

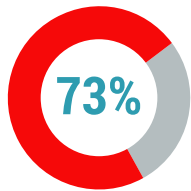
# The Cost of Doing Nothing: Why Payments Fraud Risk Is Skyrocketing— and What's NOT Saving You

## 8 in 10 Organizations Have Been Impacted by Payments Fraud

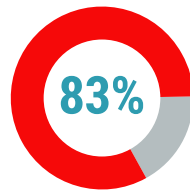
Prevalence of Attempted/Actual Payments Fraud in 2024 (Percent of Organizations)



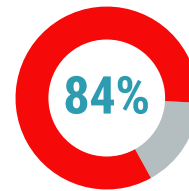
2024



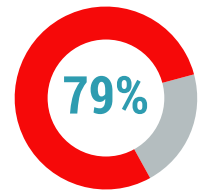
Annual Revenue  
Less than \$1 Billion



Annual Revenue  
at least \$1 Billion



Annual Revenue at least  
\$1 Billion and fewer than  
26 Payment accounts



Annual Revenue at least  
\$1 Billion and more than  
100 Payment Accounts

## Business Email Compromise (BEC) and Vendor Fraud: Still Public Enemy #1 for Payments



Organizations lost \$2.9 Billion to Business Email Compromise (BEC) Scams in 2023— the Second-Costliest Type of Crime According to the FBI<sup>1</sup>

Over 60% of Payments Fraud Originates from Email<sup>3</sup>

According to the FBI's Internet Crime Report, BEC Incidents Have Resulted in Over \$55 Billion in Losses Between October 2013 and December 2023.<sup>5</sup>

When It Comes to Payments Fraud, BEC Takes the Cake, Cited by More Than Six in 10 Organizations<sup>2</sup>

— BEC is still the top threat to organizations, including vendor impersonation schemes that PaymentWorks specifically helps prevent.



Vendor Imposter Fraud Spiked to 45%— up From 34% in the Previous Survey.<sup>4</sup>

— Vendor impersonation is getting worse — not better.



<sup>1</sup> [https://www.ic3.gov/AnnualReport/Reports/2023\\_IC3Report.pdf](https://www.ic3.gov/AnnualReport/Reports/2023_IC3Report.pdf)

<sup>2</sup> AFP® Fraud and Control Survey

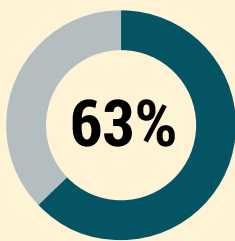
<sup>3</sup> AFP® Fraud and Control Survey

<sup>4</sup> AFP® Fraud and Control Survey

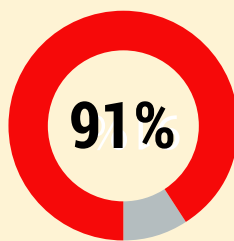
<sup>5</sup> <https://www.ic3.gov/PSA/2024/PSA240911>

## Organizations Continue to Lean on Risky Payment Methods...Even Though Better Ones Exist

**Checks Are Still the #1 Payment Method for Fraud Attacks**



**Yet 91% of Organizations Still Use Them.<sup>6</sup>**



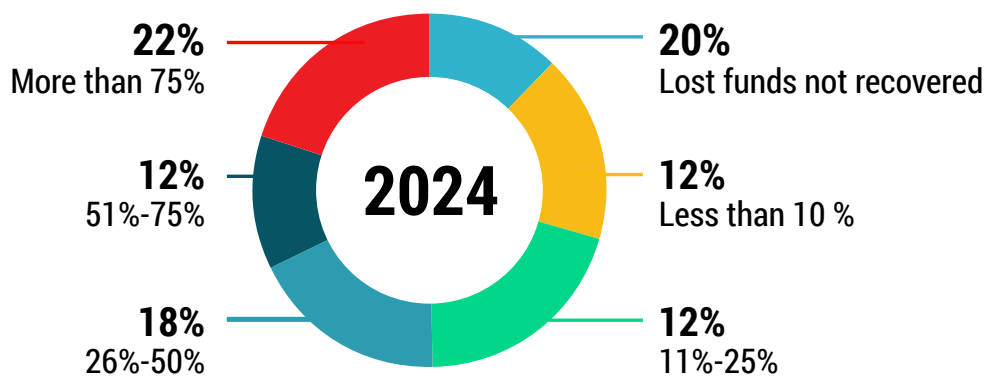
**Virtual Cards Are One of the Safest Methods for B2B Payments, With Just 5% of Organizations Reporting Attempted or Actual Fraud.<sup>7</sup>**



