




WE CREATE CUSTOMER **LOYALTY**

Loyalty fraud: Impact and prevention

ABOUT ME




BA in Applied Mathematics / MBA Management of Informational Technology

20+ years of experience in Professional Services for multinational enterprises

Expertise in fields such as customer loyalty and CRM

Keen on innovative ideas, always sharing skills and knowledge without hesitation

Get the job done spirit



LOYALTY FRAUD IS MOVING INTO THE SPOTLIGHT



Companies may be getting smarter, but fraudsters are too

Loyalty fraud infiltrates the customer's buying journey much more fluidly

Fraudsters have increasingly spotted loyalty as a weak point





FRAUD, PROFIT & WHY

PROFIT OF FRAUD CAN BE

- Money
- Goods
- Sensitive information

WHY

- High value for fraudsters
- Sell it to cyberthieves / resalable items
- Damage brand credibility or test fraud management system



Loyalty fraud increased by

89% YoY

Source : Forter Fraud Attack Index

“As the global payments and e-commerce system shifts,
online criminals shift as well”

Jordan McKee, Research Director at 451 Research



On the dark web, **100,000** points,
which could be worth **\$500**,
are being sold for **\$5**



THE REAL COST OF FRAUD



72%

of airline loyalty programs experiencing issues with fraud

1 billion

dollars a year are lost to loyalty program crimes

26%

of loyalty members would cancel their membership if they experienced fraud

Source : Ipsos Public Affairs for cxLoyalty Report



3 MAIN FRAUD SOURCES

1

Outside attacks, like data breaches and hacking

2

When employees or business partners defraud loyalty programs

3

When customers take advantage of loopholes in a program



AN INSIGHTFUL EXAMPLE



A customer used his free beverage to create a 54 dollar monster of a drink

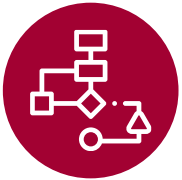


WHAT TO DO

- Design robust and secure business processes
- Implement multiple security features and logs
- Spread awareness
- Monitor the behavior of members
- Communication



WHAT WE DO



Well design and
implement loyalty
procedures



Use of analytics
anomaly detection
algorithms

- Unknown Fraud -



Use of analytics
propensity models

- Known Fraud -



Training



Engaging our people





THANK YOU!

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