Retailers have long been fraud targets – particularly those selling high-value goods that can be easily sold on. Now the fight against retail fraud is becoming ever more complex as the landscape expands and diversifies. Worldpay therefore conducted research based on interviews with a broad selection of

international retailers which exposed a proliferation of fraud challenges for retailers across the world. 3 key trends emerge as risk instigators in today's exciting, but increasingly vulnerable, global marketplace.

The research revealed:

of retailers believe the proliferation of new

markets, channels and payment methods presents significant fraud challenges

And only have absolute confidence in their fraud management systems

Trends

3 Key



New Markets As retailers sell to more countries

they are struggling to keep ahead of cross-border fraud threats.



Multiple sales channels are fuelling

growth but making retail fraud more difficult to identify and prevent.



internationally but non-card payment fraud levels are an increasing concern.

Trend 1-**New Markets**

to greater fraud risk

An explosion of growth leading

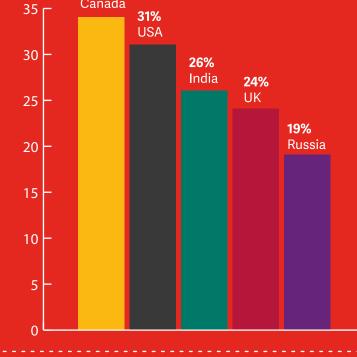
Countries the average retailer is selling to

Of retailers think fraud levels in particular countries will increase over the next 2 years

Top 5 countries perceived as having the most Top 5 countries predicted to have the most victims victims of fraud: of fraud in 2-3 years time:

Perception of fraud varies by geography

34% Canada 31%



USA 32% 35 India 28% 30 Canada 25% Japan China 25

37%

40

20

15

10

What concerns retailers about fraud in new markets?

worry about the integration of systems across countries

have difficulty keeping up with different tools required to fight multi-national fraud

all countries

feel they lack oversight over

New Channels

Trend 2 -

New opportunity brings the need to assess fraud

risk across all touch

points with the retailer

Channels most prone to fraud, according to retailers Third Party websites

of retailers surveyed are focusing on operating via new channels in the next 2-3 years

feel multi-channel operations mean greater exposure to fraud

Mobile

Retailers' own website

Spotlight on mobile

of mobile transactions are currently fraudulent, according

gathers pace

Key mobile risks reported by retailers Unsafe network and data connections (57%) Malware on mobile devices (54%)

to retailers

Consumers losing their devices (44%) Spyware on mobile devices (41%) Tips for mitigating multi-channel fraud Look at transaction data from all available sales channels when assessing fraud risk, to avoid turning down a loyal customer using a new device Focus on mobile anti-fraud strategies now as volume processed through this channel

• Be alert to atypical shopper behaviour - look at

such as adding items to basket via a PC and

concluding the purchase on a different device

unusual patterns of behaviour across channels,

feel mobile fraud is on

the increase

Retailers increase their customer reach by offering alternative payment methods, but

seek help with fraud prevention

Virtual Currencies

Trend 3 -

believe fraud levels on non-card payment methods will increase in the next 2 years

New payment types

of all transactions will be made via

alternative payments by 2017*

want their risk management solution to cover alternative payment methods

of retailers surveyed struggle to keep

ahead of fraud across payment methods

91% 88%

Overcoming the fragmentation of fraud in retail

within RiskGuardian

Ewallets

78%

Prepaid card (gift card or cash card)

69%

Are you expanding into new markets and channels? Or accepting new payment methods? Worldpay's anti-fraud solution RiskGuardian is the answer. Created with our customers, for our customers, RiskGuardian is specifically tailored to meet the needs of the retail sector.

Worldpay (UK) Limited (Company No. 07316500 / FCA No. 530923). Registered Office: The Walbrook Building, 25 Walbrook, London EC4N 8AF and authorised by the Financial Conduct Authority under the Payment Service Regulations 2009 for the provision of payment services. Worldpay (UK) Limited is authorised and regulated by the Financial Conduct Authority for

RiskGuardian offers: Real-time fraud alerts when suspicious The ability to set different levels of risk by type of goods being purchased, as well as by activity is detected

Concerns for retailers surveyed – alternative payments

Mobile payment methods

up internal resources. Our expert retail risk analysts review suspicious transactions before goods are shipped

Talk to us If you want to know more about RiskGuardian or our global report please

go to worldpay.com/riskguardian

consumer credit activities. Worldpay, the logo and any associated brand names are all trade marks of the Worldpay group of companies.

geography, channel or payment method

• An outsourced managed service to free

· NEW! Library of rules for retail. In one click,

benefit from decades of our retail expertise

distilled into ready-to-use anti-fraud rules

worldpay

*Your Global Guide to Alternative Payments (Second Edition), WorldPay2014

This report and its contents are proprietary to Worldpay and may not be reproduced, published or resold. The information is provided on an "AS IS" basis for information purposes only and Worldpay makes no warranties of any kind including in relation to the content or sustainability. Terms and Conditions apply to all our services. The data mentioned in this report (including, but not limited to, the relevant percentages) refer to retailers surveyed by Loudhouse Research in the context of the research. The research was carried out between September and October 2014 and consists of interviews with online retailers based in the UK, USA, China, Russia, Japan and India.