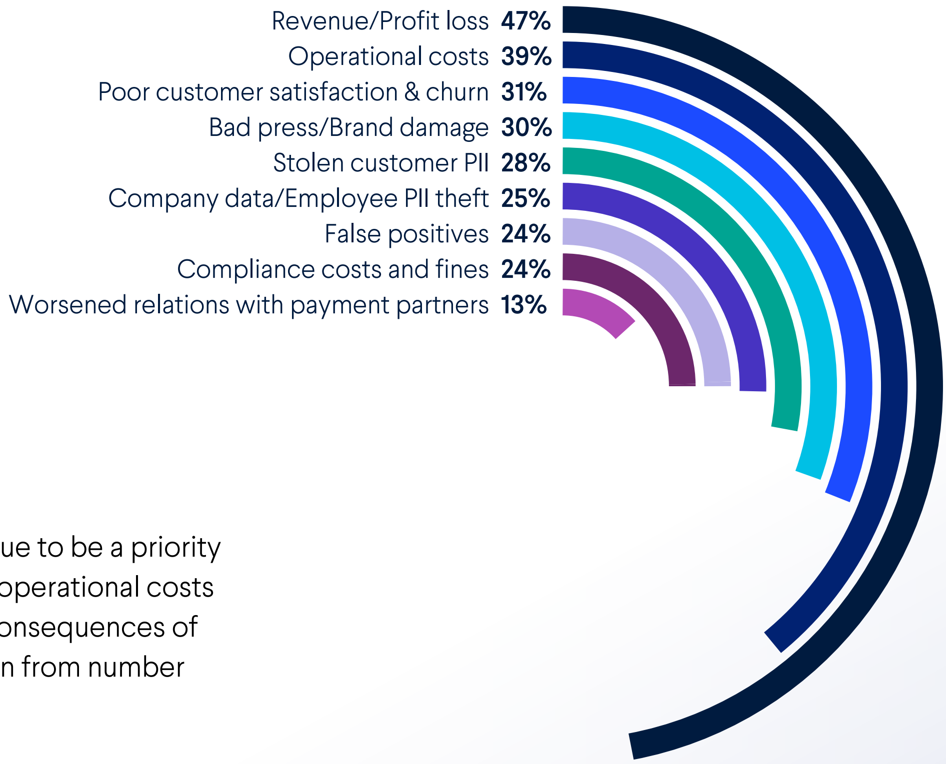
RETAIL FRAUD TRENDS 2026

A GLOBAL SURVEY REPORT

ravelin.com

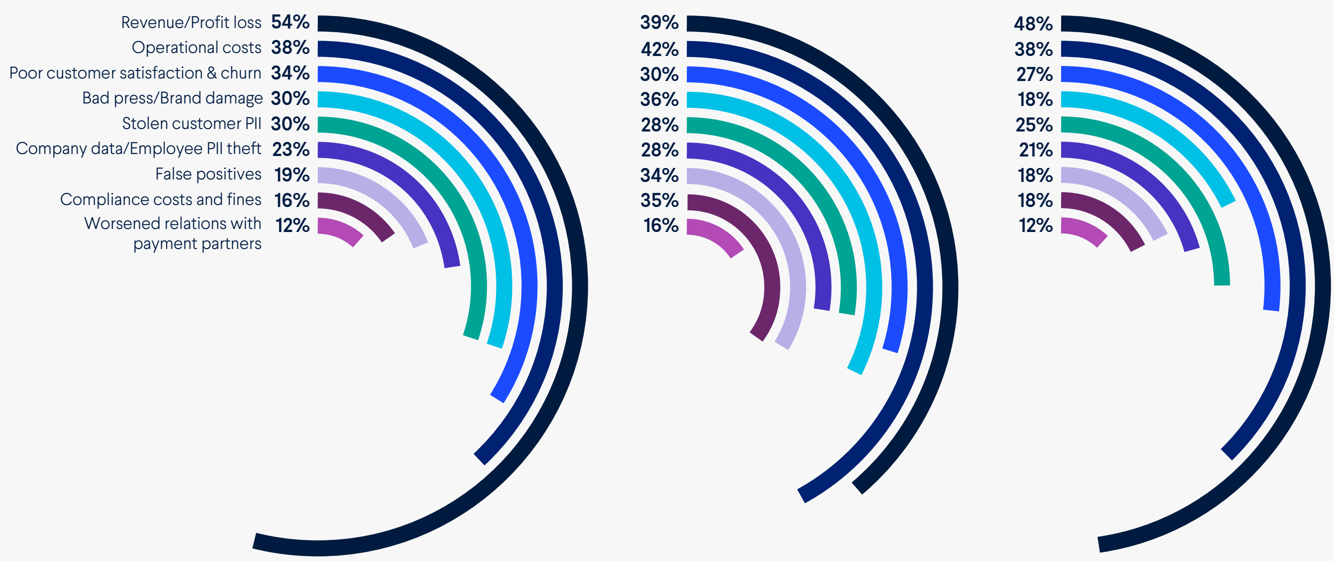
HOW IS FRAUD AFFECTING ONLINE RETAILERS IN 2026?

