

# The Rising Cost of Fraud



## Projected Market Growth

- Fraud prevention market set to grow from \$42B (2023) to \$277B (2032)
- CAGR: 23.3%

## Key Fraud Trends

**1 Gen Z First-Party Fraud**

- 42% of Gen Z customers admit to willingness to commit first-party fraud

**2 Advanced Cyberattacks**

- Tools like GenAI and LLMs empower precise, hard-to-detect attacks

**3 Common Threats**

- Credit Card Fraud
- Chargebacks
- Account Takeovers
- Gift Card Fraud

The challenge for digital businesses?  
Finding the right balance between robust fraud prevention and seamless customer experiences

Digital goods market spend

**\$ 135 billion**

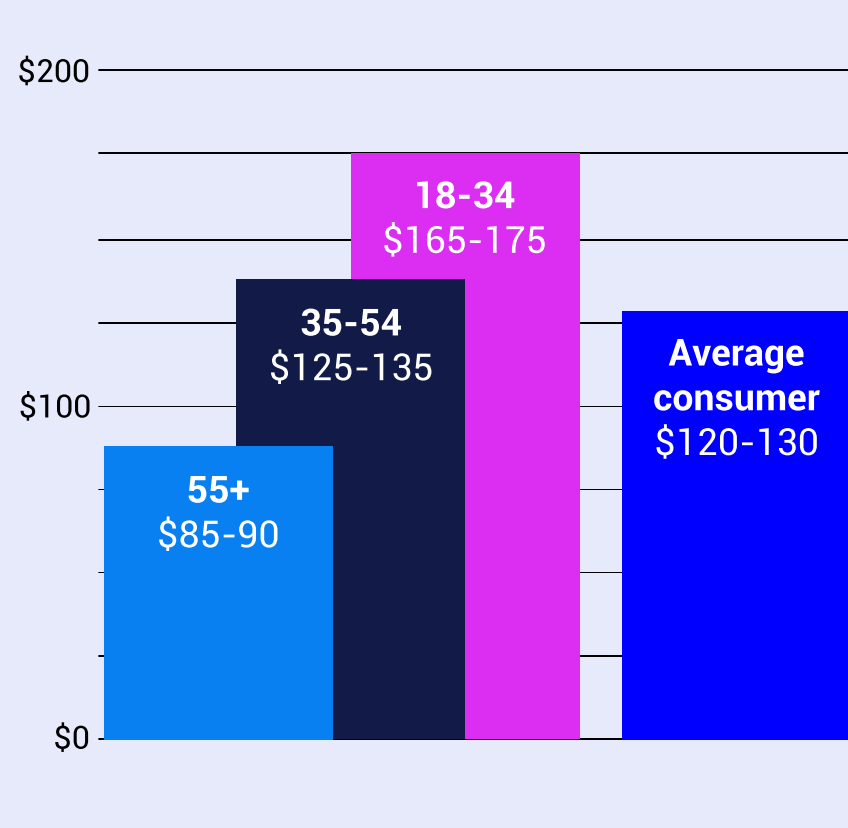
in 2024

Transactions have increased by

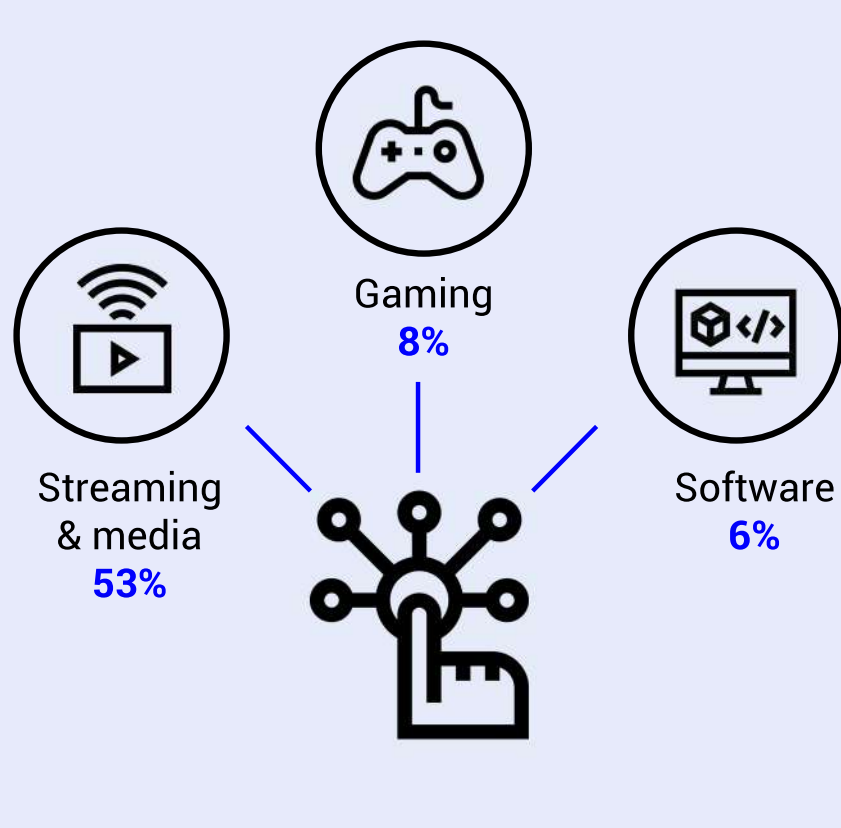
**70%**

in the last 2 years

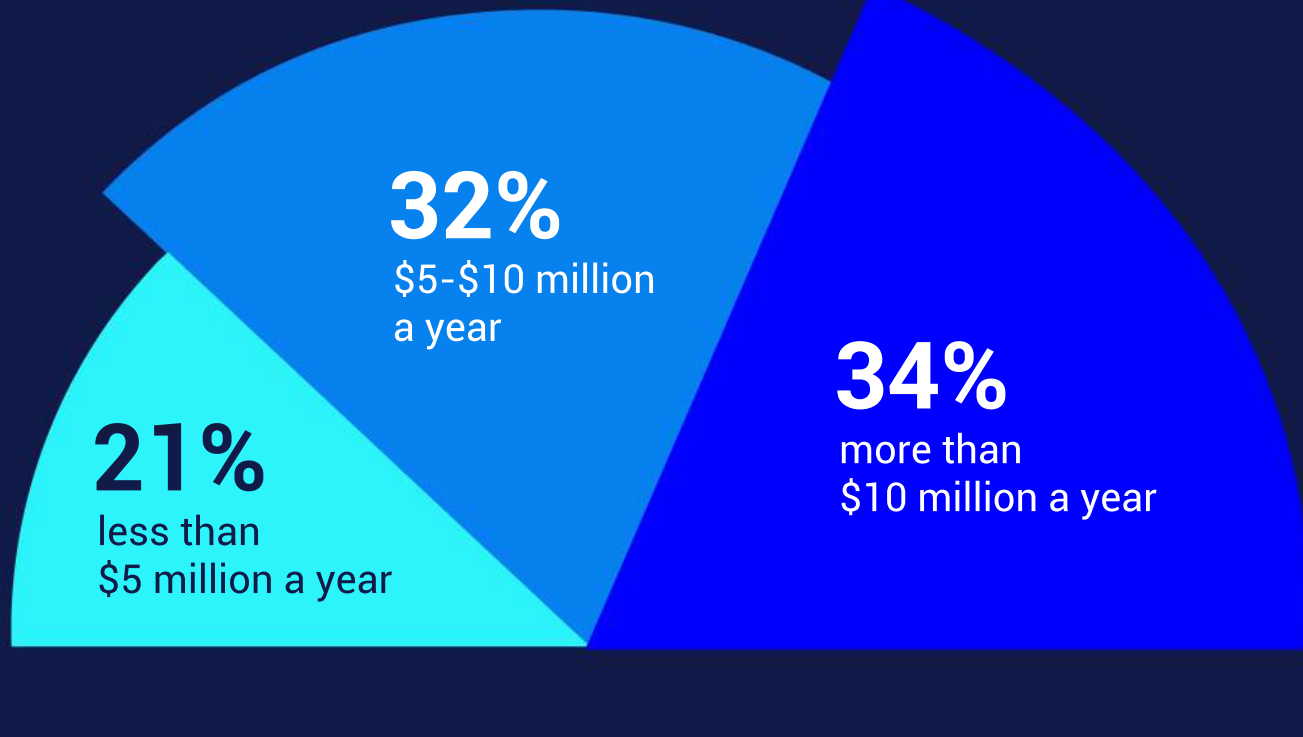
Spending on digital goods by age group



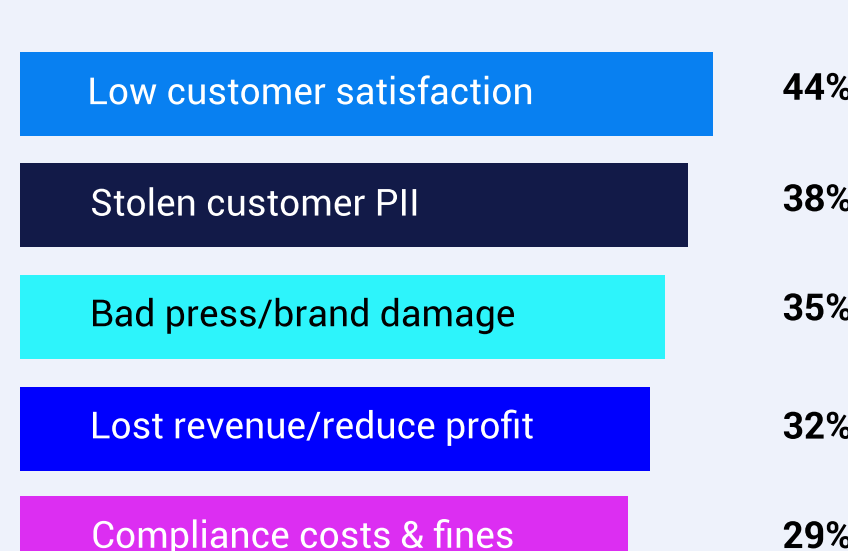
Top categories for digital goods and services



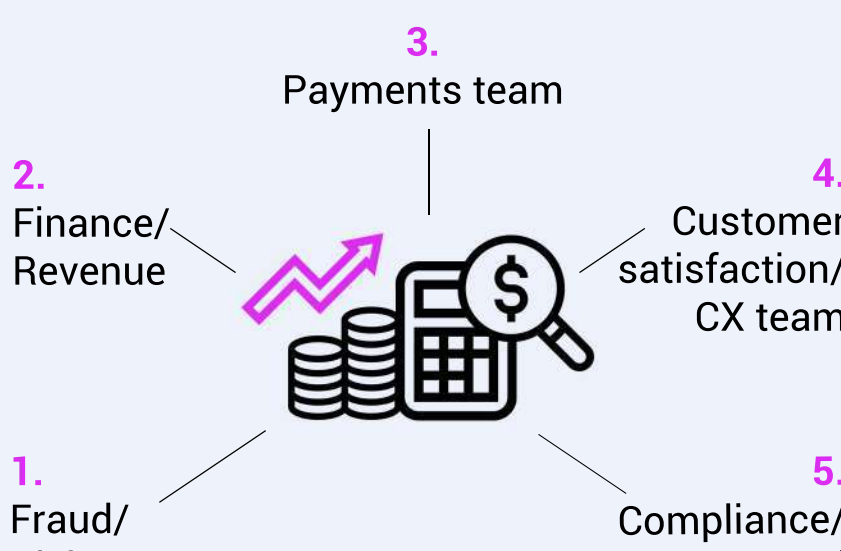
## Fraud costs for digital goods companies



Consequences of fraud for digital goods brands



Teams affected by fraud



