EXPERIAN **AUTOMOTIVE**

Experian Automotive Dealer Fraud Threat Report

Dealer Insights on Identity, Income, and Vehicle Fraud

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OBJECTIVES

Experian is initiating a comprehensive research effort aimed at **deepening its understanding** of the **current and emerging fraud landscape** within the **automotive financing sector**. As **fraud schemes** become **increasingly sophisticated**, it is critical to assess their scope, impact, and the evolving risk environment faced by dealers and service providers.

More specifically, the goals of the research are to achieve the following:

- **Understand** and **quantify** the types and rate of attempted or committed **auto fraud** and its **impact on businesses**
- **Uncover** insights surrounding the **potential openness** to Experian's Fraud solutions
- **Generate** insights **appropriate** for **thought leadership** on the topic of **auto finance fraud trends**

METHODOLOGY

- Online survey with **n=125 Auto-Dealers**
- Conducted by HarrisX from **September 10th** to **September 29th,** 2025.
- **15-minute survey,** fielded in English
- **To qualify:**
  - Must be in a **Manager+ level** at current role, within the **automotive sales** department, including:
    - General Manager
    - Dealer Principal / Owner
    - Sales Manager
    - Finance & Insurance (F&I) Manager / Director
    - Compliance / Fraud Manager

Questions and results split between two categories:

- **First** are opinions about fraud **across the entire industry**, marked as **Industry-Wide Opinions**
- **Next** are fraud questions about **their own dealership,** marked as **Respondents' Own Organization**

Industry-Wide Opinions

Respondents' Own Organization

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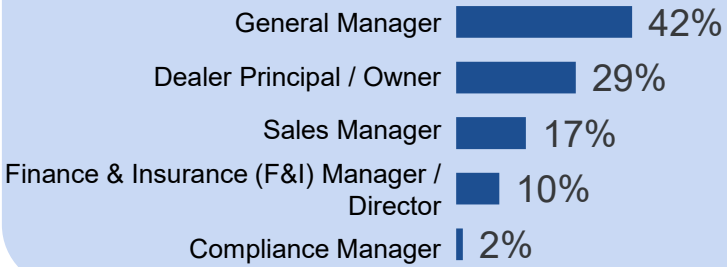
The sample reflects a franchise-heavy, leadership-driven audience - mid-sized dealer groups led by experienced decision-makers overseeing strong annual sales volumes.

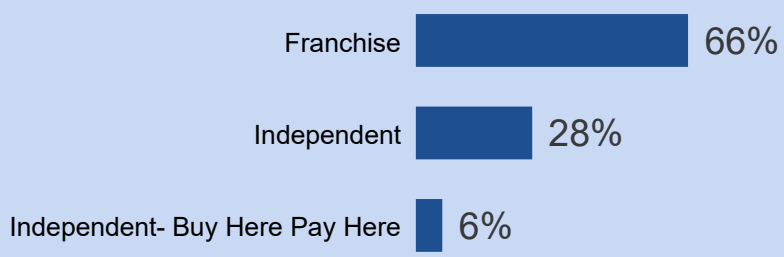
Our Audiences

n=125

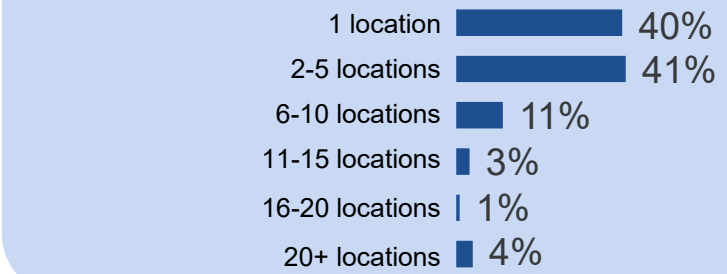
Job Title



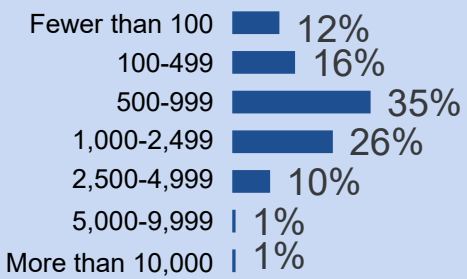
Type of Auto Dealer



of Dealership Locations Represent on Behalf



of Vehicles Sell Annually



Among Total Sample
QTITLE1. Which of the following best describes your job title? QDEAL1. Which of the following describes the type of auto dealer you represent?
QDEAL2. How many of your dealership locations are you responding on behalf of via this survey? QDEAL3. Approximately how many vehicles does your dealership, or group of stores you represent, sell annually?

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EXECUITIVE SUMMARY

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EXECUTIVE SUMMARY

1) **Fraud is a Persistent and Operational Challenge for Dealers**

2) **Income & Identity Misrepresentation are Core Threats, followed by Vehicle Fraud**

3) **Fraud Detection Still Faces Process and Channel Friction**

4) **The Financial Burden of Fraud Is Clear - and Partially Absorbed**

5) **Dealer Fraud Oversight Is Centered in Finance & Risk Roles**

6) **Collaboration and Data-Sharing Signal a Path Forward**

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OPINIONS ABOUT AUTO INDUSTRY FRAUD

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Emerging Trends in Auto Finance

In Their Own Words…

*"As digital processes become more prevalent, fraudsters are becoming **increasingly adept at forging identities** and **using fabricated credit histories** to obtain loans. This is especially true during **online applications**, where the lack of **face-to-face verification** makes such fraud more likely to occur."*

*"Using a **stolen credit card** to pay the **down payment** and then quickly **defaulting on the contract**."*

*"**Emerging schemes** involving **fraudulent electric vehicle incentives** and **charging infrastructure financing applications**."*

*"**Fraudsters no longer just forge one profile;** they create an entire profile for a real, creditworthy consumer."*

*"One major fraud trend in auto dealer finance is the risk of **synthetic identities**, where fraudsters **combine real and fake information** to secure loans that are **hard to trace**."*

*"There will always be some criminals who **forge the information on driver's licenses** and **pretend to be car buyers** in order to apply for car loans."*

*"**Fake employment verification** through **online services**."*

*"**Stolen credit cards** is a huge one and it's **usually on a dropship part** not a in person pick up."*

*"Most people commit fraud by getting a vehicle that's very expensive and they **don't pay it off** but they have **full coverage and gap insurance** and then the **vehicle gets stolen**."*

*"Fraudsters targeting **inexperienced F&D managers**."*

*"**False or stolen social security numbers. Fake or false identification** example **driver's license or insurance. Pay stubs** that are **false."***

*"The biggest emerging fraud trends affecting auto dealers financial operations today, is **synthetic identity fraud**, as fraudsters are **combining entirely fake identities by combining real and fictitious information**."*

Among Total Sample
QTRENDS: In your own words, what would you say are some of the biggest emerging fraud trends affecting auto dealers' finance operations today?

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Nearly **9 in 10** auto dealers express **concern about fraud**, with **41% 'very concerned'**. This confirms that fraud remains a top-of-mind issue within the auto dealer community.

% Concerned About the Rate of Fraud in the Auto Industry

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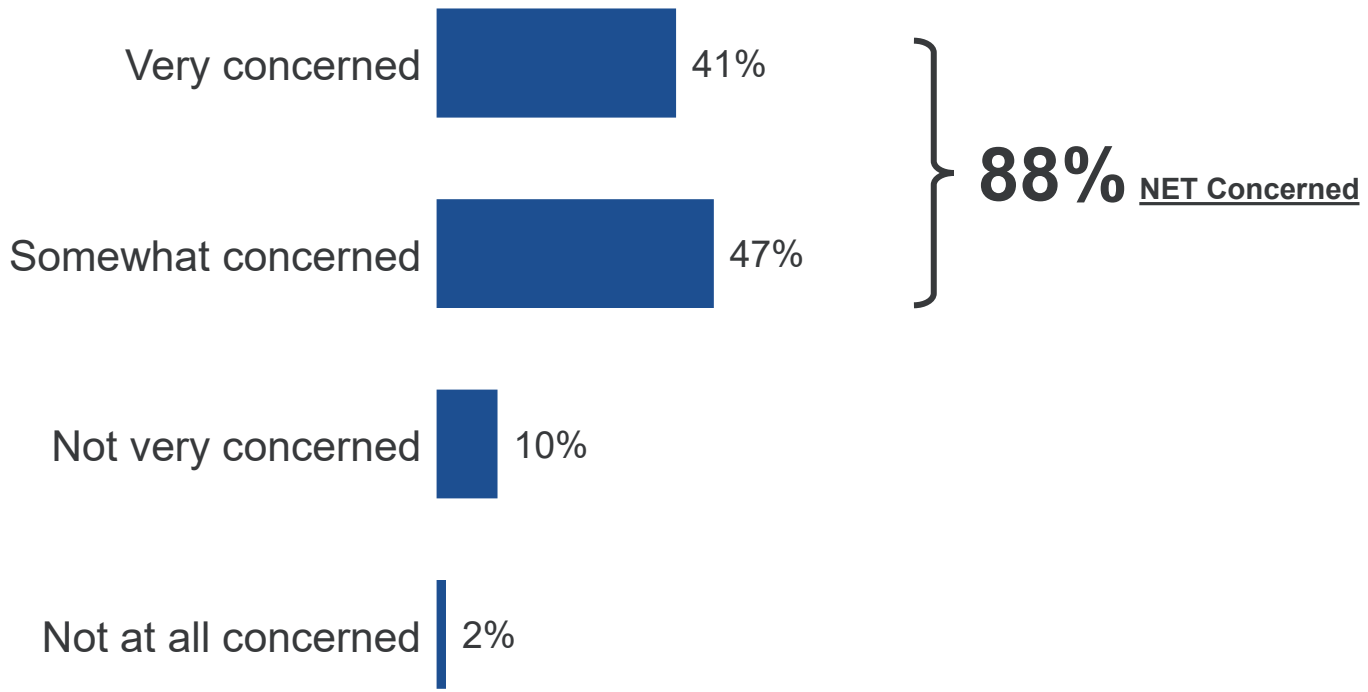

Among Total Sample
QFRAUD1. How concerned are you, if at all, about the rate of fraud in the automotive industry?

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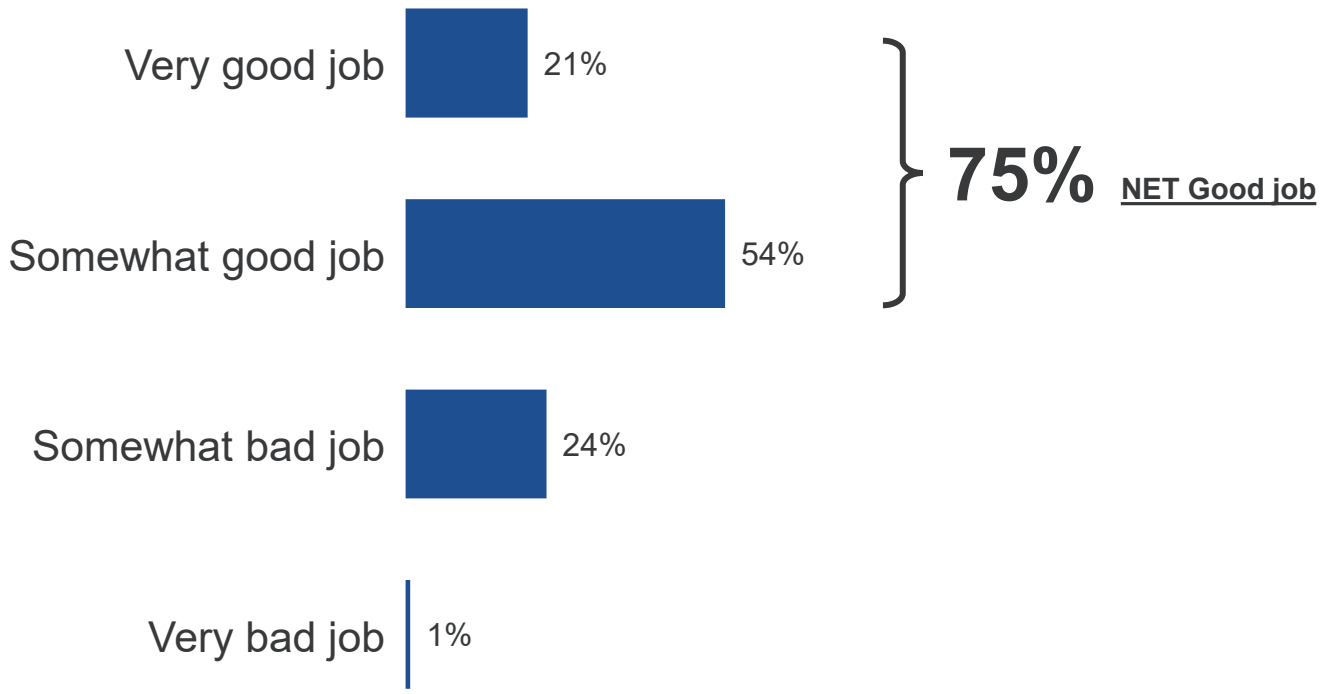
75% say the industry is doing well in preventing fraud, with **1 in 5** rating performance as **'very good'**- indicating more moderate sentiments and room for improvement.