"WHICH OF THESE POTENTIAL CONSEQUENCES OF FRAUD HAVE AFFECTED YOUR COMPANY IN THE PAST 12 MONTHS?"



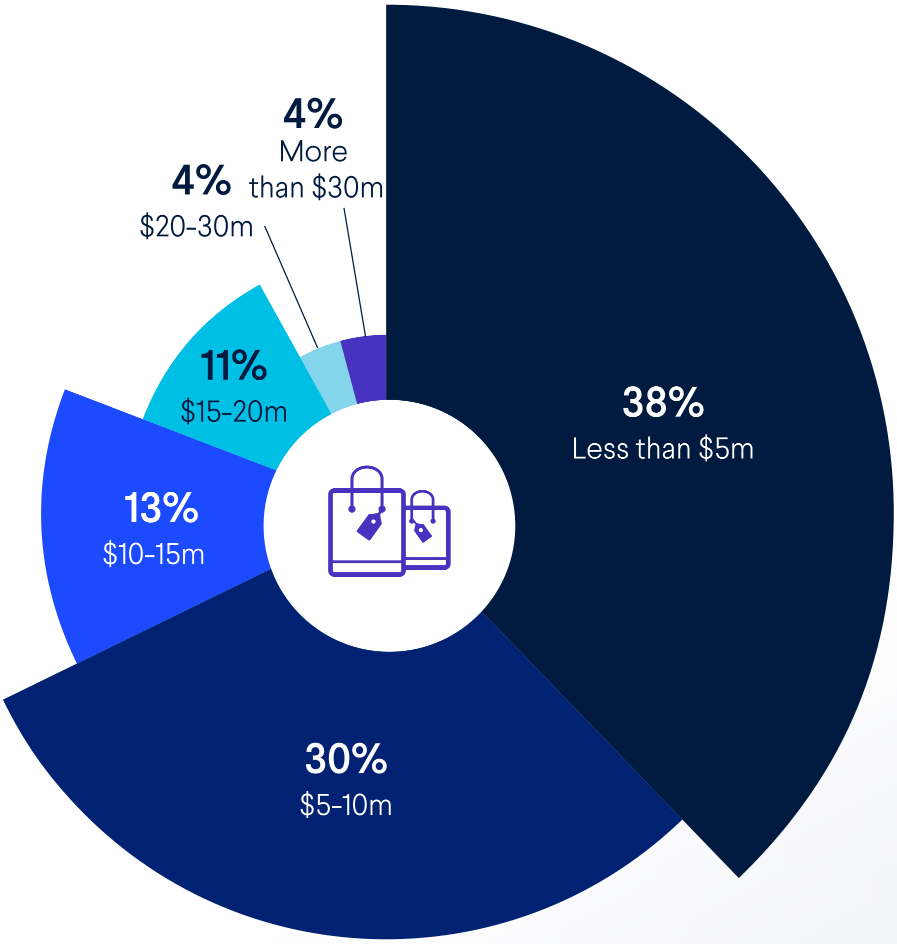
Revenue and customer churn continue to be a priority concern for Online Retail. This year, operational costs have entered the top 3 of adverse consequences of fraud, jumping to the second position from number four in 2025.

