



news release

## Growing 'confidence gap' hampers fraud detection and resilience

### *Innovation and new technology now at the forefront of investment in effective fraud prevention*

**19 September 2019:** There is a growing 'confidence gap' between how well businesses across Europe, the Middle East and Africa (EMEA) believe their fraud prevention performance is optimised and the reality, according to new commissioned research by Forrester Consulting on behalf of Experian.

Despite two in five (40%) saying fraud is evaluated and understood within their business, only 32% claim it's clearly defined, measured or underpinned by automation – and just one in seven (14%) believe their ability to prevent fraud is genuinely well-optimised.

The findings show that fraud prevention is a top priority for the clear majority (85%) of the 913 EMEA decision-makers surveyed, with South African firms specifically being challenged by identifying fraudulent activity (42%), keeping up with rapidly changing fraud trends and tactics (47%) and rising exposure to fraud (40%).

The study also revealed that data theft (58%), identity theft (47%) and account takeover fraud (45%) are now the most prevalent types of attack across EMEA. Unlike historical views of fraud's direct financial effect on a business, respondents regard the loss of customers as having a bigger impact on their firms (34%) today. It highlights why many business leaders now recognise the extent to which fraud prevention must take priority and that risk management needs to be better optimised.

Given the scale and impact of fraud across countries, many firms also now recognise the critical need to invest in innovation and technology to manage it more effectively. More than half (51%) of respondents across EMEA plan to invest in artificial intelligence and machine learning solutions within the next three years, alongside single access modular platforms (55%) – such as Experian's award-winning [CrossCore](#) solution – and capabilities to prevent fraudulent activities.

**Francesco Nazzarri, Managing Director of Commercial Strategy for UK & EMEA at Experian, says:** "There is a clear disconnect between the level of confidence businesses have in their ability to prevent fraud and how well-optimised they actually are.

"But it's promising to see so many recognise that improving fraud prevention and detection needs to be a top priority. Technology is a key enabler for this. In common with many of our clients, over half of all businesses polled are set to implement artificial intelligence solutions to help detect and prevent fraud faster and more effectively.

"The key to successfully optimising fraud management for businesses throughout EMEA will lie in clearly defining, understanding and managing it effectively. Those that do so will be able to safeguard themselves and their customers against the fraudsters while protecting their commercial reputations."



**Mark Wells, Chief Customer Officer Experian South Africa, adds:** “Striking the right balance between fraud prevention and a positive customer experience is a real challenge for organisations, with less than a quarter of South African businesses indicating that they are getting this right.

“It’s expected that the switch away from legacy systems in favour of investing in emerging technology, automation, advanced analytics and biometrics, will pick up pace to help meet the demands of friction-free customer service across every channel.

“To stay one-step ahead in today’s digital arms race, business needs access to the very latest platforms that can process a mass of information from numerous sources within seconds. AI and analytics offers a much more flexible approach to fraud management, which can adapt, learn and change over time. It is great to see that 63% of SA respondents in the survey, highlighted fraud technology as the top investment priority for the next year,” says Wells.

The EMEA Fraud Report 2019 is based on the fourth annual Experian-commissioned study conducted by Forrester Consulting. It looks at businesses’ approach to fraud management, including emerging trends, fraud’s impact, keys investments and how it’s informing critical skill sets and the confidence firms have in tackling it. The report takes a deep-dive into the key drivers, pain points and innovations underway throughout the region.

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#### **Media Contacts**

**Taryn Stanojevic**

Experian South Africa

+27 11 799 3434

[Taryn.Stanojevic@experian.com](mailto:Taryn.Stanojevic@experian.com)

**Michelle Samraj**

BCW Africa

+27 11 480 8526

[michelle.samraj@bcw-global.com](mailto:michelle.samraj@bcw-global.com)

#### **About the research**

Forrester Consulting, working on behalf of Experian, surveyed more than 900 decision-makers with responsibility or influence over fraud and risk strategy at businesses across the EMEA region.

#### **About Experian**

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