Overall Industry Performance on Prevention and Detection of Auto-Finance Fraud

n=125



Among Total Sample
QFRAUD2. Overall, do you think the industry is doing a good job or bad job staying up to date with the prevention and detection of auto-finance fraud?

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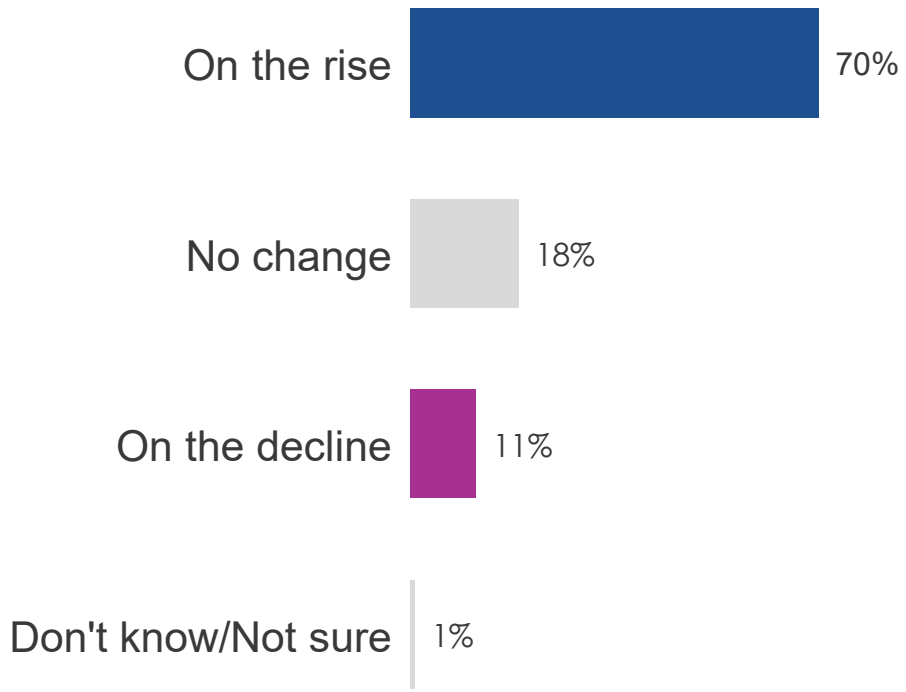
70% of dealers say **fraud is on the rise**, signaling continued upward momentum.

Auto-Finance Fraud Momentum in the Industry Overall

n=125



Among Total Sample
QFRAUD4. Thinking about the last 12 months, would you say **auto-finance fraud overall** is on the rise, on the decline, or there has been no change?

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Automotive Fraud comes in many forms

Income-related fraud	Vehicle-related fraud	Identity-related fraud
Employment Status Misrepresentation	Forged Vehicle Identification Numbers (VINs)	First-Party Identity Fraud (including Bust-out fraud)
Forged Bank Statements	Purchased/Collateral Vehicle Misrepresentation	Forged Driver's License
Forged Income Documents (e.g., Pay Stubs, Tax Returns)	Trade-In Vehicle Deception	Straw Borrower Fraud
Income Fabrication		Synthetic Identity Fraud
Job Title Misrepresentation		Third-Party Identity Fraud

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Dealers say income-related fraud is the top category of auto-finance fraud, driven by forged income documents (62%) and income fabrication (50%). Identity-based schemes such as synthetic identity (44%), third-party (43%) and straw borrower fraud (43%) rank next.

Main Types of Auto-Finance Fraud

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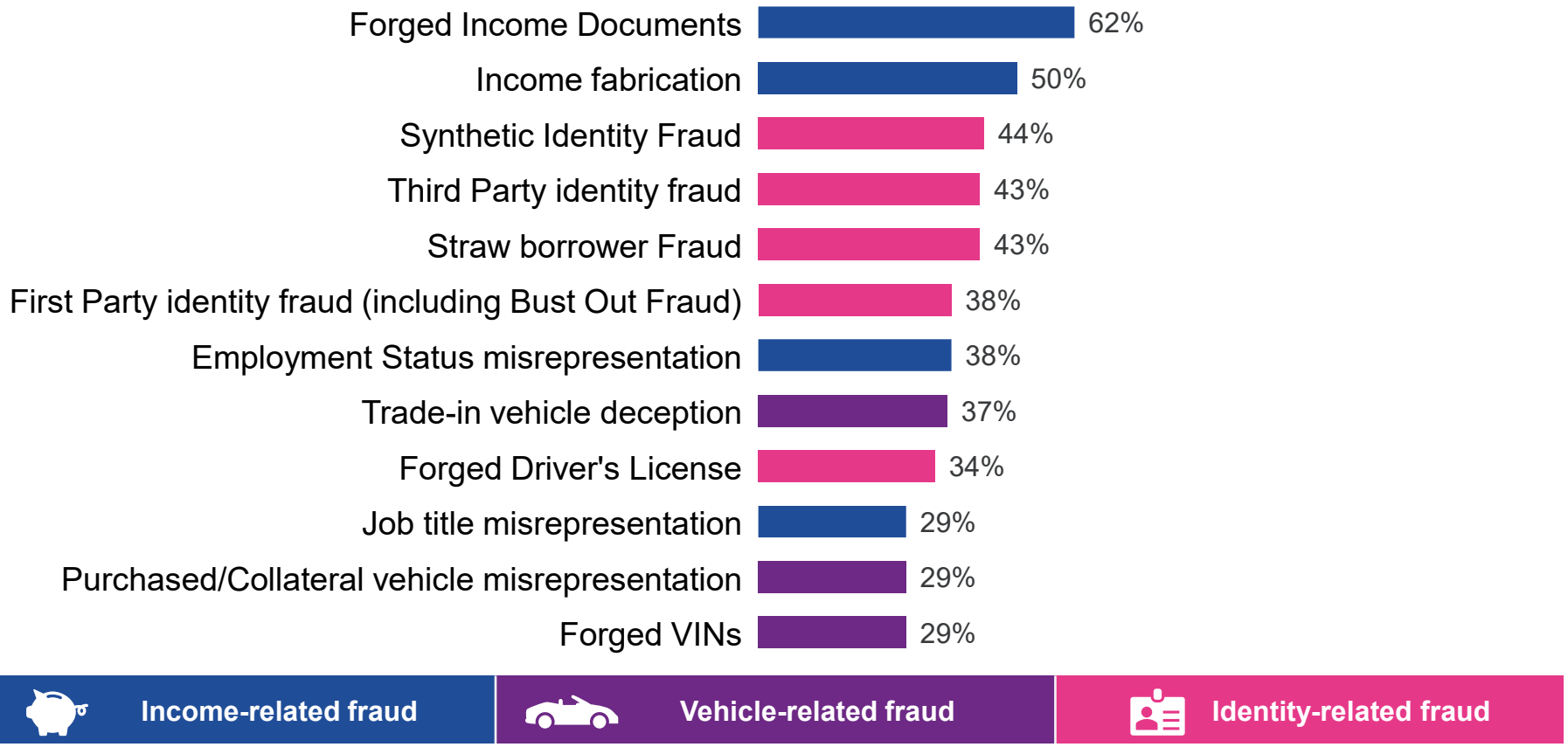

Among Total Sample
QFRAUD5. Which of the following do you feel are the main types of auto-finance fraud that impact the industry overall?

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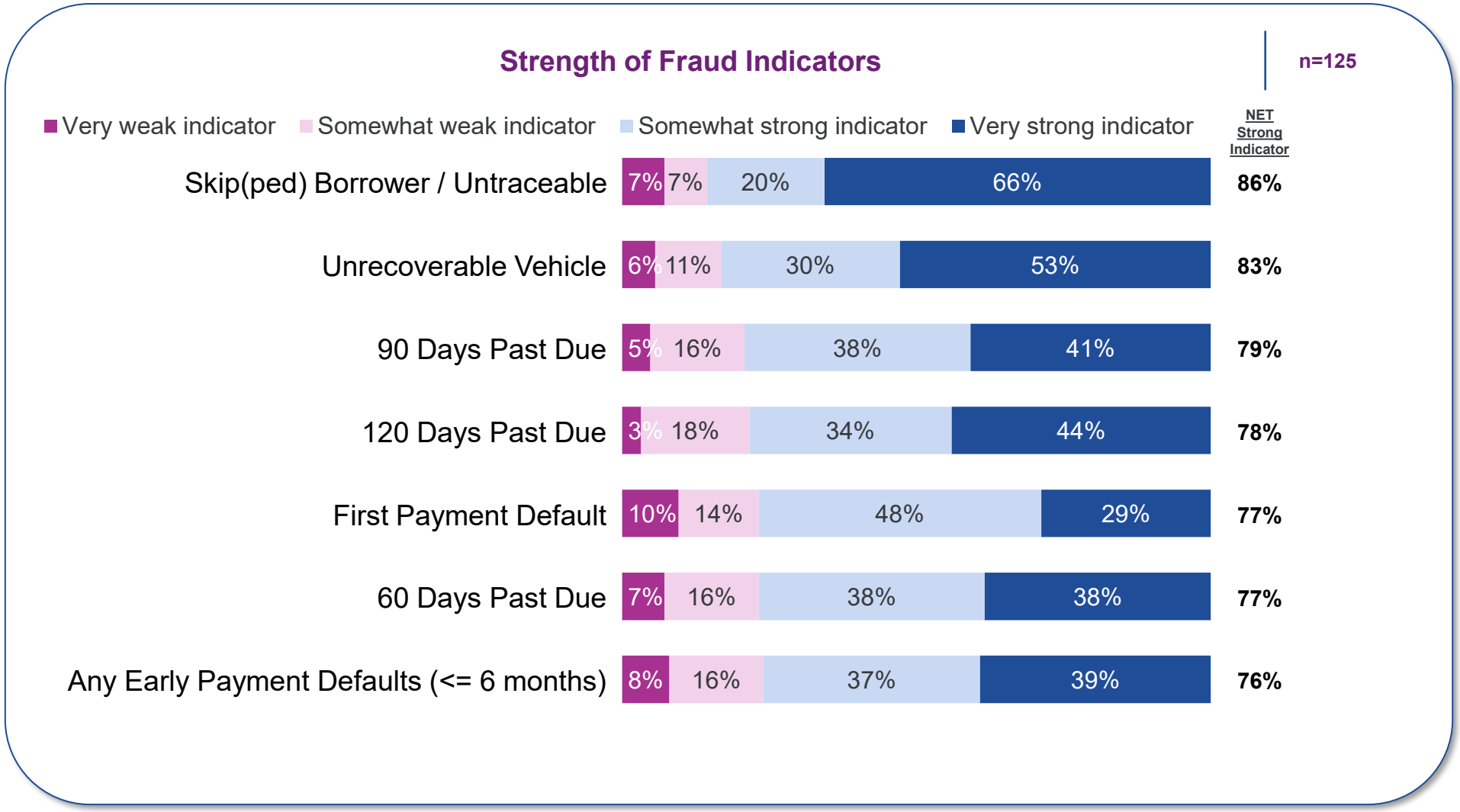
Borrower traceability and **delinquency** are **top fraud signals for dealers**. Skip or untraceable borrowers (86%) and unrecoverable vehicles (83%) are seen as the strongest indicators of fraud.



Among Total Sample
QFRAUD6. How strong or weak are each of the following as indicators of fraud at the time of loan origination?

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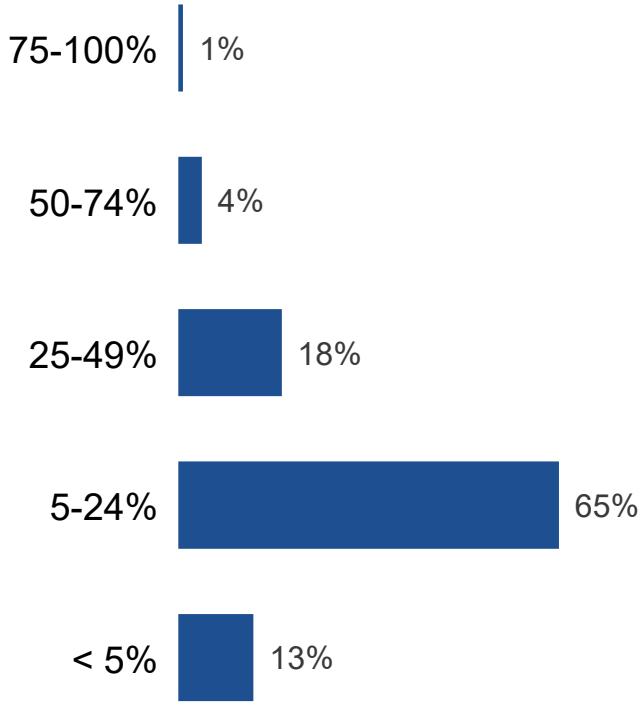
Majority of auto dealers estimate that between **5-24% of industry loan defaults** were **driven by fraud** in the past 12 months.

