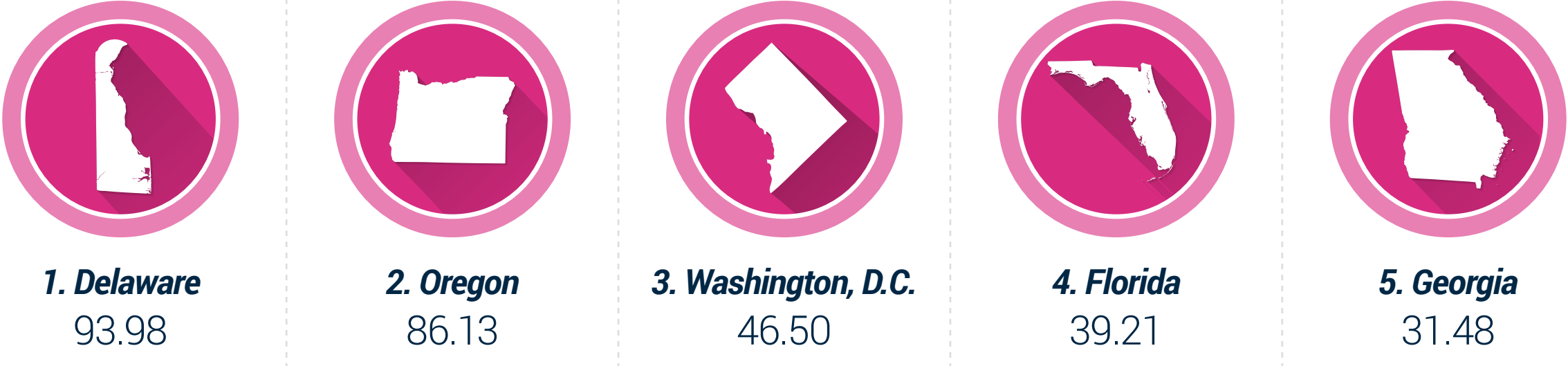
Top 5 Riskiest Shipping States



Top 5 Safest Shipping States



Top 5 Riskiest Billing States



Top 5 Safest Billing States



We understand how fraud is perpetrated, and we know that attackers will continue developing more automated and legitimate-looking attacks that bypass static or traditional controls. Using a multilayered approach to authentication and fraud detection, without disrupting the consumer, is the best way to stop fraud and protect the customer experience.