

# ID FRAUD HITS RECORD HIGH

IN 2016

**15.4 MILLION** US victims

**16% MORE** victims over 2015



## FRAUDSTERS TAKE ADVANTAGE OF EVERY OPPORTUNITY

**SIGNIFICANT SPIKE** IN CARD-NOT-PRESENT FRAUD

**ACCOUNT TAKEOVER LOSSES INCREASED BY 60%**

Digitally Connected Consumers at **HIGHER RISK**

Offline Consumers **TAKE LONGER** to DETECT FRAUD

While fraudsters are becoming better at evading detection, consumers with an online presence are getting better at detecting fraud quicker, leading to less stolen overall per attempt.

## FOUR MAJOR ID FRAUD TRENDS: 2016

**1 FRAUD LEAPS TO A RECORD HIGH**



Additional **2 MILLION VICTIMS** as compared to previous year

**2 CARD-NOT-PRESENT (CNP) FRAUD RISES SIGNIFICANTLY**



**OUT OF POCKET** costs were **DOUBLE** to POS Fraud

**3 ACCOUNT TAKEOVER BOUNCES BACK**



**TOTAL ACCOUNT TAKEOVER (ATO) LOSSES**  
 → 2.3B, a 61% spike from previous year  
 → **VICTIMS PAYING** an average of \$263, which is **5 TIMES** than average

**4 NEW-ACCOUNT FRAUD (NAF) CONTINUES UNABATED**



NAF victims **DISCOVER FRAUD** by reviewing their **CREDIT REPORT**

**15%**

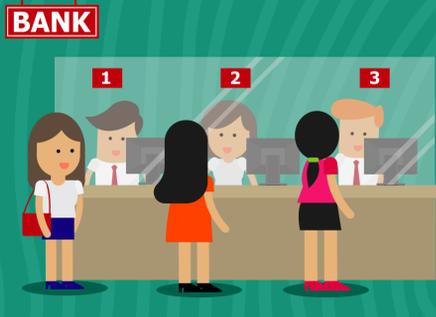
or when **CONTACTED BY** a **DEBT COLLECTOR**

**13%**

## FOUR DIGITAL CONSUMER PERSONAS IMPACT FRAUD RISK

**1 OFFLINE CONSUMERS**

Are exposed to **LESS RISK**, but incur **HIGHER LOSSES** than other fraud victims



Take **40+ DAYS** to detect fraud

**2 SOCIAL NETWORKERS**

share their social life in digital platforms



**46%** **HIGHER RISK** of account takeover fraud

## (continued) CONSUMERS' DIGITAL PERSONAS SIGNIFICANTLY IMPACT FRAUD RISK

**3 E-COMMERCE SHOPPERS**

Are at **HIGHER RISK** compared to other segments



But **78% VICTIMS DETECTED FRAUD** quickly, within a week of it occurring

**4 DIGITALLY CONNECTED CONSUMERS**

frequently shop online and share activity on social networks



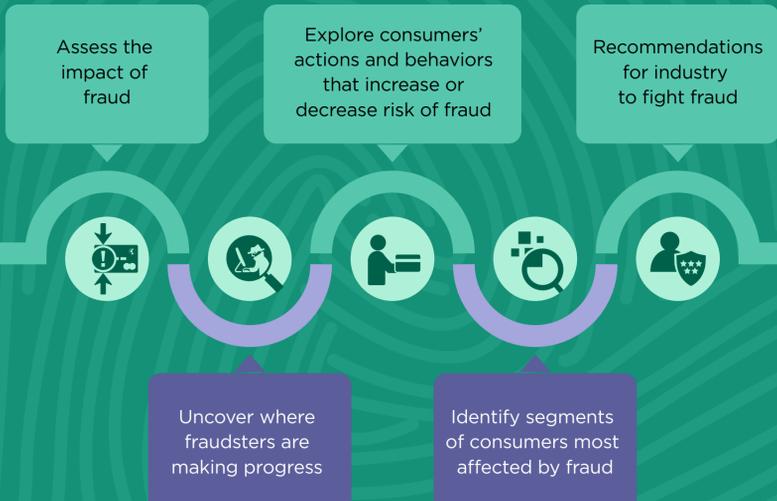
are **30% MORE** likely to be fraud victim

More of these consumers are **FEMALE**

**To successfully fight fraudsters, the industry needs to close the security gaps, continue to improve and consumers must be proactive.**

**AL PASCUAL** senior vice president, research director and head of fraud & security, Javelin Strategy & Research

## METHODOLOGY



Address-based survey of **5,028** of U.S. consumers. Javelin studies identity fraud

## JAVELIN

www.javelinstrategy.com

### About Javelin Strategy & Research

Javelin Strategy & Research (@JavelinStrategy), a Greenwich Associates LLC company is a research-based advisory firm that advises its clients to make smarter business decisions in a digital financial world. Our analysts offer unbiased, actionable insights and unearth opportunities that help financial institutions, government entities, payment companies, merchants, and other technology providers sustainably increase profits.

## LifeLock

www.lifelock.com

### About LifeLock

LifeLock, Inc. (NYSE: LOCK) is a leading provider of proactive identity theft protection services for consumers and consumer risk management services for enterprises. LifeLock's threat detection, proactive identity alerts, and consumers remediation services help provide peace of mind for consumers amid the growing threat of identity theft. Leveraging unique data, science and patented technology from ID Analytics, LLC, a wholly owned subsidiary, LifeLock offers identity theft protection that goes significantly beyond credit monitoring. As part of its commitment to help fight identity theft, LifeLock works to train law enforcement and partners with a variety of non-profit organizations to help consumers establish positive habits to combat this threat.

### About The Study

The annual 2017 Identity Fraud Study is a comprehensive analysis of identity fraud trends, independently produced by Javelin Strategy & Research and made possible by LifeLock, Inc., a leading provider of proactive identity theft protection services for consumers. Now in its fourteenth consecutive year, it is the nation's longest-running study of identity fraud, with 69,000 respondents surveyed since 2003.