% of Loan Defaults in the Industry Due To Fraud in the Past 12 Months

n=125



Among Total Sample
QFRAUD7. Over the last 12 months, approximately what percentage of the automotive industry's loan defaults would you say are due to fraud of any type?

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Auto dealers estimate that **20% of indirect fraudulent loans** are **charged back to dealers**, on average.

% of Indirect Fraudulent Loans in the Industry Charged back to Auto Dealers | n=125

Auto Dealers estimate on average

20%

of indirect fraudulent loans are charged back by Lenders

NOTE: The data shown represents the median for the datapoint

Among Total Sample
QFRAUD9. Thinking about the automotive industry's indirect loan defaults due to fraud, what percentage would you say are typically charged back to dealers by lenders.

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RESPONDENT ORGS' APPROACH TO AUTO FINANCE FRAUD

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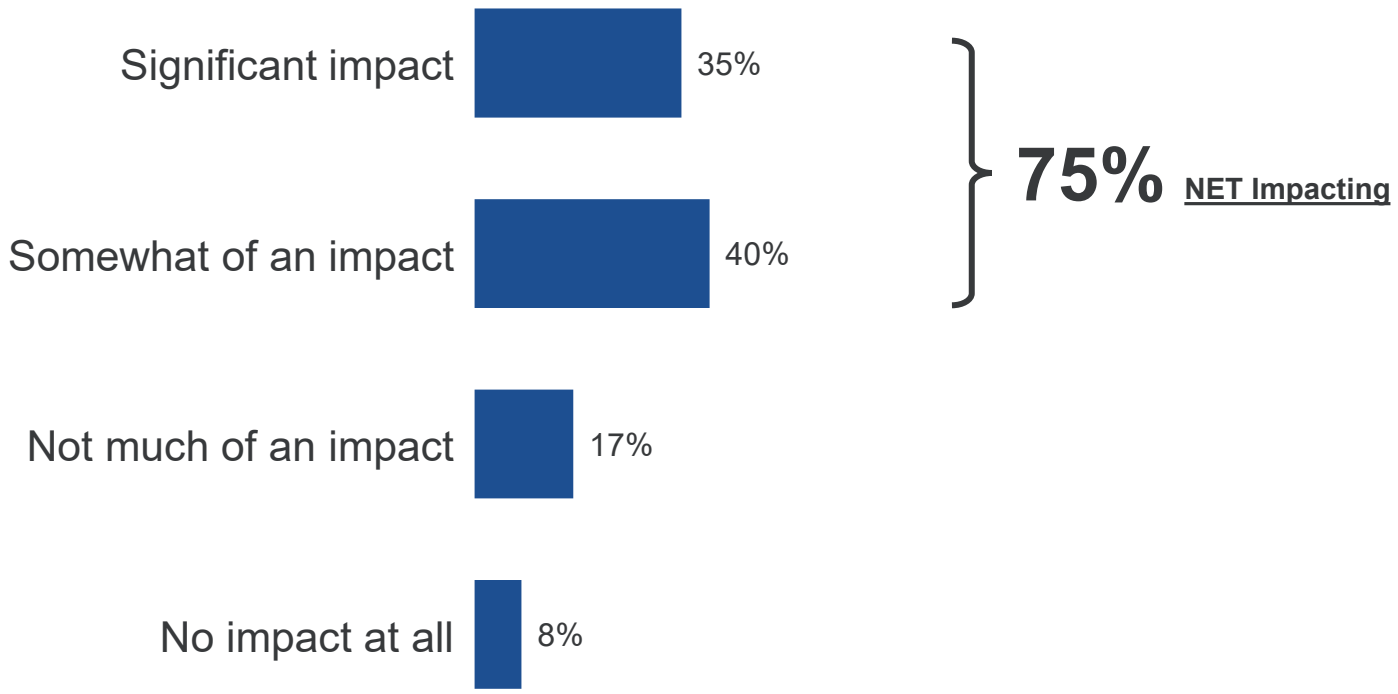
Respondents' Own Organization

Three in four dealers (75%) say **auto-finance fraud impacts their business operations** to some degree, with 35% reporting a significant impact.



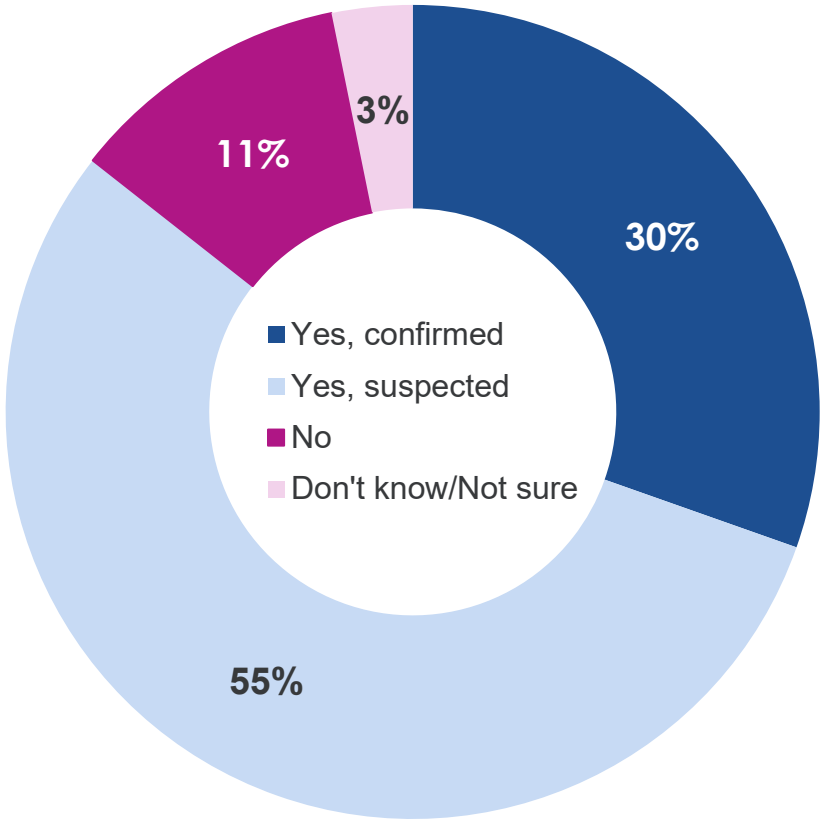
Among Total Sample
QFRAUD3. How much of an impact, if at all, does auto-finance fraud have on your business operations?

Respondents' Own Organization

Fraud exposure is widespread: **85% of auto dealers report confirmed (30%) or suspected (55%) fraud** affecting their organization in the past 12 months.

% Suspected or Confirmed Auto Loan Fraud in Their Org. in the Past 12 Months

n=125



Among Total Sample
QFRAUD11. Has your organization experienced any instances of suspected or confirmed auto finance-related fraud in the past 12 months?

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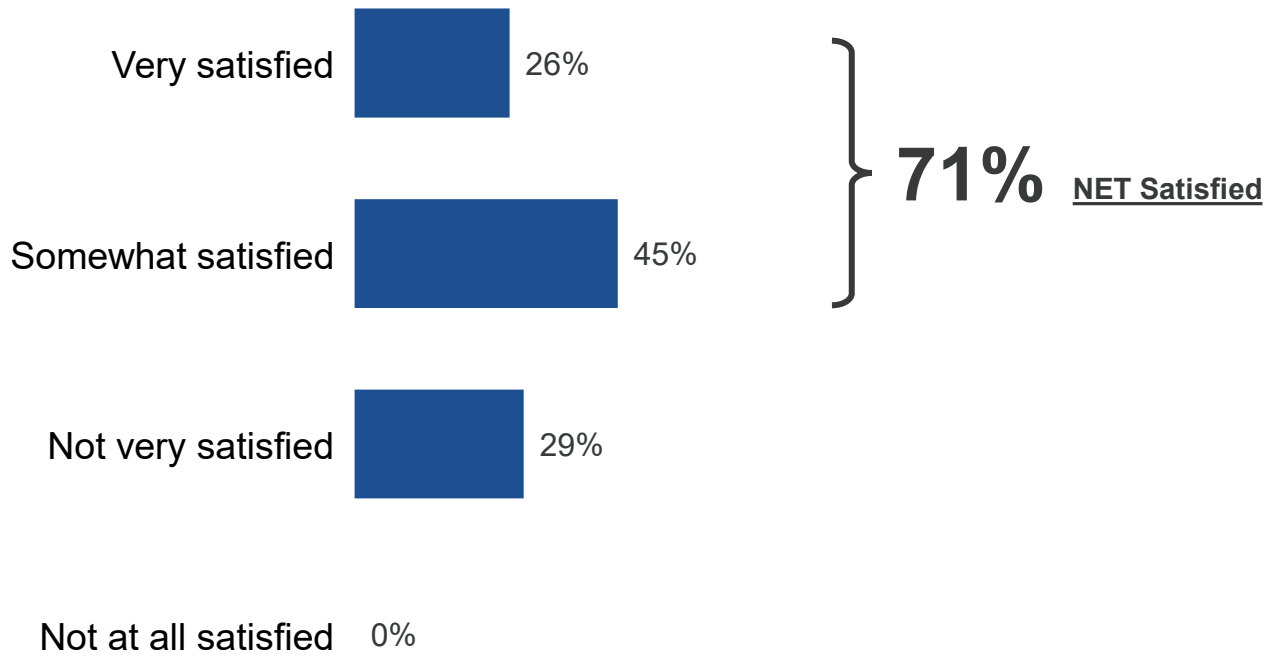
Respondents' Own Organization

7 in 10 dealers (71%) report **being satisfied** with their organization's current fraud prevention and detection methods. Though **fewer than 1 in 3** report being "**very satisfied**."

% Satisfied with Their Orgs. Current Fraud Prevention and Detection Methods

n=125



Among Total Sample
QFRAUD12. How satisfied, if at all, are you with your organization's current fraud prevention and detection methods?

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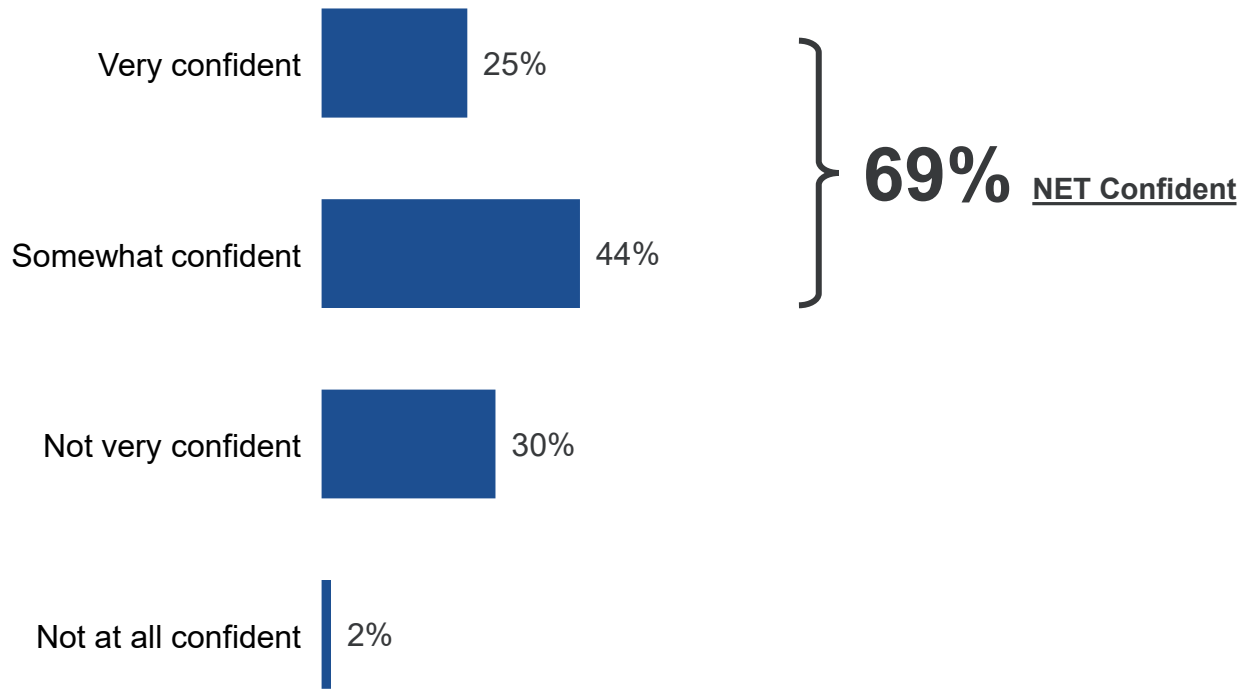
Respondents' Own Organization

Nearly 7 in 10 dealers (69%) express **confidence** in their organization's fraud prevention and detection methods. Only **1 in 4** express **strong confidence**.