PER SUBSECTOR



THE COST OF FRAUD

"HOW MUCH DOES FRAUD COST YOUR COMPANY PER YEAR? (IN USD)"



"Fraud has negatively affected our growth as a company."

78% agree

"We have delayed entering a new market or launching a new product specifically because of fraud concerns."

52% agree

2026 **$9.3m**

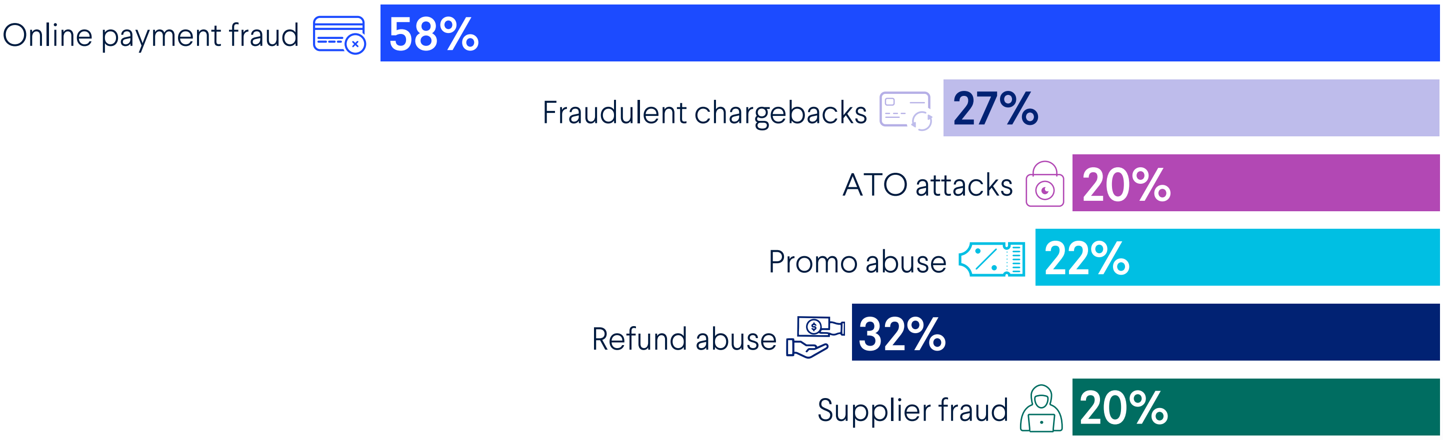
2025 **$11m**

annual loss to fraud for the average retailer*

*Estimated average based on the midpoint of each range, and $40m used for "More than $30m".

THE MOST EXPENSIVE TYPES OF ONLINE FRAUD FOR RETAIL

"WHICH TYPE OF FRAUD COSTS YOUR BUSINESS THE MOST? CHOOSE UP TO 2."



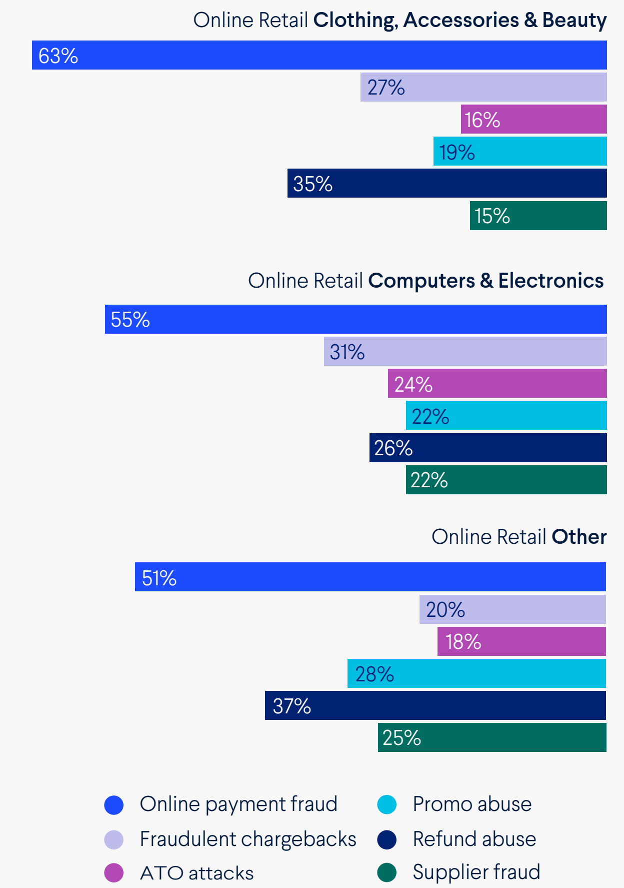
Looking at the overall results of this year's survey for retailers, we saw refund abuse outrank traditional forms of first-party abuse such as fraudulent chargeback claims in terms of negative impact on businesses.

