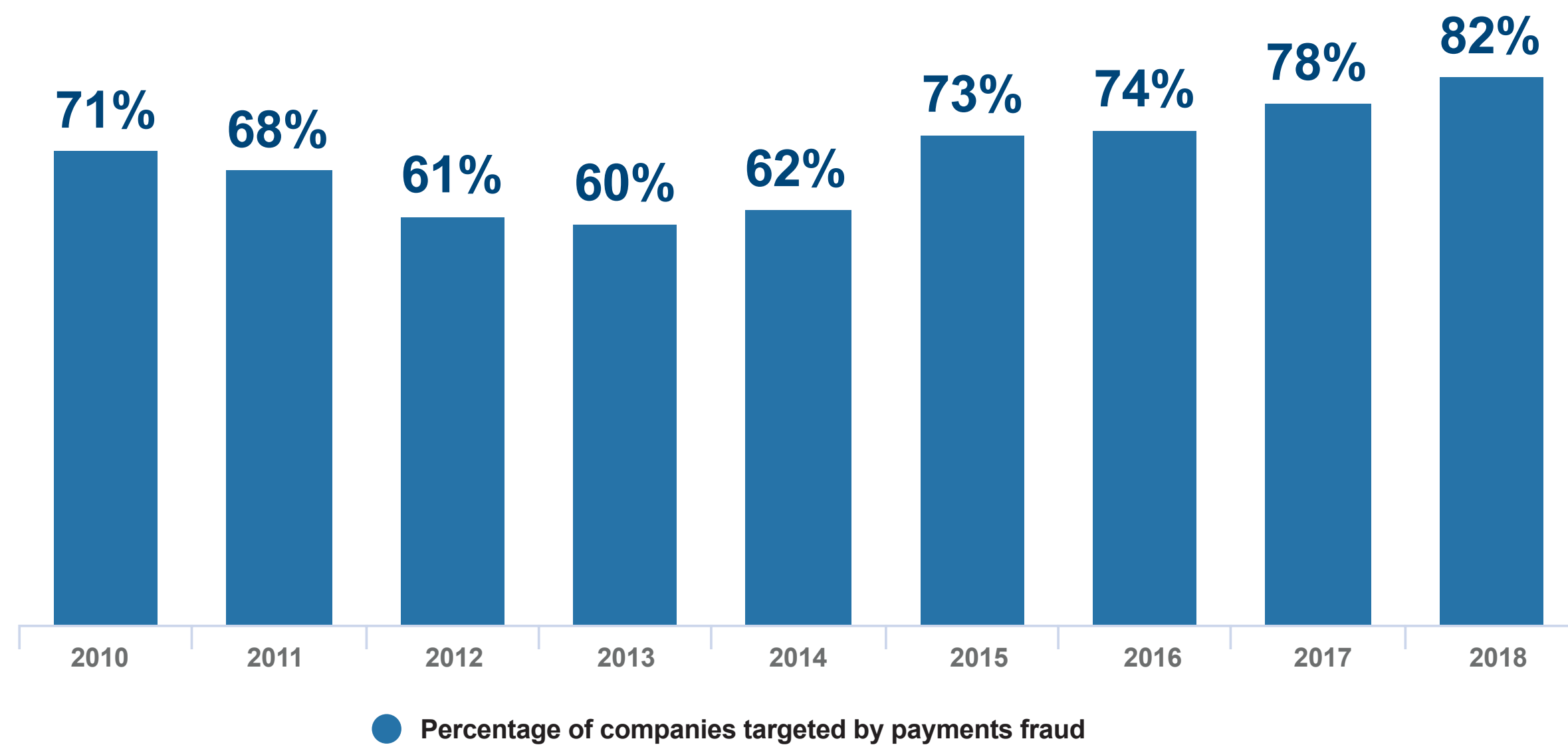


# Payments Fraud Activity Surged in 2018

According to the Association for Financial Professionals' 2019 Payments Fraud and Control Survey, payments fraud is becoming increasingly pervasive. While technology advancements optimize and simplify processes, they can also provide a means for perpetrators to attack payment methods, commit financial crimes and inflict extensive damage.