% Confident in Their Orgs. Current Fraud Prevention and Detection Methods

n=125



Among Total Sample

QFRAUD13. How confident, if at all, are you that your organization's current fraud prevention and detection methods are keeping up with the pace of fraud and emerging fraud trends?

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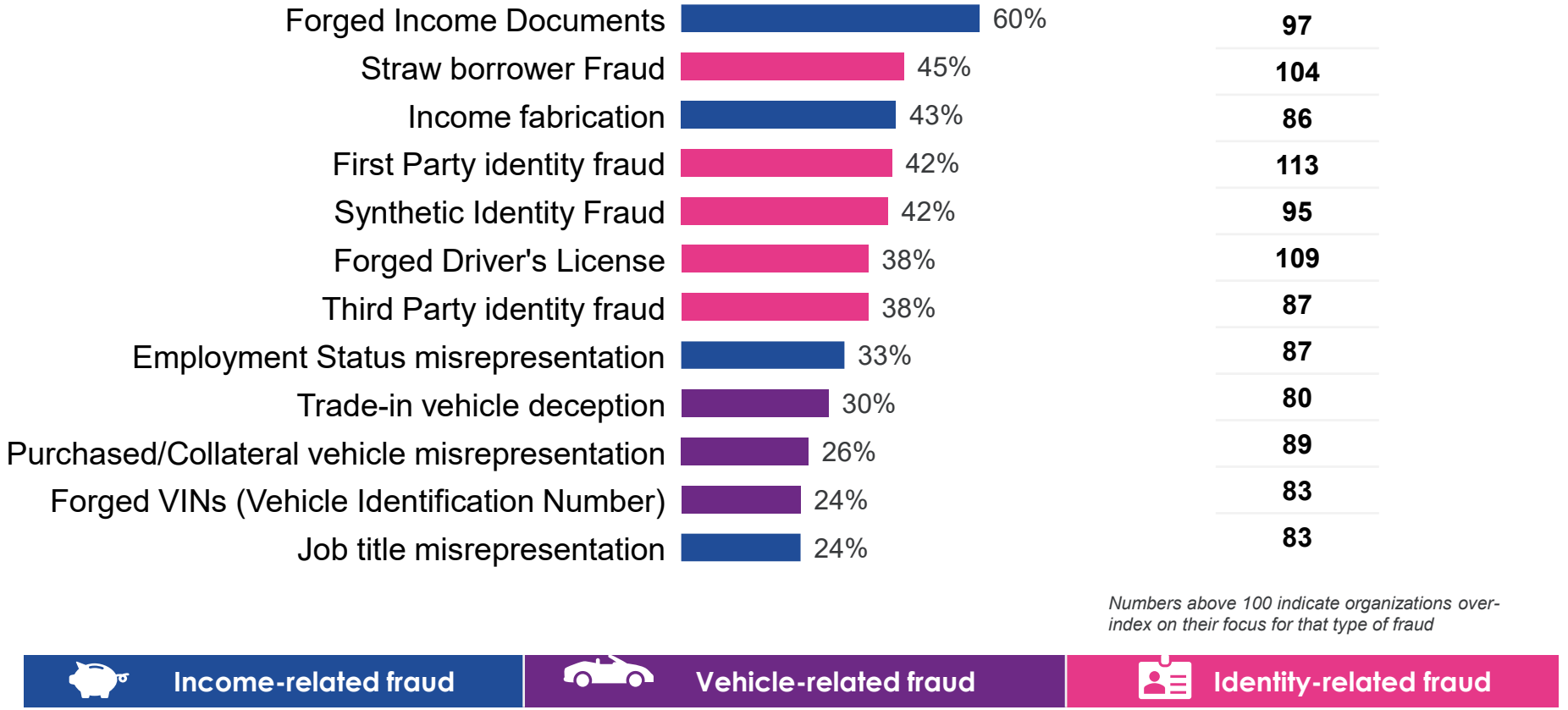
Respondents' Own Organization

Income and identity-related fraud remain the top priorities for prevention and detection efforts among dealers, with 86% saying they are focusing on this category.

Auto Finance Fraud Organizations are Most Focused on Preventing or Detecting

n=125



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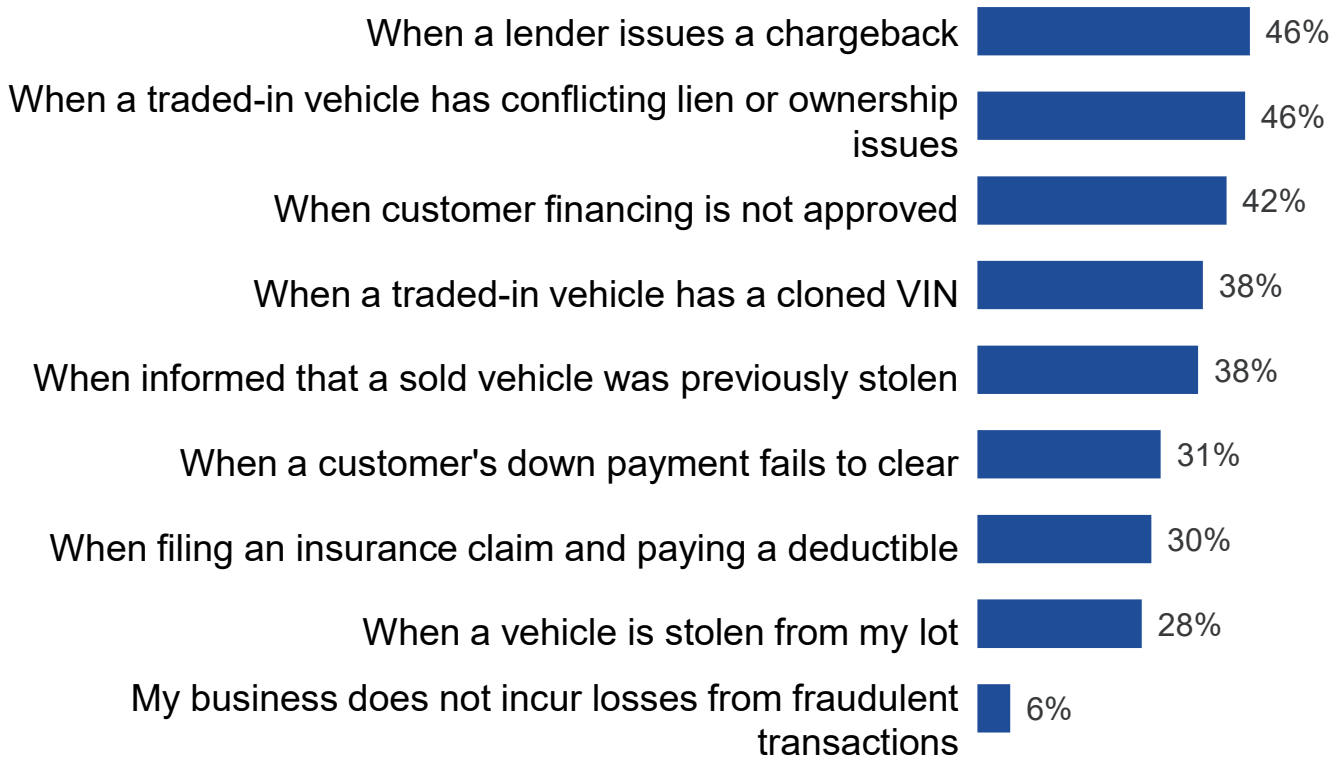
Among Total Sample
QFRAUD15. Which of the following types of auto-finance fraud is your organization most focused on preventing or detecting?

Respondents' Own Organization

Fraud losses most often occur when a **lender issues a chargeback** or a **traded-in vehicle has conflicting ownership or lien issues** (46% respectively), followed by **customer financing not being approved** (42%).

Situation Typically Incur Losses Due to Fraudulent Transaction

n=125



Among Total Sample
QFRAUDLOSS. At which of the following points, if any, does your business typically incur losses due to a fraudulent transaction?

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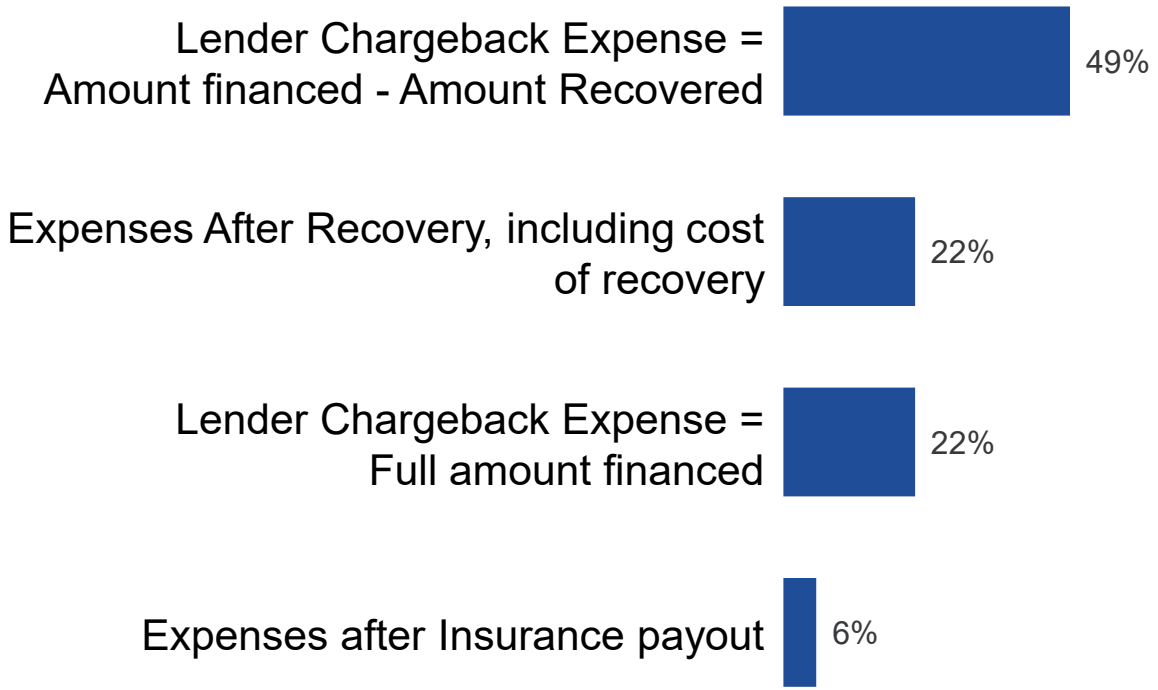
Respondents' Own Organization

Nearly **half of dealers** (49%) calculate losses from fraud based on the **difference between the amount financed and the amount recovered**. About **1 in 5** consider **post-recovery expenses** or the **full financed amount when determining losses.**

Loss Calculation from Fraudulent Transactions

n=125



Among Total Sample
QFRAUDCALC. How does your business most typically calculate losses from fraudulent transactions?