"We pose this question to the industry: Do chargebacks still truly make up the bulk of fraudulent revenue losses?

As fraud changes and evolves, we should evolve with it – not only in our technical capabilities but in how we conceptualize and quantify the threat."

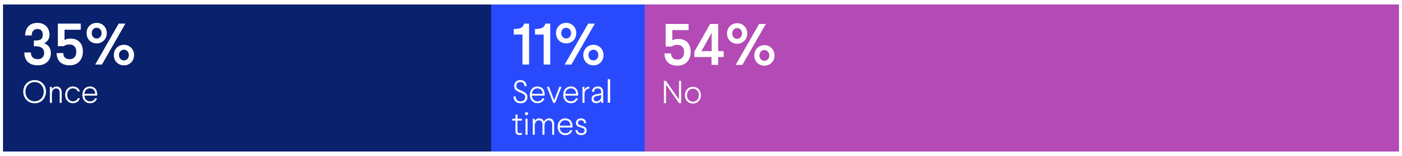
Mairtin O'Riada
Co-Founder & COO at Ravelin

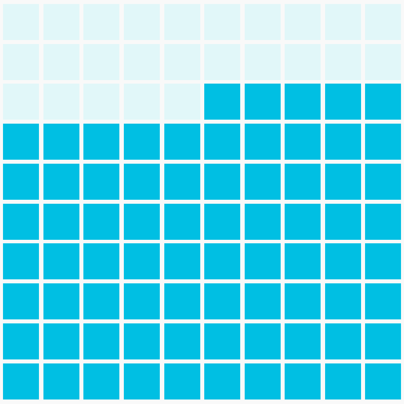
PER SUBSECTOR



MEDIA EXPOSURE IMPACT ON CUSTOMER LOYALTY

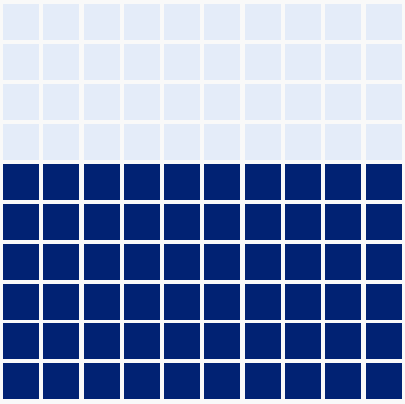
"HAS YOUR COMPANY BEEN FEATURED IN THE PRESS OR SOCIAL MEDIA AS A RESULT OF FRAUD IN THE PAST 12 MONTHS?"





