Study highlights fraud trends in financial services industry

Provided by Busey Bank

Fraud is an unfortunate fact of life in today's world, and fraudsters are relentless, constantly seeking new vulnerabilities to exploit.

What's more, according to the LexisNexis Risk Solutions 2021 True Cost of Fraud study1, considered one of the best indicators of current fraud trends, it was more prevalent and more complex than ever over the past year.

For the financial services industry, and banks like Busey, this means being prepared for all types of fraud and identifying new threats while implementing and updating security measures to help protect customers and their money.

The study, which included a comprehensive survey of more than 500 risk and fraud executives in financial services and lending companies. highlights five key takeaways:

- Fraud costs continue to rise. The cost of fraud for U.S. financial services firms is 9.9 percent higher than before the pandemic. For every dollar of fraud loss in 2021, U.S. financial services firms saw \$4.00 in costs, up from \$3.64 in 2020 before the pandemic.
- Number of fraud attacks climbing. The average volume of monthly fraud attacks on banks earning more than \$10 million in annual revenue increased from 1,977 to 2,320.
- Fraudsters increasingly target mobile channels. Of firms surveyed, 98 percent reported that fraud targeting mobile has increased. Mobile

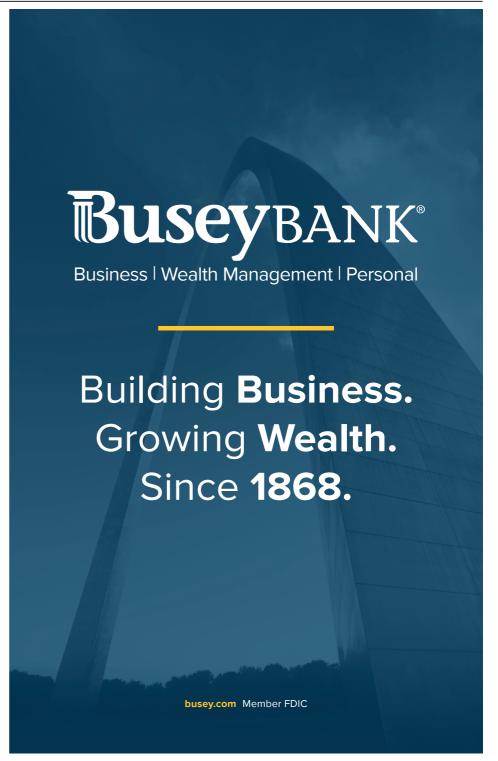
transactions accounted for 29 percent of banks' fraud costs in 2021, up from 20 percent the year prior, while online banking accounted for 33 percent of costs, up from 26 percent.

- Fraud occurs across the customer journey. Fraud losses take place across all stages of the customer journey—from new account opening to account login to the distribution of funds. Among U.S. banks, the distribution of funds stage was identified by 43 percent of respondents as being the most susceptible to fraud, followed by account login.
- Fraud complexity increases. Fraud has become more complex, and various risks can occur at the same time with no single solution. Best practice approaches involve a layering of different solutions to address unique risks from different channels, payment methods and products.

With the relentless persistence, ever-increasing sophistication and rising costs of fraud attacks, it's more important than ever to find a bank you can trust to look out for your personal information and financial wellbeing.

Recognizing the importance of safeguarding customers' finances as well as personal information, Busey Bank implements state-of-the-art technology across all digital banking channels to ensure your banking experience is not only easy to use, but as safe and secure as possible.

To learn more about Busey's suite of digital banking products, or to find out more about fraud and how to deter it, visit busey.com.





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