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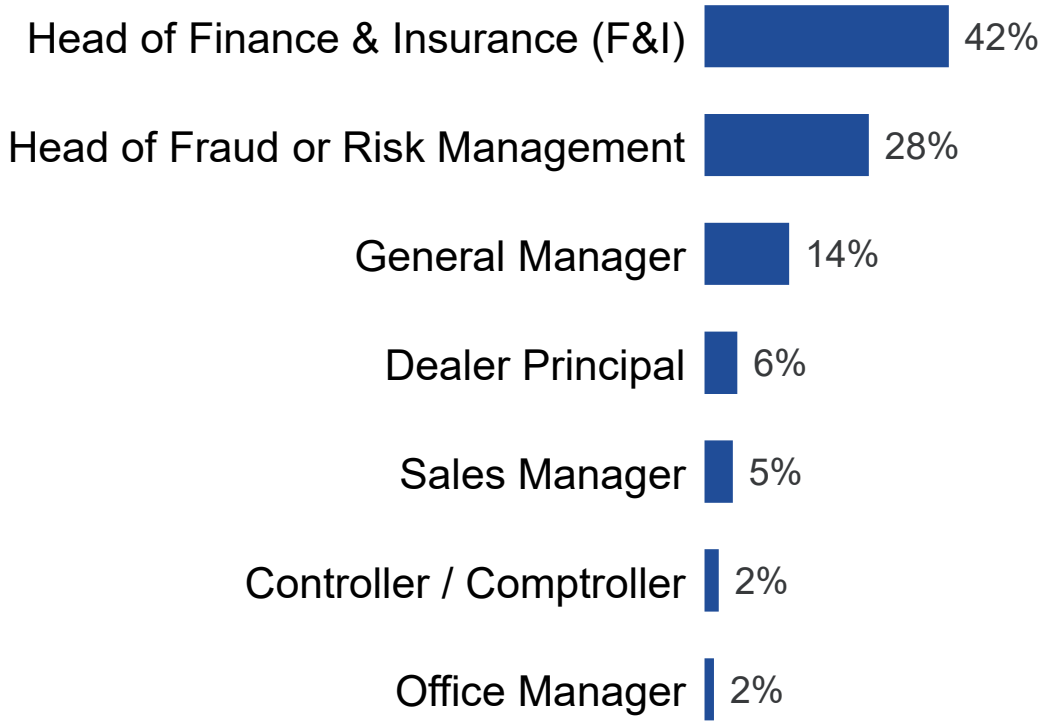
Respondents' Own Organization

Overall, responsibility for fraud management remains centralized among **finance and risk leaders**, with limited operational involvement from other dealership roles.

Primary Responsible People for Fraud Mitigation

n=125



Among Total Sample
QFRAUDPRIM. Who is primarily responsible for fraud mitigation at your dealership?

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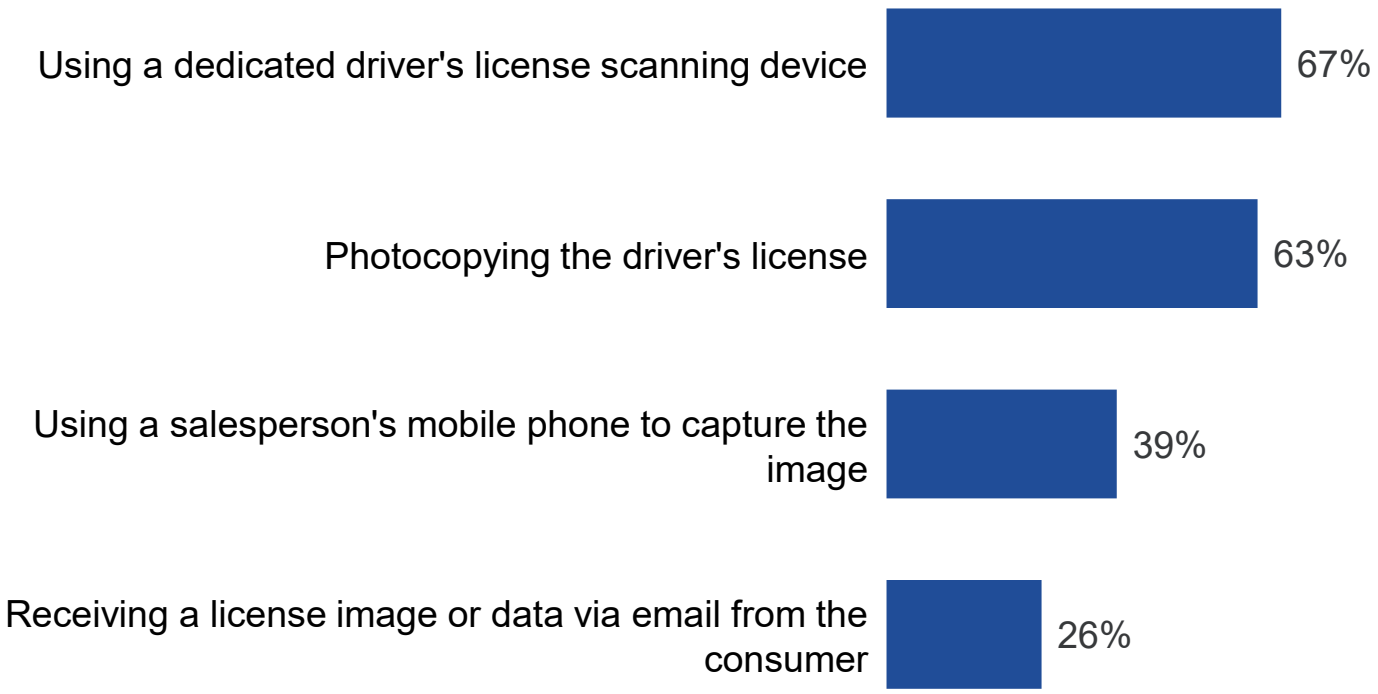
Respondents' Own Organization

Most dealerships rely on **dedicated driver's license scanners** (67%) or **photocopying** (63%) to capture consumer identification data.

Current Dealership Methods of Capturing Consumer Driver's License Information

n=125



Among Total Sample
QDL1. How does your dealership currently capture consumer driver's license information?

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Respondents' Own Organization

On average, dealerships report **12 fraudulent deals successfully prevented** and **4 later identified as fraudulent** over the past year. The costs of a single fraudulent deal most commonly fall between **$10k** and **$20k (45%). Detection** typically occurs **within 1-3 days** for **over half of dealers (53%).**

Fraudulent Deals

n=125

On average, Auto Dealers estimate approximately…

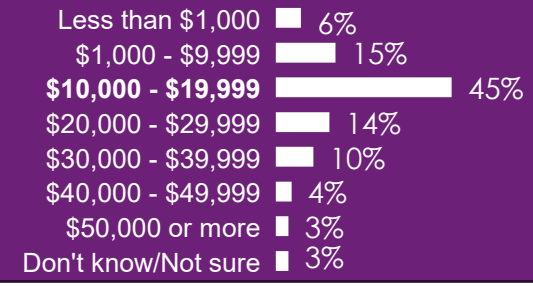
12

fraudulent deals have been successfully identified and avoided in the past 12 months

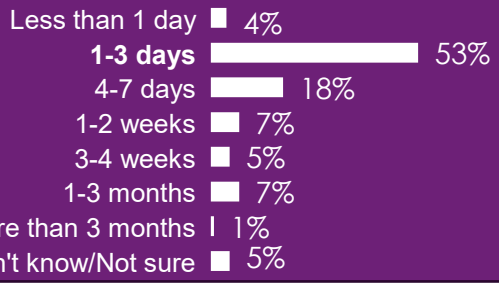
4

deals completed in the past 12 months that were later identified as fraudulent

Financial Loss From A Single Fraudulent Deal



Time Need to Identify Complete Deal as Potential Fraud



NOTE: The data shown represents the median for each datapoint

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Among Total Sample
QFRAUDDEAL1. Approximately how many attempted fraudulent deals did your dealership successfully identify and avoid in the past 12 months? QFRAUDDEAL2. Approximately how many deals did your dealership complete in the past 12 months that were later identified as fraudulent? QFRAUDDEAL3. On average, approximately how much financial loss does your dealership incur from a single fraudulent deal? QFRAUDDETECT. On average, how long after a deal is completed is any potential fraud typically identified at your dealership?

Respondents' Own Organization

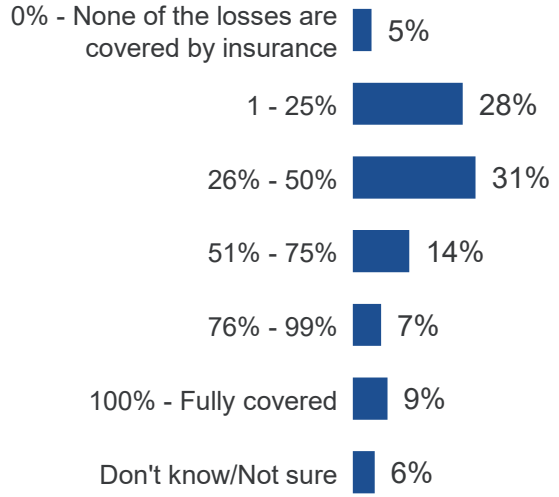
Dealers report that **fraud losses** are only partially covered or absorbed, with **most saying insurance covers between 1–50%** and **lenders absorb a similar 26–50%**. Recovery beyond these ranges is **rare**, leaving dealers to undertake a substantial portion of losses.

Fraudulent Losses

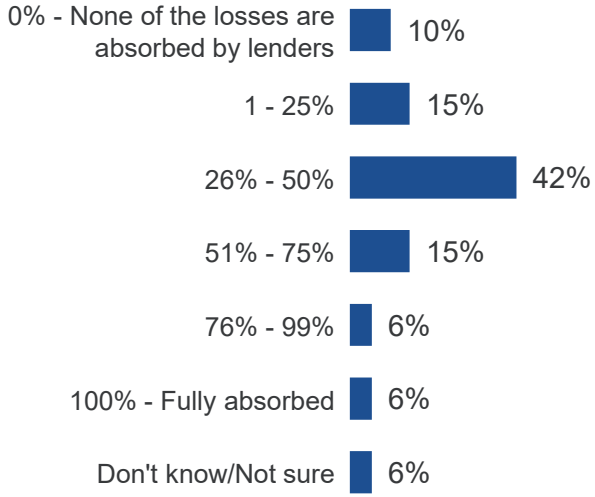
n=125

On average, Auto Dealers estimate approximately…

% of Fraud Losses Covered by Insurance



% of Fraud Losses Absorbed by Lenders



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Among Total Sample
QFRAUDLOSS1. Approximately what percentage of your dealership's vehicle fraud losses are covered by insurance?
QFRAUDLOSS2. Approximately what percentage of your dealership's vehicle fraud losses are absorbed by your lenders?

Respondents' Own Organization

Most dealerships follow formal processes for verifying and validating customer identification, with **76% performing manual ID verification** and **75% conducting electronic ID validation** using authentication tools.

Current Standard Operating Procedures Handling Customer Identification

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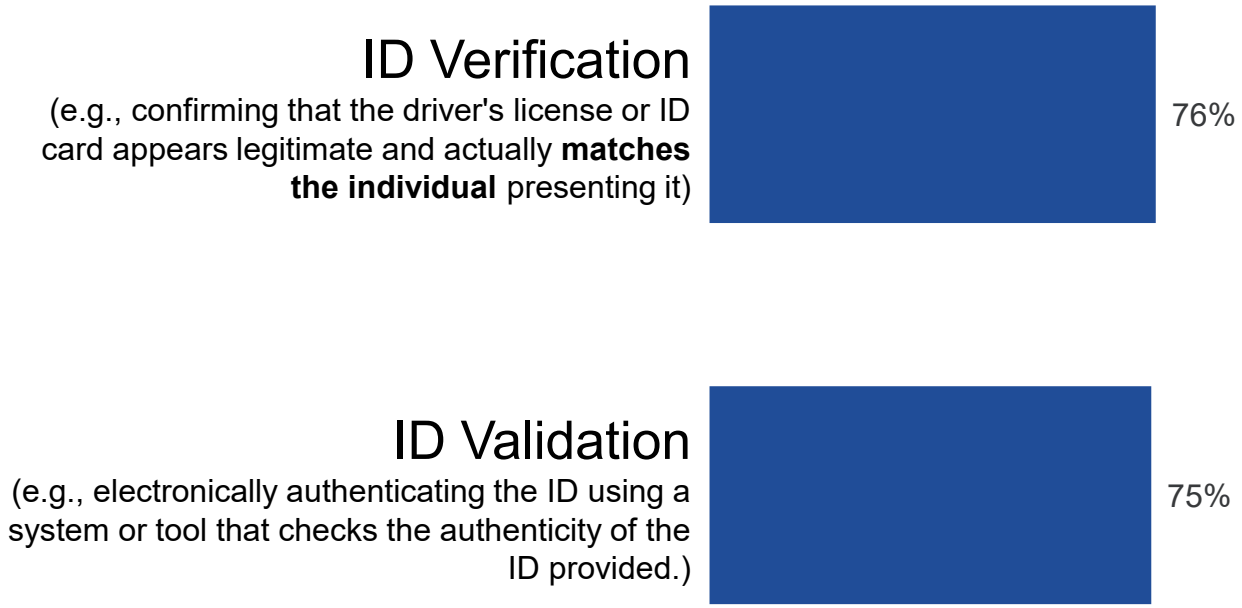

Among Total Sample
QDL2. Which of the following are part of your dealership's current standard operating procedures when handling customer identification?

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Respondents' Own Organization

Nearly **3 in 5** report friction from **fraud prevention processes**, with **8%** citing **significant disruptions** that substantially affect deal flow.

