

Red Points Investigation Finds Over 20% of Illicit Consumer Software Purchases Result in Scam

Red Points' investigation reveals 21.7% of illicit software purchases end in scams, exposing consumers to fraud, identity theft, and data misuse.

NEW YORK, NY, UNITED STATES, February 6, 2026 /EINPresswire.com/ -- A new [in-depth investigation](#) by the Red Points Anti-Piracy team

has revealed that digital piracy has evolved into a sophisticated, scalable global business model, posing significant security risks to consumers.

The study, based on a "mystery shopper" operation involving 60 test purchases across eight countries: China, Malaysia, Philippines, Thailand, Indonesia, Ecuador, Mexico, and Poland; and 14 online local marketplaces, analyzed the sale of unauthorized software, streaming services, and AI tools. The findings uncovered a sophisticated ecosystem where sellers across different regions utilize identical infrastructure and techniques to distribute pirated subscriptions.

Key Findings: The True Cost of "Cheap" Software

Pirated digital products are often tempting because they're cheap. The items bought as part of the study were sold on average of \$4.66 per item, representing a 44% discount off the original retail price. Here are some additional findings the study uncovered:

High Failure Rate: Of the 60 test purchases conducted, 21.7% resulted in delivery failure, canceled orders, or unresponsive sellers.

Deceptive Practices: In many cases, sellers provided fake credentials, demanded additional personal data, or redirected buyers to entirely different services.

Consumer Risk: When transactions failed or moved outside the marketplace to encrypted messaging apps (like WhatsApp or Telegram), buyers faced increased risks of identity theft, data misuse, and phishing, with no recourse for refunds.

"These were not isolated or opportunistic cases," the report states. "The findings point to a



highly sophisticated piracy ecosystem, run in a structured and repeatable way. In practice, piracy here functions as a business, one that scales across categories, borders, and marketplaces".

Tactics of the Trade

The investigation identified several repeating mechanisms used by pirates to exploit legitimate brands, ranging from cybersecurity tools to wellness apps. Common tactics include:

Family Plan Exploitation: Reselling slots in "family" or group subscriptions to unrelated buyers, often leading to service interruptions when the legitimate provider detects the anomaly.

Regional Pricing Arbitrage: Exploiting lower software prices in specific regions (particularly Southeast Asia) to resell credentials globally at a profit. Some sellers offered subscriptions for up to 98% below the original price.

Merchant-Operated Platforms: In sophisticated setups, sellers directed buyers to third-party platforms that acted as intermediaries, bypassing official login screens to grant access.

Malware Risks: Access delivered via unofficial activation codes or installer files often posed a direct risk of malware or ransomware.

Global Economic Impact

The study contextualizes these findings within a broader global challenge. In 2024 alone, piracy websites received more than 216 billion visits worldwide, contributing to an estimated \$18.7 billion in lost revenue for the software industry.

Red Points emphasizes that despite the fraudulent nature of these listings, consumers often blame the legitimate brand when the pirated product fails to work, damaging brand reputation.

About the Study

Red Points' Anti-Piracy team conducted this operation over a period of 2 months, from November to January 2026. This analysis by searching for well-known brands using real product names, mimicking the behavior of average internet users. The dataset includes 24 brands across diverse sectors, including AI, gaming, and productivity tools.

For more information on the methodology or to request a demo of Red Points' brand protection technology, visit Red Points' website.

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