## Regional insights: Global fraud detection & prevention market

### Europe

- **Second-Largest Market:** Growth spurred by cyberattacks and online transaction shifts
- **Strong Legal Framework:** GGDPR, AMLD, and PSD2 mandate enhanced fraud prevention
- **Consumer Protection:** High demand for secure, legally compliant solutions



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### Asia Pacific

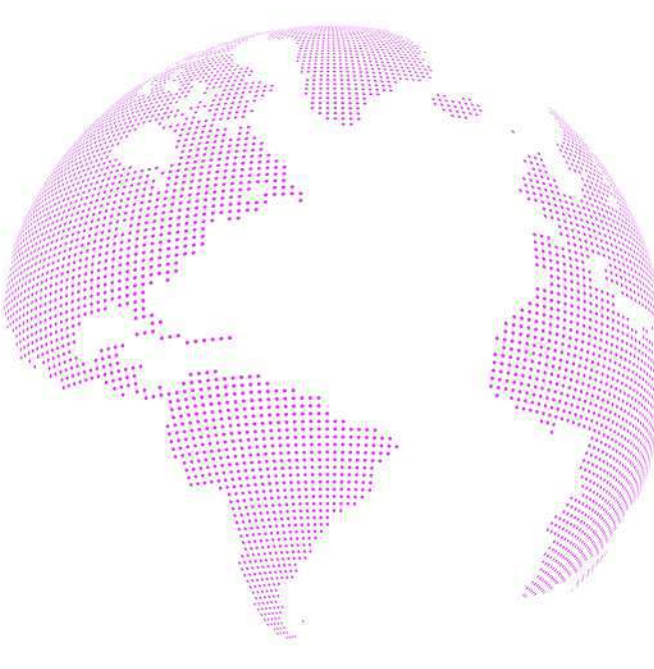
- **Emerging Market:** Fueled by digitalization, eCommerce, and mobile payments
- **High Vulnerability:** Large transaction volumes attract fraudsters
- **Sector Focus:** Banking, telecom, insurance, and government lead in technology adoption