Friction to Dealership's Sales Process Due to Potential Fraud

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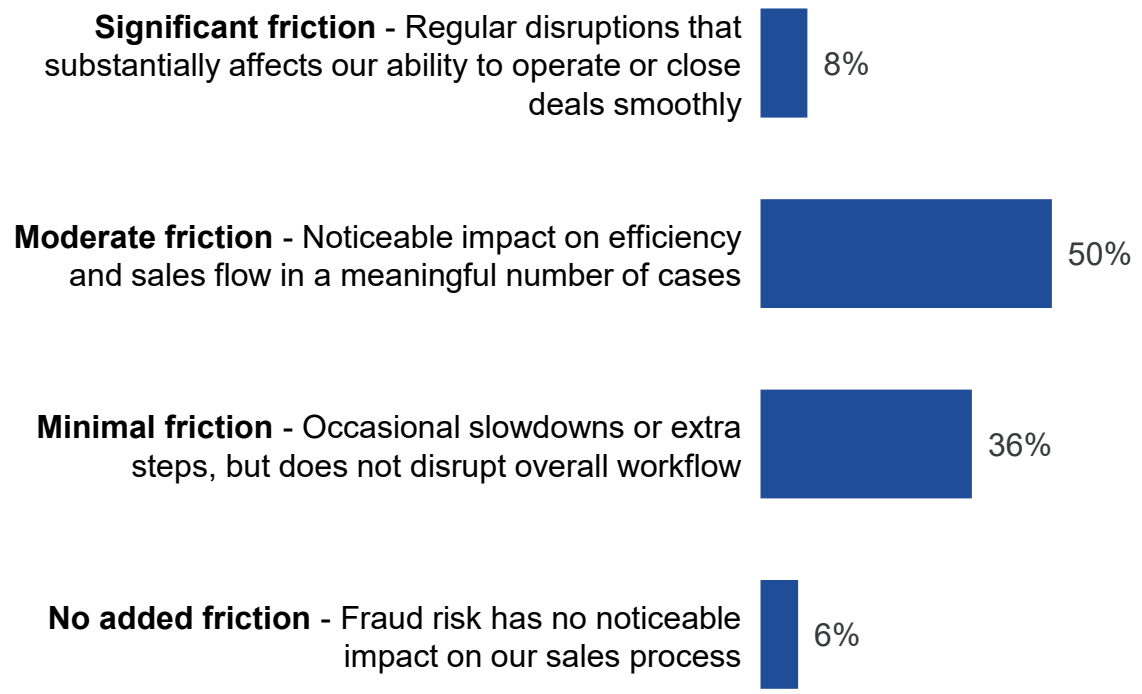

Among Total Sample
QFRAUDFRIC. How much friction would you say potential fraud adds to your dealership's sales process today?

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Respondents' Own Organization

Nearly **half of dealerships** (46%) validate customer income or employment only when **potential risk or inaccuracy is suspected.** About **one-third (31%)** perform validation on **every deal**, while **23%** do so only when **required by lenders**.

Time when Dealership Validate Customer's Income or Employment Information

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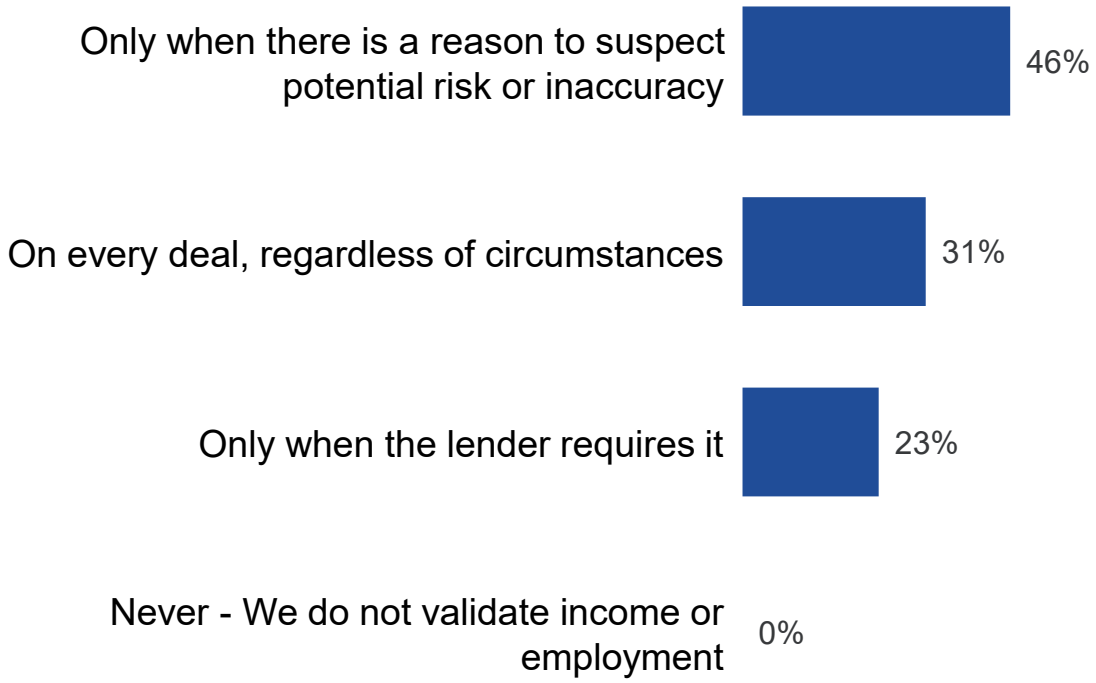

Among Total Sample
QINCOMEVAL1. When does your dealership typically validate a customer's income or employment information?

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Respondents' Own Organization

Dealers still rely heavily on **customer-provided documentation**, though third-party **digital verification tools** note **strong adoption**.

Methods of Validating Customer's Income or Employment Information

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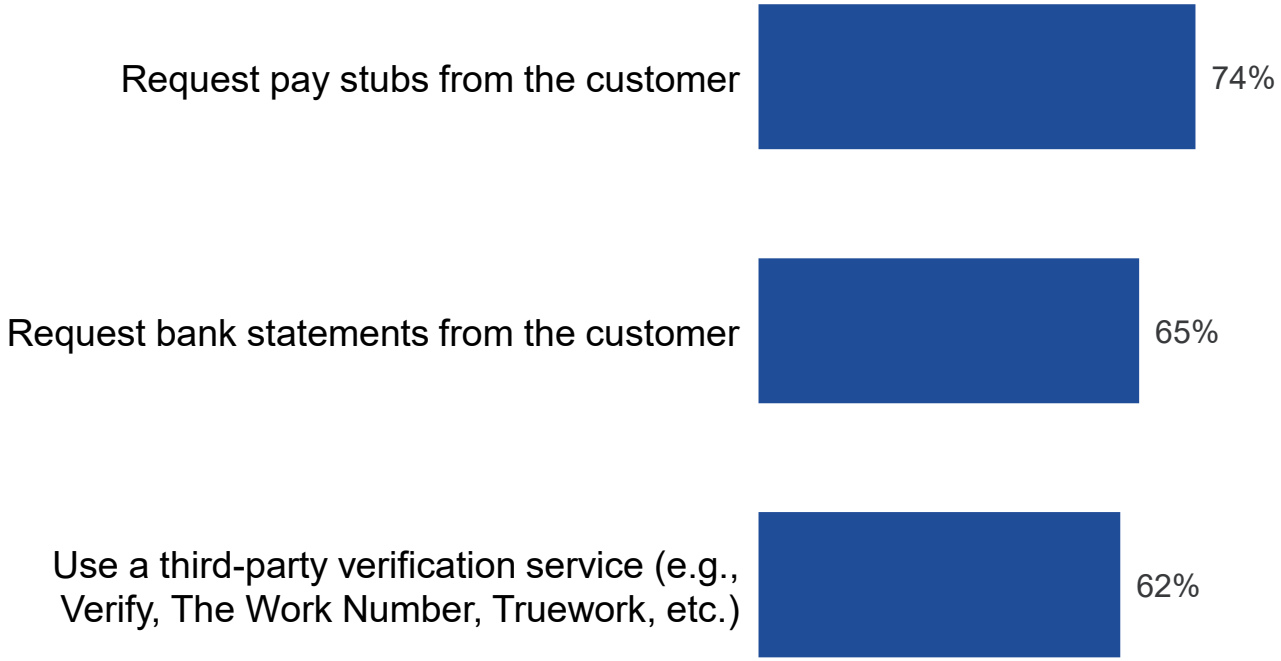

Among Total Sample
QINCOMEVAL2. How does your dealership typically validate a customer's income or employment information?

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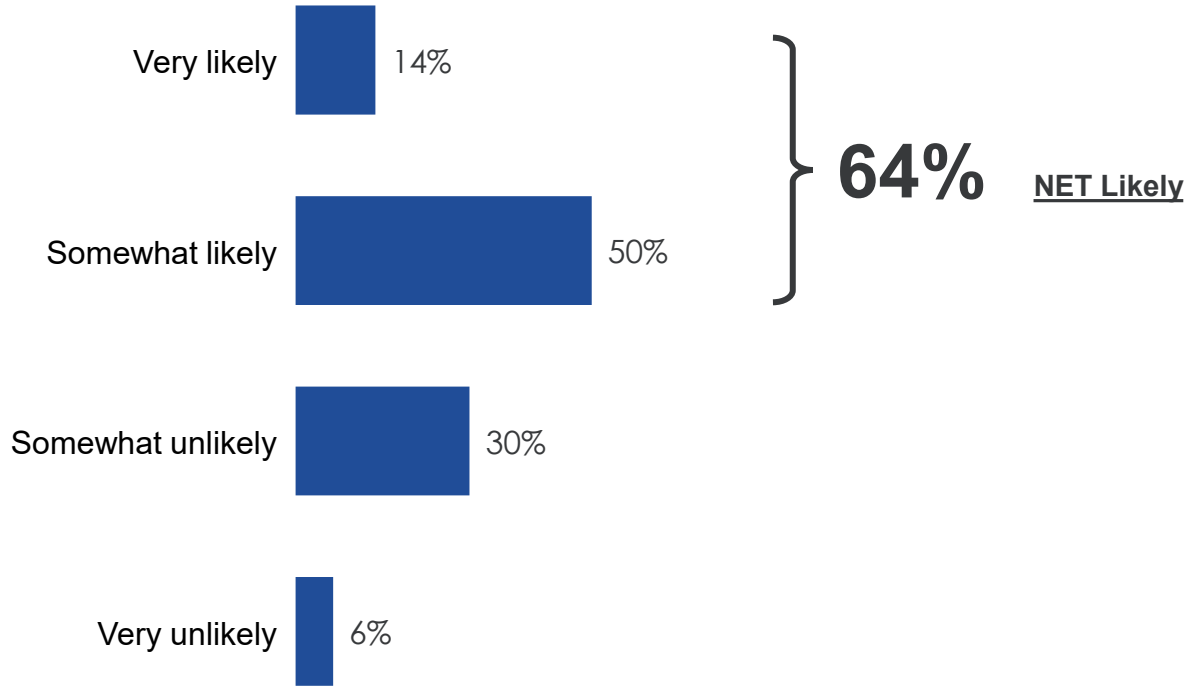
Respondents' Own Organization

Nearly **two-thirds of dealers (64%)** say they are likely to **direct deals to lenders who are more tolerant of potential fraud risk**, including **14%** who are **very likely** to do so.

Likelihood to Direct Deals to Lenders Who are More Tolerant of Potential Fraud Risk

n=125



Among Total Sample
QFRAUDRISK. Just as you may choose to work with lenders who are more tolerant of credit risk to get certain deals approved, how likely are you to also direct deals to lenders who are more tolerant of potential fraud risk?

