

# Loyalty Fraud Management



Provide a secure environment for customers who participate in your loyalty programme by screening for fraud – at every point of account interaction. From account creation and updates through to purchase, transfer and redemption of points.

## Loyalty fraud is a growing threat in the digital economy

As companies seek to increase their volume of repeat customers, loyalty programmes in travel and retail have become more important. Companies now offer more earning and redemption choices than ever – often through partnerships and rewards ecosystems.

With more than \$238 billion in estimated value sitting as a liability on the books of airlines, hotels, and other programme owners, loyalty fraud is a growing risk for every merchant with a loyalty programme.<sup>1</sup>

The loyalty earning and burning lifecycle has opened new avenues for fraud. Fraudsters purchase points with stolen cards, redeem fraudulently obtained points for valuable goods and services – and take over loyalty accounts that belong to genuine customers.<sup>2</sup>

Increasingly, cybercriminals spot loyalty as a weak point in many companies' fraud management systems.<sup>3</sup> Points and miles translate to real money.

We can help you protect them with strong defences.

Almost 89% of UK consumers are a member of a loyalty scheme.<sup>4</sup>

<sup>1</sup>"Loyalty points fraud: A real risk for a virtual currency", RFI Group, 2016, <http://bit.ly/1NcWcQL>

<sup>2</sup>"Loyalty And Fraud: How To Keep One And Avoid the Other", Digital Transactions, 2016, [http://www.digitaltransactions.net/magazine\\_articles/loyalty-and-fraud-how-to-keep-one-and-avoid-the-other/](http://www.digitaltransactions.net/magazine_articles/loyalty-and-fraud-how-to-keep-one-and-avoid-the-other/)

<sup>3</sup>"Loyalty Program Theft: How Cybercriminals Are Helping Themselves to Hard-Earned Rewards", SecurityIntelligence, 2016, <https://securityintelligence.com/news/loyalty-program-theft-cybercriminals-helping-hard-earned-rewards/>

<sup>4</sup>"Share of consumers that have loyalty cards in selected European countries in 2016", Statista, 2016, <https://www.statista.com/statistics/792653/loyalty-card-uptake-european-countries/>

# Loyalty Fraud Management

## The benefits

### 1. Protect against fraud throughout the loyalty lifecycle

Loyalty Fraud Management proactively monitors your customers' accounts, looking for suspicious activity that indicates a loyalty account has been hijacked by a fraudster.

Based on powerful and proven technologies, our solution can help ensure your loyalty programme remains a source of customer engagement and innovation – instead of a cause for concern.

### 2. Monitor for suspicious activity on loyalty accounts

Loyalty Fraud Management actively monitors account usage behaviours to help businesses identify valid from high-risk sessions more accurately. Rigorously pinpointing fraudulent activity, whilst still recognising genuine purchases and redemptions of points or miles.

### 3. Protect your relationship with your best customers

With or without credit card information, the solution screens transactions using hundreds of fraud detectors to build a picture of your genuine customers. This way you can continue to provide them with the best service – while turning cybercriminals away.

Real-time decisions mean that purchases, redemptions and logins will be seamless and safe.

72% of airline loyalty programmes have been prey to fraudsters.<sup>5</sup>



24% of retailers view loyalty fraud as one of the most detrimental threats to their e-commerce business.<sup>5</sup>

## Loyalty – as a source of engagement

Designed specifically for your loyalty programme, Loyalty Fraud Management protects from fraud – without impacting on the customer experience.

Our solution screens transactions using hundreds of fraud detectors to build a picture of your genuine customers. This way you can continue to provide them with the best service, while turning fraudsters away.

It proactively monitors your customers' accounts, looking for suspicious activity that indicates a loyalty account has been hijacked by a fraudster.

Based on powerful and proven technologies, our solution can help ensure your loyalty programme remains a source of customer engagement and innovation, instead of a cause for concern.