## Larger Organizations at Higher Risk of Attacks

Experienced Payments Fraud Attacks in 2018

**69%**

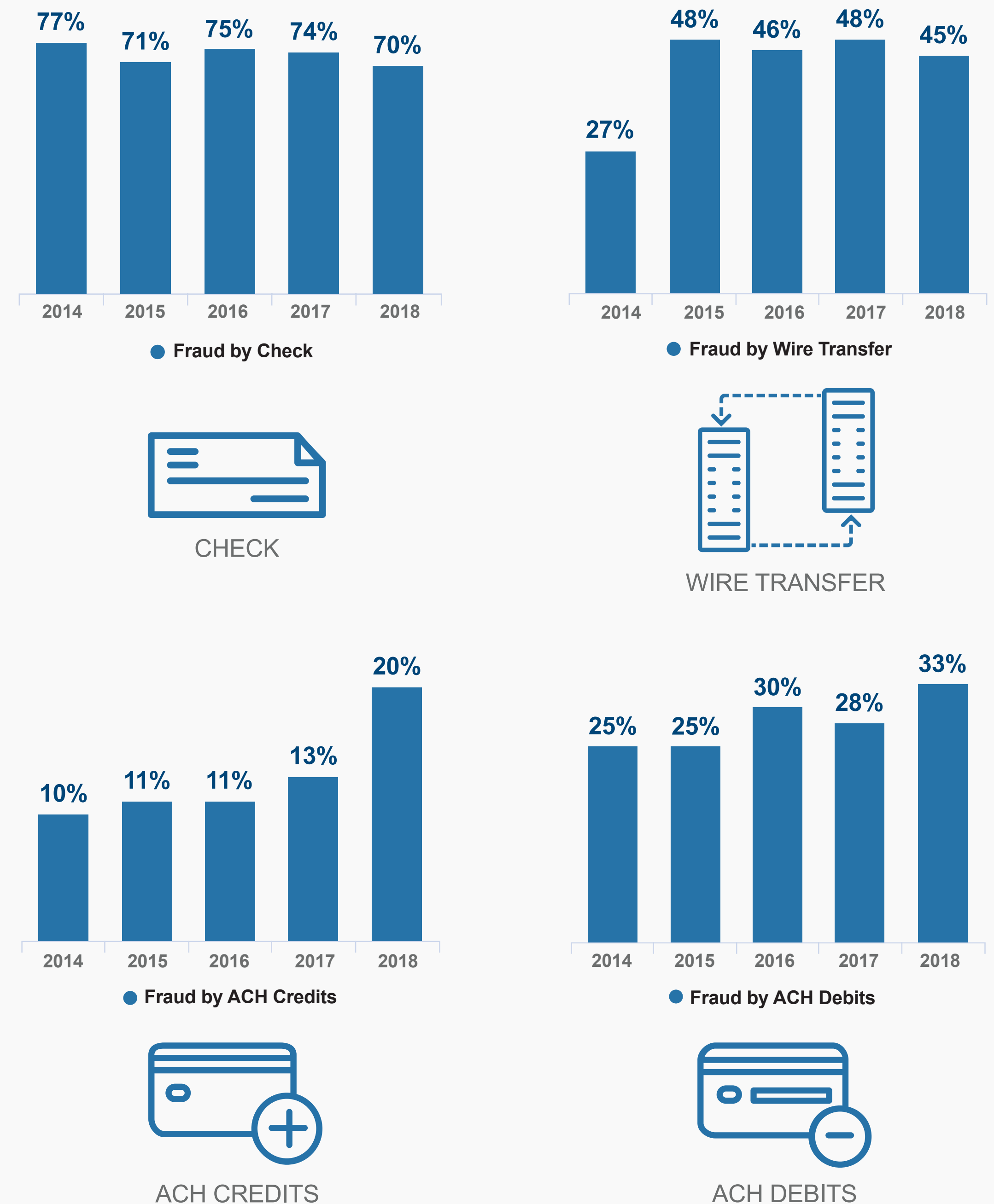
Of businesses with annual revenue less than \$1 billion

**87%**

Of business with annual revenue at least \$1 billion

## Check Fraud Drops Slightly, but ACH Fraud Increases

Checks and wire transfers continued to be the largest targets for fraud, but the percentage of these scams decreased. Fraudulent ACH debits and credits increased indicating that fraudsters are developing more sophisticated attacks, as ACH transactions are often more difficult to compromise.



# Email Scams Grow More Sophisticated



Business email compromise (BEC) targets businesses and individuals responsible for initiating payments. Eighty percent of organizations were exposed to BEC scams in 2018—the highest number on record.

Survey respondents reported the following common BEC attacks:

**81%**

Spooled email addresses that pose as senior executives directing a transfer of funds

**44%**

Impersonated vendors in emails, directing payments based on authentic invoices

**33%**

Pretend third parties in emails, requesting changes in bank account and payments instructions

# How Organizations Are Defending Themselves

Fraud continues to rise and businesses are proactively finding ways to protect themselves. More than three-quarters of respondents implemented strong internal controls for payments initiated by email and increased end-user education and training on the threat of BEC.

Ways financial professionals are protecting their companies include:

**88%**

use Positive Pay to verify the authenticity of checks

**72%**

segregate accounts

**68%**

perform daily reconciliation of check activity

**65%**

perform daily reconciliation of ACH debits

For more information, visit the [Cybersecurity and Fraud Protection](#) page.