

Payments fraud: still your company's most powerful threat.

WELLS FARGO

New data shows that payments fraud is growing faster than ever. Sophisticated fraudsters are finding many ways to scam companies—making cybersecurity and strict controls critical. It's time to get serious about fraud prevention.

Rising Fraud

Fraud isn't going away. It's growing.

2016

set the record for the most payments fraud ever reported

74%

of organizations were victims of payments fraud in 2016

COMPANIES **CANNOT AFFORD** TO BE COMPLACENT ABOUT FRAUD PREVENTION ANY LONGER.

Check Fraud | Checks are the most common target for fraud.

51%

of B2B transactions are made by check, making checks the most common payment method

75%

of organizations that were victims of fraud attacks/attempts experienced check fraud in 2016

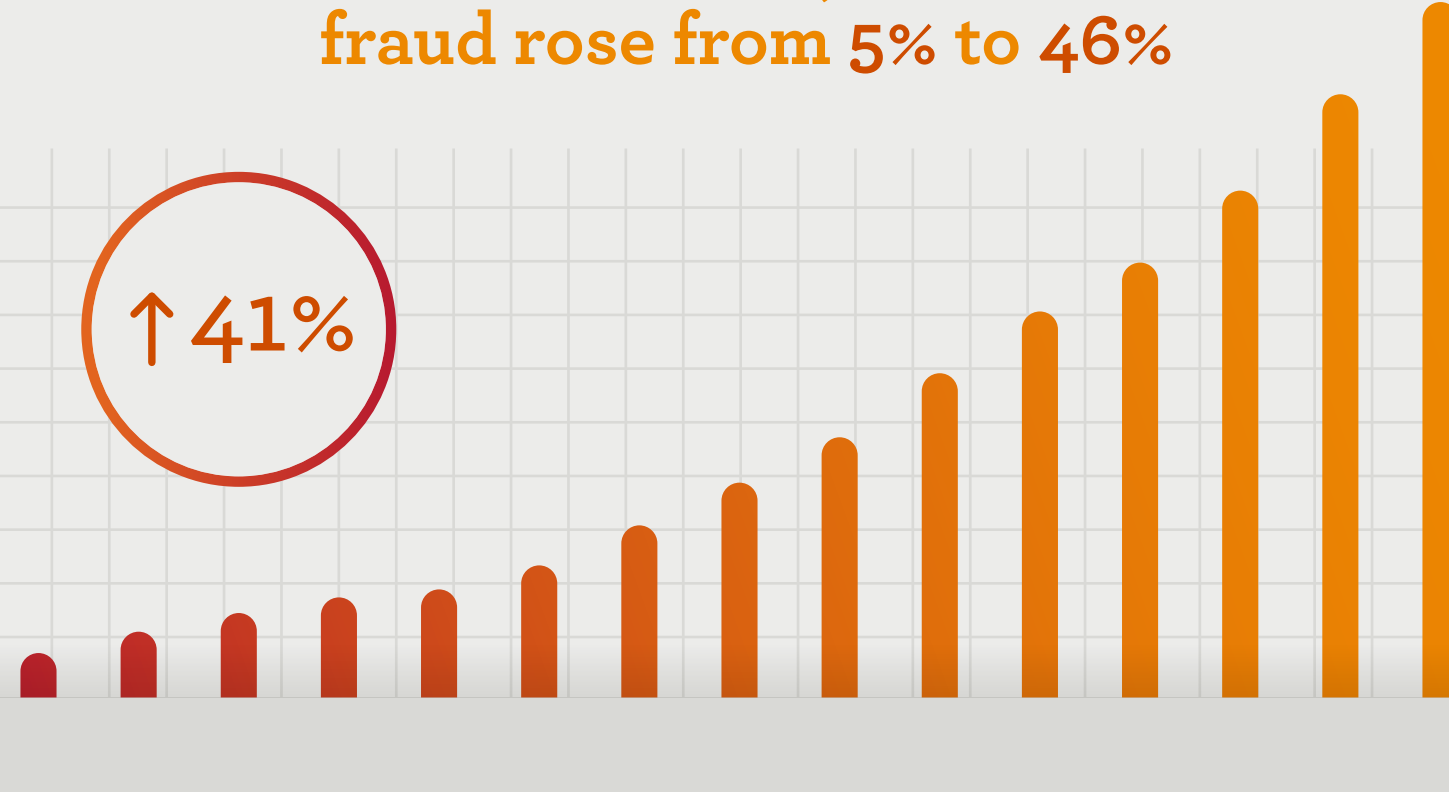
HELP FIGHT CHECK FRAUD BY MOVING YOUR COMPANY FROM PAPER TO ELECTRONIC PAYMENTS.



