



EverC Report Reveals Top 6 Global Transaction Fraud Trends of 2022

Transaction laundering is most common illicit payments activity, followed by pharmaceuticals (15%), IP rights infringement (15%), gambling (15%), and more

NEW YORK, NY, UNITED STATES, July 11, 2023 /EINPresswire.com/ -- EverC, a pioneer in AI-driven merchant and marketplace risk intelligence and insights for ecommerce and payment providers, reveals the top global transaction fraud trends in 2022, with transaction laundering ranking as the most common method for illicit payment activity by 22%.

This data was uncovered in EverC's annual trends report, [The 2023 Threat Landscape: A Report on Trends in Illicit Ecommerce Activity](#). The report highlights the challenges faced by those who operate in the payments ecosystem, including banks, acquirers, payment providers, and marketplaces.

In addition to being the most common method of online financial fraud in 2022, transaction laundering also accounted for the largest increase in the first quarter of 2023, leading all other fraud types by 39%. Other fraud types highlighted in the EverC report include pharmaceuticals (15%), intellectual property rights infringement (15%), gambling (15%), illegal substances (12%), and adult content (9%).

As a known method to facilitate a range of financial crimes, the negative impact of transaction laundering is far-reaching. The anonymity provided by transaction laundering can enable criminals to maintain fraud rings across the globe, many of which have been connected to human trafficking rings or shown to support terrorist organizations.

Criminals operating with the objective of transaction laundering will use approved merchants to process payments on behalf of another entity unknown to the acquirer or payment provider, thus violating the merchant's agreement with the latter. In essence, the traditional "carwash" method of cleaning gains from illicit activity has moved online.

Tying as the second most common fraud, pharmaceuticals, intellectual property rights infringement, and gambling all accounted for 15% each of illicit payment activity. The illicit sale of pharmaceuticals without authorized prescriptions poses significant health risks to consumers, as these substances may not be safely tested. Intellectual property infringement, or the sale or distribution of unlicensed material without authorization from the rights holder, has exploded in

the post-pandemic boom across ecommerce. Additionally, illegal gambling has grown due to ineffective anti-money laundering protocols on many gambling sites.

Accounting for 12% of illicit payment activity, illegal substances remain a top fraud type. Also ranking as a major fraud type, adult content makes up 9% of fraudulent activity, contributing to human exploitation. The sale of counterfeit goods is also a growing problem for the online marketplace. In the case of fake cosmetics, EverC was able to remove over 40,000 counterfeit products from its partnering marketplaces in 2022. This included perfumes (63%), skin care (16%), and make-up (15%), for a combined worth of more than \$2 million.

Focused on powering growth for the ecommerce ecosystem, EverC's automated AI-driven, cross-channel risk management solution rapidly detects high-risk merchants, transaction laundering, and illicit products, and provides ongoing monitoring to uncover evolving risks. EverC empowers risk and compliance teams with actionable intelligence to make more nuanced, evidence-based decisions.

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