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### Latin America

- **eCommerce Surge:** Growing online shopping and mobile payments drive demand for fraud prevention
- **High Fraud Rates:** Card-not-present (CNP) fraud and account takeovers are major challenges
- **Security Gaps:** Limited adoption of advanced tools leaves businesses vulnerable



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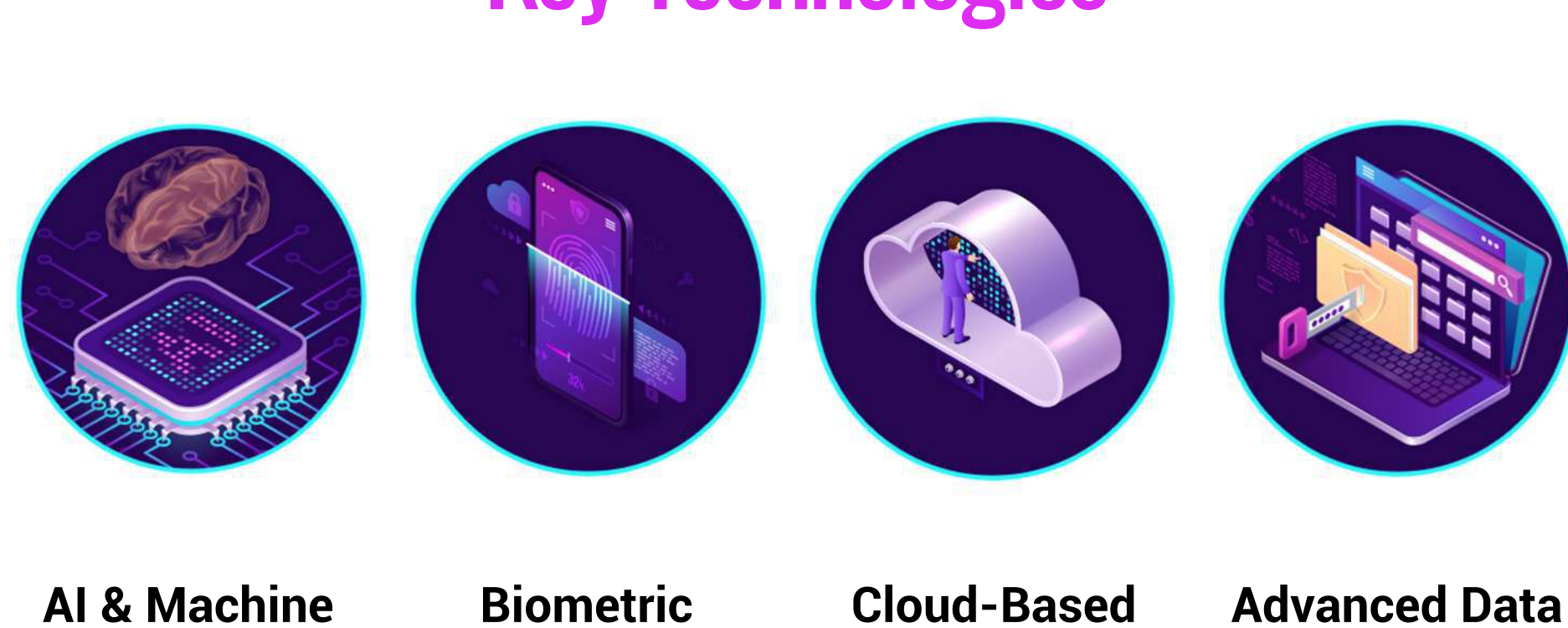
### North America

- **Rising Fraud Cases:** Increasing incidents of identity theft, payment fraud, and money laundering
- **Tech Advancement:** AI, machine learning, and big data analytics adoption
- **Regulatory Compliance:** Strict standards like PCI DSS, SOX, and HIPAA drive robust measures



## 2025 Fraud Prevention Trends

### Key Technologies



AI & Machine Learning

Biometric Authentication

Cloud-Based Solutions

Advanced Data Intelligence