Wire Transfer Fraud

From 2009 to 2016, wire transfer fraud rose from 5% to 46%

↑ 41%



Business Email Compromise

BEC = the back door threat



Impostors compromise

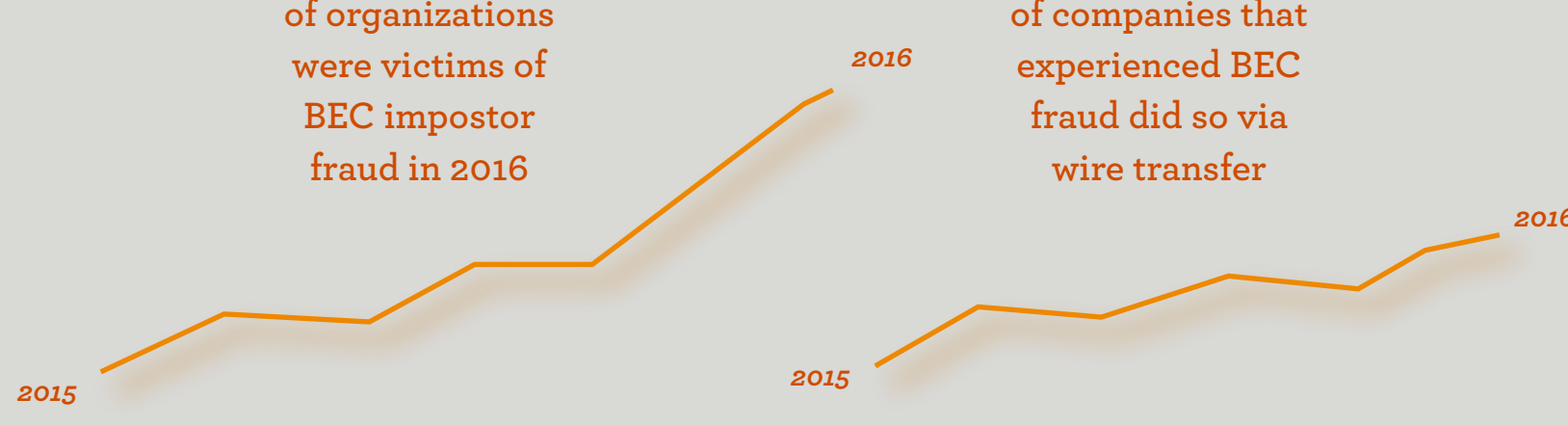
your legitimate business email accounts to conduct unauthorized funds transfers.

74%

of organizations were victims of BEC impostor fraud in 2016

60%

of companies that experienced BEC fraud did so via wire transfer



IMPLEMENT STRICT PAYMENT VERIFICATION CONTROLS TO DEFEND AGAINST BEC FRAUD.

ACH | Fraud attempts on ACH debit are rising, too.

30%

of organizations experienced fraud attacks/attempts via ACH debit (up 5% from 2015)

STAY ALERT—AS TECHNOLOGY CHANGES, SO DO TYPES OF FRAUD ATTACKS.

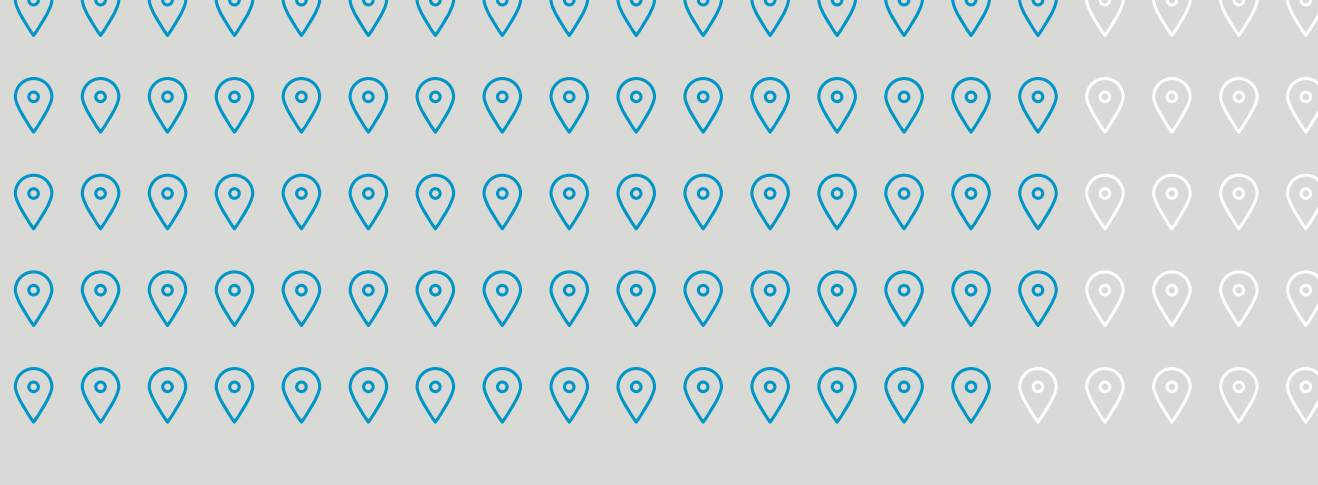


China / Hong Kong

Where are all the fraudulent funds going?

79 countries were sent fraudulent transfers

Majority of those transfers went to banks in Hong Kong and China



Defense Strategies

Companies are fighting back. You can too.

70%

of organizations are being proactive and using controls such as dual custody to prevent payment fraud

74%

of organizations reconcile accounts daily to defend against attacks

Payments fraud is a constant threat.

Here's how to help prevent it:

- 1 Safeguard payment systems
- 2 Invest in secure internal controls
- 3 Stay up-to-date on fraud attacks and prevention

Unless noted, all stats are from The AFP Fraud and Control Survey, 2017.

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