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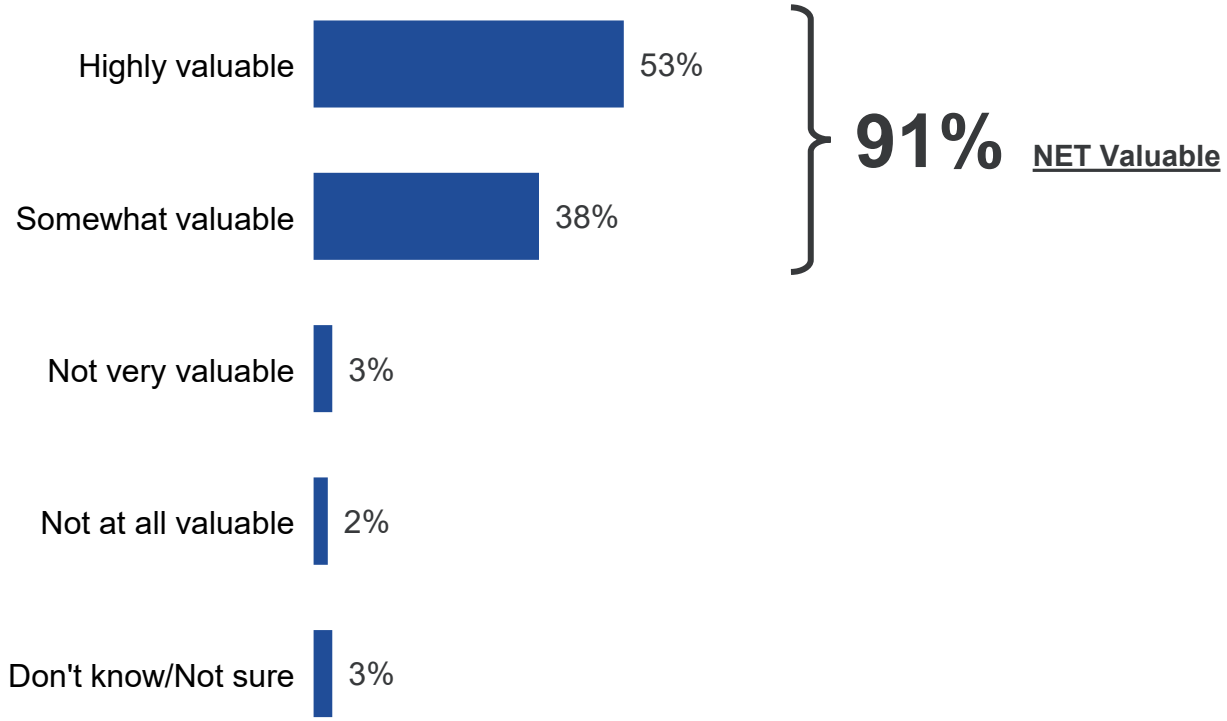
Respondents' Own Organization

91% of dealers view consortium data as **valuable** in fighting auto-finance fraud, with **53% rating it highly valuable** and 38% somewhat valuable.

How Valuable is Consortium Data in the Fight Against Auto-Finance Fraud

n=125



Among Total Sample

QFRAUD19. How valuable, if at all, do you feel consortium data is in the fight against auto-finance fraud? Consortium data refers to Auto Fraud data insights securely shared among similar organizations

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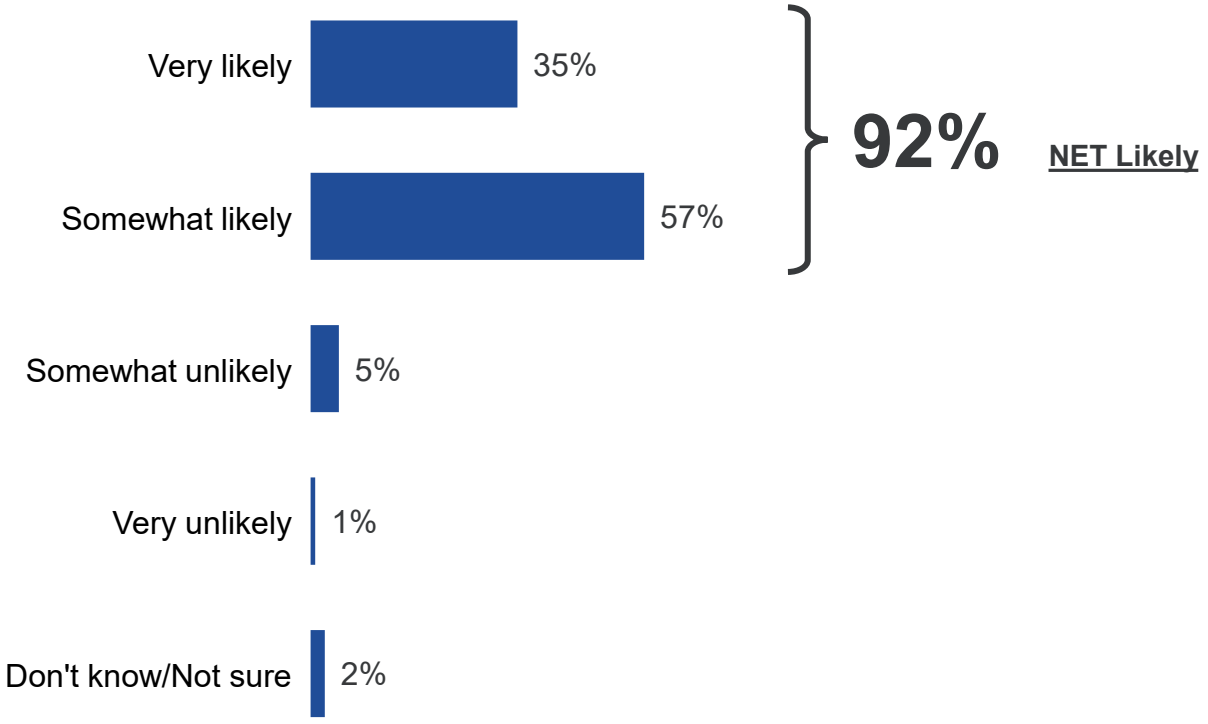
Respondents' Own Organization

92% of dealers say they are likely to **participate in securely sharing verified fraud cases**, including **35%** who are **very likely**. Indicating **growing momentum** behind data **consortium participation** in the **fight against auto-finance fraud**.

Likelihood to Participate in Securely Sharing Verified Fraud Cases to Help Reduce Fraud Risk

n=125



Among Total Sample
QFRAUD20. How likely would your dealership be to participate in securely sharing verified fraud cases or trends with other dealers to help reduce fraud risk?

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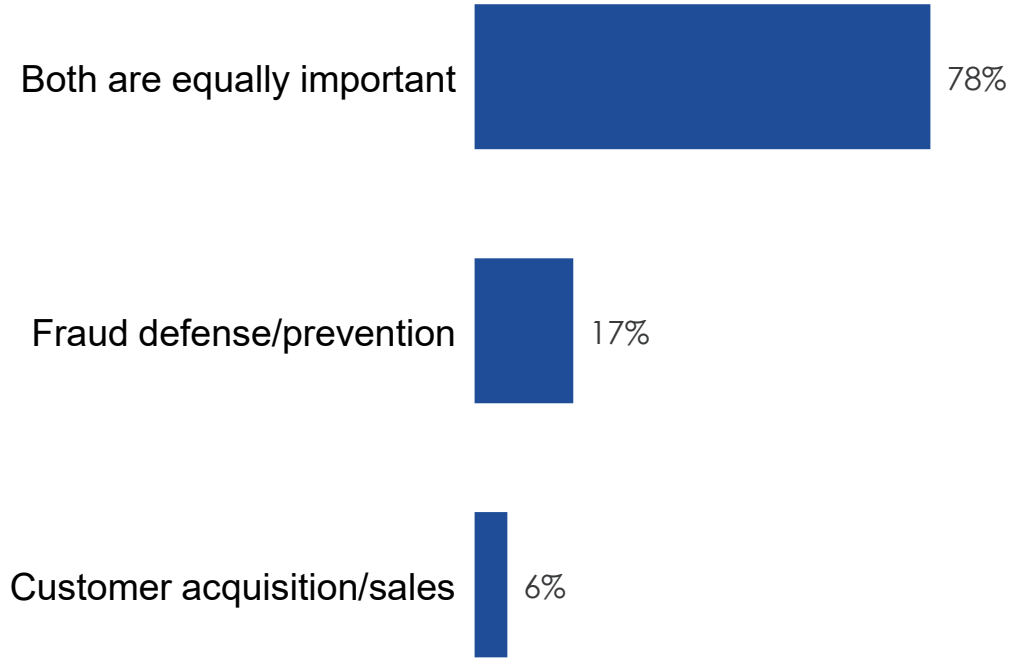
Respondents' Own Organization

A large majority of **dealers (78%)** believe **customer acquisition and fraud prevention are equally important**, reflecting a balanced approach to growth and risk management.

Priority for Balancing Customer Acquisition/Sales and Fraud Prevention/Detection

n=125



Among Total Sample
QFRAUD21. When it comes to balancing customer acquisition/sales and fraud prevention/detection, what is a greater priority for your organization?

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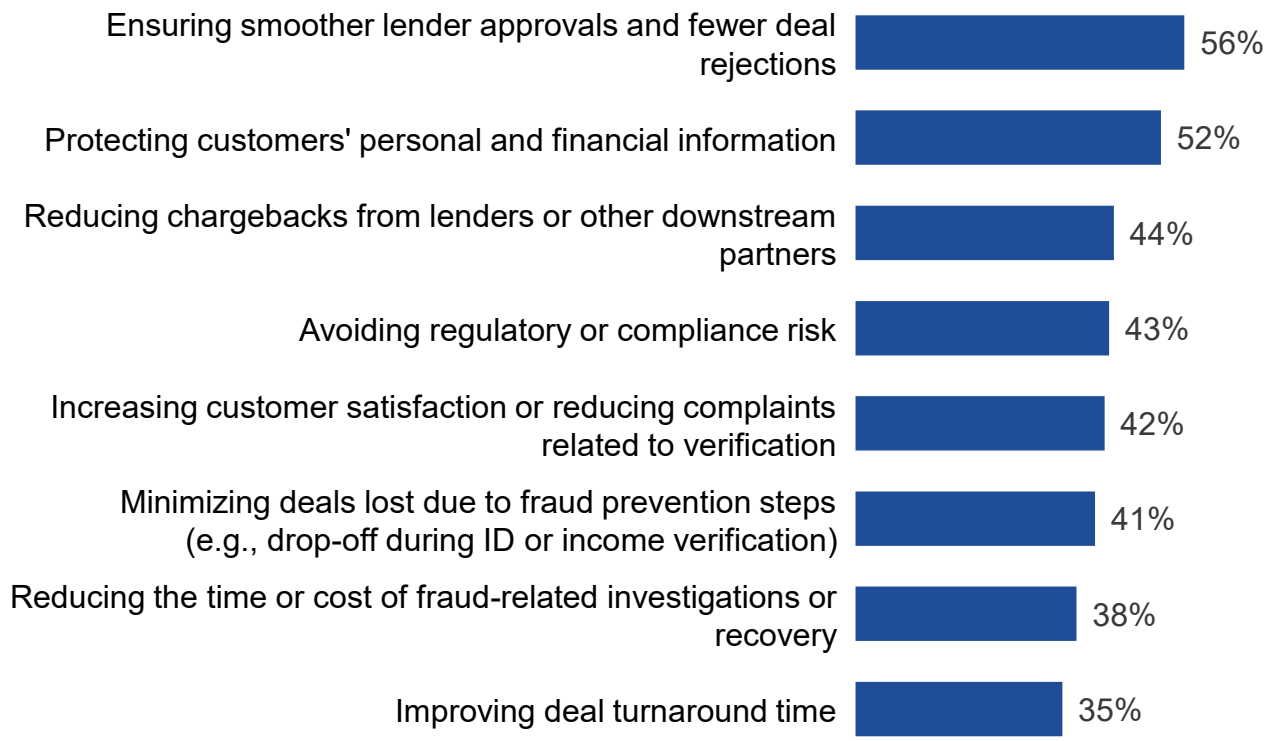
Respondents' Own Organization

Dealers most want fraud tools to **streamline approvals and reduce deal rejections (56%)**, followed by **protecting customer data (52%)**.

Most Desired Outcomes When Using Tools or Process to Reduce Fraud

n=125



Among Total Sample
QFRAUD22NEW. What outcomes are most important to your dealership when using tools or processes to reduce fraud during the vehicle sales and financing process?