<sup>5</sup> "Loyalty fraud: Are you a sitting target?", RSA, 2017, <https://www.rsa.com/en-us/blog/2017-09/loyalty-fraud--are-you-a-sitting-target->

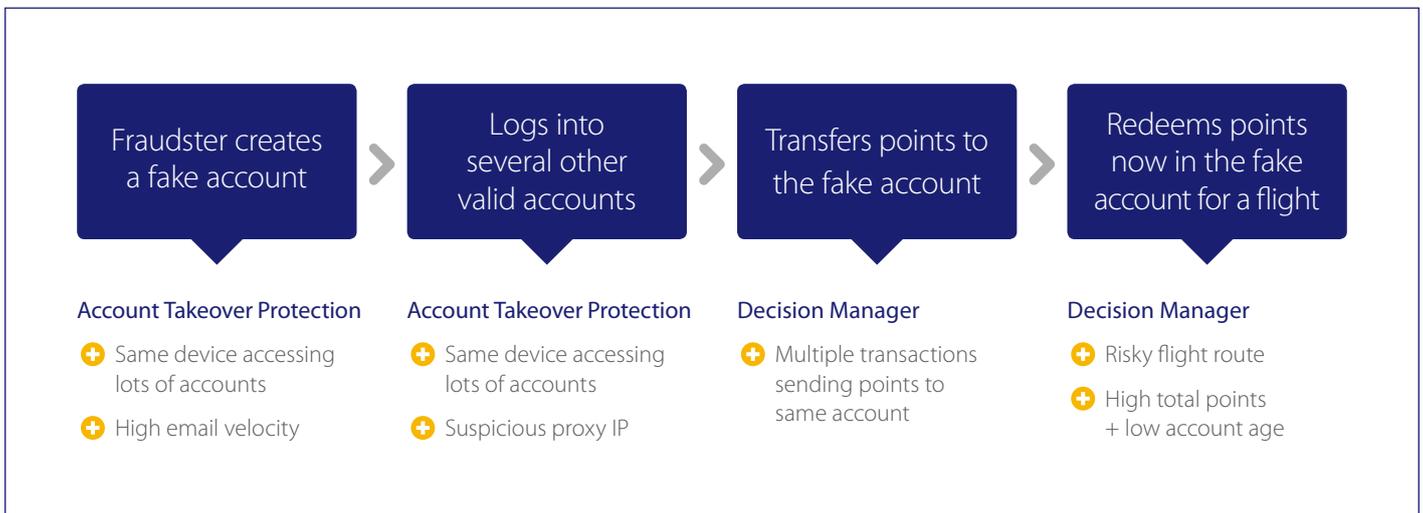
# Loyalty Fraud Management – how it works

Loyalty Fraud Management is designed specifically to help protect your loyalty programme from fraud without impacting on the customer experience.

Using Account Takeover Protection, you can monitor user account creation and login behaviours to identify valuable returning customers – while defending against fraudulent account creation and takeover attempts.

Decision Manager screens for fraud at checkout, helping you protect purchases and redemptions of your loyalty program points. Decision Manager has over 260 detection tests, a powerful rules engine, a case management system and data dashboard – and real-time reporting and fraud tuning.

Loyalty transactions may use only points rather than standard payment methods, but CyberSource evaluates hundreds of data elements from each transaction to detect fraud accurately – with or without credit card information.



# Why CyberSource?

- Our platform is built on a secure Visa infrastructure with the benefits and insights of a \$427 billion global processing network.
- We offer payment acceptance in 190+ countries – and accept 137 currencies.
- We have 100 acquirer processor connections. This is increasing by 20+ each year.

## In 2017 we:

- Managed 277 billion payments
- Managed approximately 1 out of every \$10 spent online, worldwide
- Served 456,313 customers worldwide
- Provided x200 the visibility into fraud patterns<sup>3</sup>

<sup>3</sup> Based on the average number of transactions for a top merchant

Find out more about our Multi-Phased Fraud Management Platform at [www.cybersource.co.uk/strengthenyournumbers](http://www.cybersource.co.uk/strengthenyournumbers)

## Contact us

Email. [europe@cybersource.com](mailto:europe@cybersource.com) [www.cybersource.co.uk](http://www.cybersource.co.uk)

CyberSource is a global, modular payment management platform built on secure Visa infrastructure with the benefits and insights of a vast \$427 billion global processing network. This solution helps businesses operate with agility and reach their digital commerce goals by enhancing customer experience, growing revenues and mitigating risk. For acquirer partners, CyberSource provides a technology platform, payments expertise and support services that help them grow and manage their merchant portfolio to fulfil their brand promise. For more information, please visit [cybersource.com](http://cybersource.com).

© 2018 CyberSource Corporation. All rights reserved.