

North America trends report

Increases in online activity and financial hardships have created the opportunity and appetite for criminal behavior. Industries across the board have experienced a surge in mule activity and fraud associated with business and consumer stimulus payments.



As we look at the trends¹ from July and September in comparison to last year, **we anticipate that fraud will continue to follow.**

¹Trend data collected during Experian[®] surveys of businesses and consumers, July–November 2019, June–July 2020 and September 2020.



A **money mule** is an individual who's recruited, knowingly or unknowingly, to act on behalf of financial criminals.



Opportunities for fraud

Consumer online activity

| | JULY-NOV. 2019 | JULY 2020 | SEPT. 2020 |
|------------------------|----------------|-----------|------------|
| Shopping for groceries | 18% | 27% | 28% |
| Ordering food | 15% | 23% | 24% |

Anticipated increased online spending

| | JULY 2020 | SEPT. 2020 |
|--|-----------|------------|
| Anticipated increased online spending in next 3-6 months | 48% | 52% |
| Anticipated increased online spending in next 6-12 months | 47% | 54% |

Consumer difficulty paying bills

| | JULY-NOV. 2019 | JULY 2020 | SEPT. 2020 |
|--------------------|----------------|-----------|------------|
| Credit card | 13% | 23% | 23% |
| Utilities | 9% | 18% | 16% |
| Internet and cable | 8% | 18% | 18% |
| Mobile phone | 8% | 18% | 19% |
| Rent | 9% | 17% | 18% |

1/2 of consumers continue to cite security as the **most important** factor of their online experience.

Opportunities for resolution

Using data for identification

| | JULY-NOV. 2019 | JULY 2020 | SEPT. 2020 |
|---|----------------|-----------|------------|
| Consumers willing to share personal data | 52% | 53% | 60% |

Use of security features

| | JULY 2020 | SEPT. 2020 |
|--|-----------|------------|
| Consumers feel most secure with physical biometrics | 79% | 83% |

Fraud prevention budget

| | JULY-NOV. 2019 | JULY 2020 | SEPT. 2020 |
|--|----------------|-----------|------------|
| Businesses who have recently increased or are planning to increase fraud budget | 76% | 77% | 89% |

1/2 of consumers continue to have **higher expectations** for their digital experience since the onset of COVID-19.



While the changes in consumer behaviors and the strain on finances create the opportunity for identity theft and a wide range of fraud, they **also present an opportunity for businesses to deepen and improve customer relationships.** By creating a virtuous cycle of trust — using consumer information to create a better and more secure experience — **businesses can maintain their bottom line without increasing fraud losses or customer friction.**

Contact us to review your current fraud strategy.