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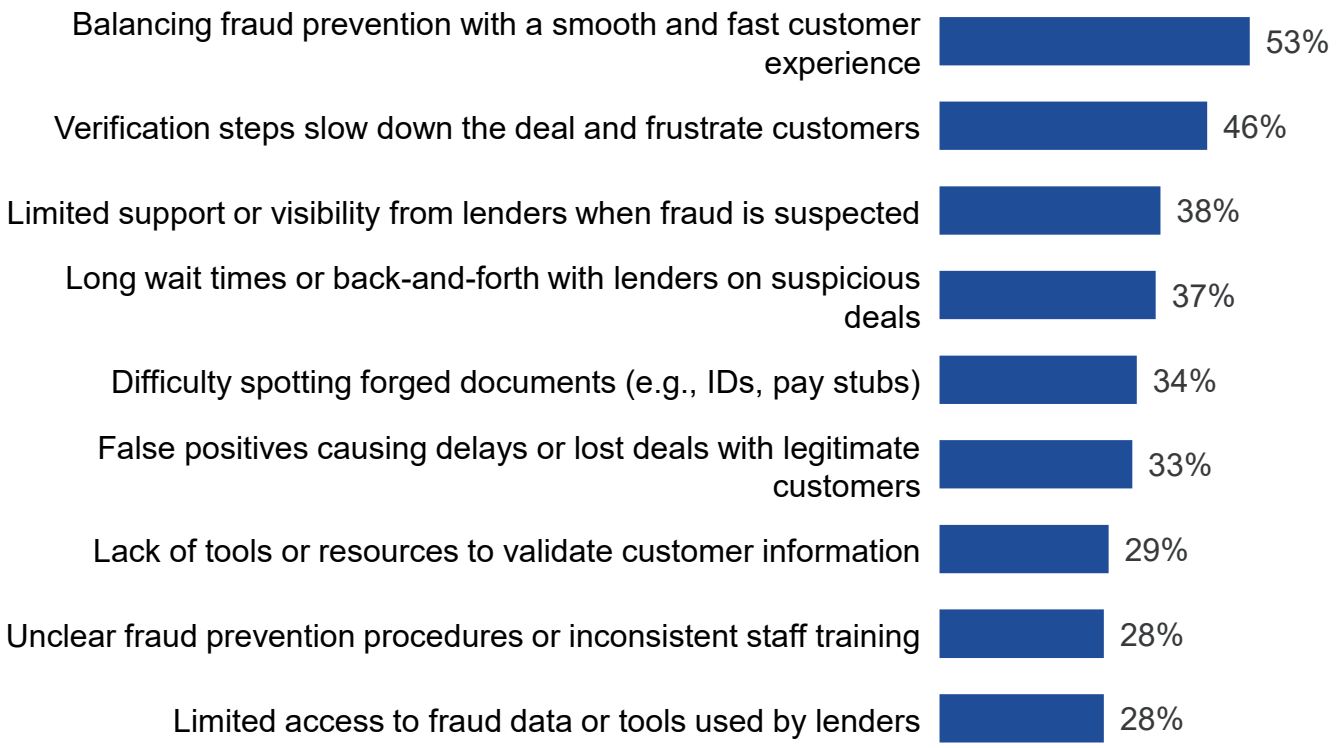
Respondents' Own Organization

The leading challenge for dealerships is **balancing fraud prevention with a seamless customer experience (53%)**, followed by **verification delays that frustrate customers (46%).**

Biggest Challenges When Verifying Customer Identity or Detecting Fraud

n=125



Among Total Sample
QFRAUD23NEW. What are the biggest challenges your dealership faces when verifying customer identity or detecting fraud during the sales or financing process?

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Thoughts Or Observations On Dealership Approaches Fraud Prevention Or Detection

In Their Own Words…

*"The world is getting really evil lately. You just have to be **careful** with everything and everyone it's sad that you just have to live by the theory. I **can't trust anyone** at their word or with a handshake anymore. Well, I take that back you can't but it's **going to cost you financially big time** because I promise you it will get taken advantage of very quick."*

*"Establish **clear fraud prevention strategies** to prevent fraud from occurring."*

*"The dealers adopt **multi-dimensional strategies** in terms of fraud detection and fraud prevention."*

*"We **prioritize employee training** and **advanced verification systems** to proactively identify and prevent sophisticated fraudulent activity."*

*"Our dealership focus on **layering technology** with **staff training**, ensuring that both **automated system and human judgment** work together to spot unusual patterns early."*

*"**Employee awareness** is a key component of fraud prevention. We provide **regular fraud training** to our **sales and finance teams** to ensure they can **identify various fraudulent tactics,** such as false identities or non-compliant payment methods."*

*"I think that instead of investigating these fraudulent activities after the fact, it is better to let **risk control officers intervene in advance** during the financial product design stage."*

*"First, **identity and income documents** are cross-checked through a third-party verification system. Secondly, **special monitoring** is carried out on **short-term default patterns**, and professional appraisers are introduced to review high-priced replacement vehicles."*

*"At the **weekly risk control meeting**, we will specifically **review those applications** that seemed perfect but were rejected by us based on **intuition and details.**"*

*"We need to **get more tools** and **more training** on detecting potential fraudulent deals that are coming through dealership at any given time from income verification to driver's license that are fraudulent to straw deals."*

Among Total Sample
QFRAUDINSIGHT1: Do you have any additional thoughts or observations about how your dealership approaches fraud prevention or detection??

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Areas of Improvement in Current Fraud Mitigation Approaches

In Their Own Words…

*"Short of dotting your eyes and crossing your tease at every turn possible I'm gonna say it's gonna be **really difficult**. The criminals are always going to **stay one step ahead**. It seems like so just when you figure out the newest way to get one over on you, they come out with **something new and improved** so I see it is being a **never-ending game** and that goes for every industry not just this one that I'm in."*

*"We can use **machine learning models** to analyze **historical transaction data** to identify potential fraud. By analyzing customer data such as purchase history, payment methods, and vehicle selection, we can **identify unusual patterns and generate early warnings**. These intelligent models help us monitor transaction behavior in real time, detect early signs of fraud, and take preventative measures."*

*"Dealerships could strengthen fraud mitigation by **adopting advanced data analytics** and **real time verification tools** to quickly detect suspicious activity before a deal is finalized."*

*"Various methods can be adopted to improve the prevention of fraud. For instance, **enhancing employee training** can make employees more familiar with fraud tactics."*

*"**AI tools** are introduced at the technical level to **analyze abnormal patterns in application data in real time and improve recognition capabilities**."*

*"**Train sales and finance managers** on **fraud prevention awareness** when talking with customers, especially when discussing key information such as income and address."*

*"Dealers should **implement stricter verification**, **transparent processes** and **swift action** to combat fraud and ease tensions."*

*"Getting the **proper tools** again put in place at the dealership so that we can use that with the correct software and technology that is now readily available."*

Among Total Sample
QFRAUDINSIGHT1: Do you have any additional thoughts or observations about how your dealership approaches fraud prevention or detection??

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Conclusions

Executive Summary

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CONCLUSIONS

1) Fraud is a Persistent and Operational Challenge for Dealers

Fraud continues to weigh heavily on auto dealers, shaping both daily operations and strategic planning. Nearly **9 in 10 (88%) express concern** about rising fraud in the industry, and **3 in 4 (75%) say it has a measurable impact** on their business operations. In the past year, **85% have encountered either suspected or confirmed fraud** incidents, underscoring that exposure is a shared and recurring reality.

- *Fraud is not viewed as an isolated risk event - it's an operational friction point that touches every stage of the retail and financing process, from deal structuring to lender relationships.*

2) Income & Identity Misrepresentation are Core Threats, followed by Vehicle Fraud

Fraud at the borrower level dominates the risk landscape. **Forged income documents (62%), income fabrication (50%)**, and **synthetic or third-party identity fraud (43 - 44%)** top the list of most impactful schemes. Dealers' fraud-prevention focus mirrors this concern, with income and identity verification rated as top priorities. However, **many dealers validate income only when risk is suspected (46%)**, indicating a reactive posture rather than a universal control. **Vehicle fraud** is a known factor, though evolving misrepresentation tactics are a continuing concern.

- *This emphasis on borrower-level validation highlights progress but also reveals gaps in proactive, standardized verification - particularly where speed and customer experience pressure accuracy.*

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CONCLUSIONS

3) Fraud Detection Still Faces Process and Channel Friction

Half of dealers report moderate friction in their sales process due to fraud controls, showing that prevention efforts remain functional but not seamless. The majority rely on manual ID checks (67% via scanner, 63% photocopy) and dual verification methods (76% manual, 75% digital). While these methods provide coverage, they often slow deal flow and frustrate customers - 53% cite balancing fraud prevention with a smooth experience as their top challenge.

- *Dealers continue to grapple with process inefficiencies, verification delays, and limited lender coordination, suggesting that automation and integrated fraud tools are essential for next-stage resilience.*

4) The Financial Burden of Fraud Is Clear - and Partially Absorbed

Fraud carries tangible cost: on median, dealers report 4 fraudulent deals completed annually, with the majority cite an estimated loss within $10,000 - $19,999 per incident.

- *The combination of high loss values and delayed detection underscores the need for faster, data-driven fraud identification and cross-party visibility between dealers and lenders.*

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CONCLUSIONS

5) Dealer Fraud Oversight Is Centered in Finance & Risk Roles

Fraud accountability largely sits within finance and risk leadership - **42% of responsibility** lies with **Heads of Finance & Insurance**, and **28%** with **Heads of Fraud** or **Risk Management.** This structure reflects growing institutional awareness but also suggests limited integration across broader operational roles such as sales or compliance.

- *Building a fraud-aware culture across all dealership functions remains an opportunity to strengthen early detection and mitigate front-line vulnerabilities.*

6) Collaboration and Data-Sharing Signal a Path Forward

Most dealers are ready to collaborate: **91% find consortium data valuable**, and **92% say they are likely to participate in securely sharing verified fraud cases**. This overwhelming support signals an industry shift toward shared intelligence and collective defense, enabling faster recognition of repeat offenders and systemic fraud patterns.

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Experian **Automotive**

Turning **automotive data** into insights and **INSIGHTS** into **ACTION**

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experian®

How Experian Automotive can help in the battle against fraud

Keeping Fraud From Disrupting the Deal

Fraud in the automotive ecosystem isn't theoretical—and it isn't slowing down. Dealers report increasing identity manipulation, income fraud, and vehicle-level misrepresentation. Even as customer expectations for speed and simplicity grow higher.

The challenge is clear: **stop fraud without stopping the deal.**

That's where Experian Automotive comes in.

Fraud Prevention That Protects the Deal

Experian helps auto dealers and lenders detect fraud **without harming the customer experience**. Our solutions work seamlessly within dealership workflows and systems—protecting transactions while enabling legitimate buyers to move forward quickly and confidently.

Fraud risk may be rising—but with the right intelligence, it doesn't have to slow your business down

Identity Intelligence Designed for Automotive

Experian Automotive delivers industry-leading identity and fraud prevention capabilities fine-tuned for automotive transactions. Our solutions help dealers:

- Verify identities with greater confidence
- Detect income and employment misrepresentation
- Confirm trade-in vehicle ownership and identify inconsistencies across documents and applications
- Support faster, more confident lender decisions
- The result: fewer surprises after funding—and fewer deals that come back to haunt you.

The Bottom Line

With Experian, dealers can reduce fraud exposure, protect deal flow, and keep vehicles moving—without adding friction for real buyers. Learn how Experian Automotive helps dealers and lenders stay ahead of fraud—without slowing the deal.

Find out more at **https://www.experian.com/automotive/fraud-protect**

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Appendix

Fraud Definitions

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Fraud Definitions

First-Party Identity Fraud (including Bust-out fraud)	Individuals misrepresenting their own information or intentions to commit fraud
Forged Driver's License	Using a counterfeit or altered driver's license to establish a false identity or misrepresent personal information during the loan application process.
Straw Borrower Fraud	Involving an individual (the "straw borrower") who applies for a loan on behalf of another person who may not qualify, concealing the true identity of the actual borrower and potentially leading to loan defaults.
Synthetic Identity Fraud	Combining real and fake information to create a new, fictitious identity to misrepresent creditworthiness, aiming to secure loan approval under false pretenses.
Third-Party Identity Fraud	Using someone else's personal information without their knowledge to commit fraud
Employment Status Misrepresentation	Falsely stating one's employment status, such as claiming to be employed when unemployed, to meet loan qualification criteria. This may involve providing fake employer details or contact information.
Forged Bank Statements	Submitting fabricated or altered bank statements to misrepresent financial stability or income levels, aiming to deceive lenders during the loan approval process.
Forged Income Documents (e.g., Pay Stubs, Tax Returns)	Providing fake or manipulated income documents (i.e., pay stubs) to falsely indicate higher earnings, thereby influencing the lender's assessment of the applicant's ability to repay the loan.
Income Fabrication	Intentionally overstating or falsifying income details on a loan application to qualify for a loan that the applicant might not otherwise be eligible for. This often involves creating fake pay stubs or altering existing documents to inflate reported earnings.
Job Title Misrepresentation	Claiming a more prestigious or higher-paying job title than actually held to appear more creditworthy to lenders. This can mislead lenders about the applicant's actual role and income level.
Forged Vehicle Identification Numbers (VINs)	Altering or fabricating a vehicle's VIN to disguise its true identity, often to conceal theft, salvage status, or other issues, thereby misleading lenders and buyers.
Purchased/Collateral Vehicle Misrepresentation	Providing false information about the vehicle being purchased, such as its value, condition, or features, to secure a larger loan amount than warranted. This can include tactics like "power booking", where nonexistent features are claimed to increase the vehicle's value.
Trade-In Vehicle Deception	Misrepresenting the condition, value, or ownership status of a vehicle offered as a trade-in. This occurs to inflate its value by concealing vehicle issues; additional issues such as title washing (to obfuscate ownership or existing liens), thereby affecting the terms of the new loan.

Income-related fraud | Vehicle-related fraud | Identity-related fraud

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