## If You Get Hit, Chances Are, You Won't Get Your Money Back.

**Percentage of Lost Funds Recovered**

(Percentage Distribution of Organizations Experiencing Payments Fraud)



**In 2024, Nearly Half of Organizations Hit by Payment Fraud Recovered Just a Quarter—or Less—of Their Stolen Funds.<sup>8</sup>**

**One in Five Organizations Are Unable To Recover ANY Funds Lost to Payments Fraud.<sup>9</sup>**

<sup>6</sup> AFP® Fraud and Control Survey

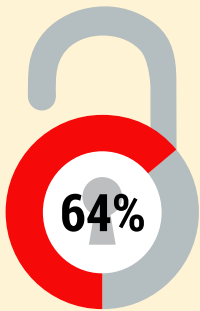
<sup>7</sup> AFP® Fraud and Control Survey

<sup>8</sup> AFP® Fraud and Control Survey

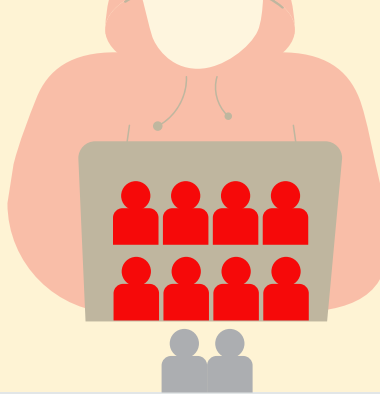
<sup>9</sup> AFP® Fraud and Control Survey

## Cyber Insurance Is Hard to Come By...

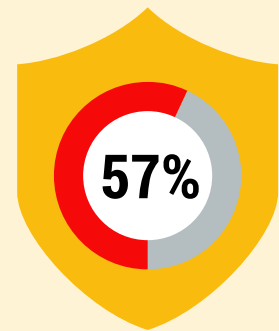
The Majority of (64%) **Brokers and Insurers Agree** That the **Cyber Insurance Market Will Harden** Within the Next Year.<sup>10</sup>



Eight in 10 Predict That **Cyber Risks Will Increase** Over the Next Year.<sup>11</sup>

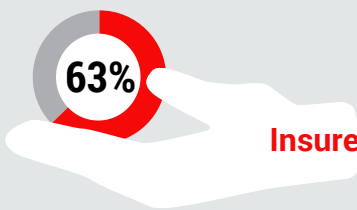
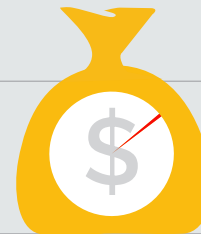


More Than Half (57%) **Expect Cyber Underwriting Standards To Rise**.<sup>12</sup>



## ...And is Not a Catchall

Just 1% of Cybersecurity Leaders Said Their **Insurance Carrier Funded 100% of Costs** Incurred From an Incident.<sup>13</sup>



**Insurers Typically Pay Just 63% of the Total Incident Cost.**<sup>14</sup>

One in Seven Reported the **Total Incident Cost Was Not Covered** by the Insurance Provider **Because the Organization Didn't Have the Required Cyber Defenses** for the Claim To Be Honored.<sup>15</sup>



<sup>10</sup> <https://riskandinsurance.com/u-s-cyber-insurance-market-to-harden-in-2024-survey>

<sup>11</sup> <https://riskandinsurance.com/u-s-cyber-insurance-market-to-harden-in-2024-survey>

<sup>12</sup> <https://riskandinsurance.com/u-s-cyber-insurance-market-to-harden-in-2024-survey>

<sup>13</sup> <https://assets.sophos.com/X24WTUEQ/at/64v6328tc7zk9444kvzrs26/sophos-cyber-insurance-and-cyber-defenses-2024-wp.pdf>

<sup>14</sup> <https://assets.sophos.com/X24WTUEQ/at/64v6328tc7zk9444kvzrs26/sophos-cyber-insurance-and-cyber-defenses-2024-wp.pdf>

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