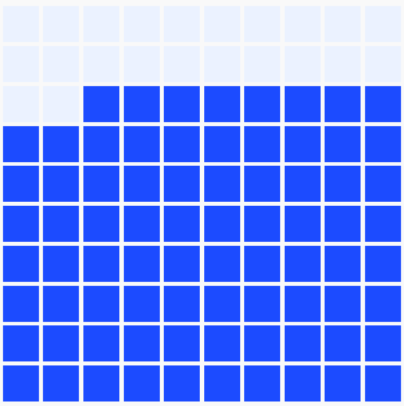
75% agree

"When customers see reports of fraud against our company or customers, they ***become less loyal to us.****"*



60% agree

"Media or social media reports of fraud/ abuse against our company have ***caused our stock price to drop****."*

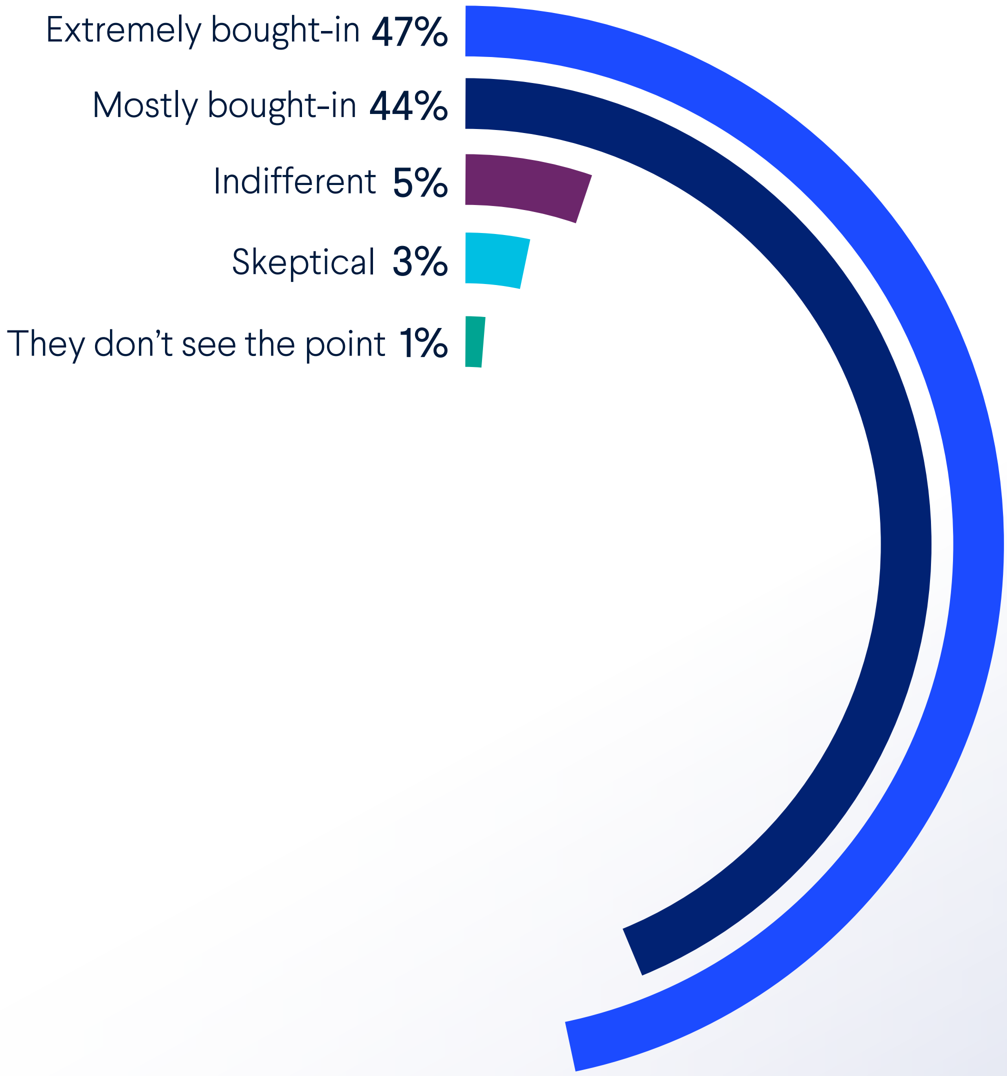


78% agree

"Customers don't trust companies ***perceived to have weak fraud protection****."*

LEADERS' ATTITUDES TO FRAUD

"HOW BOUGHT-IN ARE LEADERS AT YOUR COMPANY ON THE IMPORTANCE OF STOPPING FRAUD/OR ABUSE?"



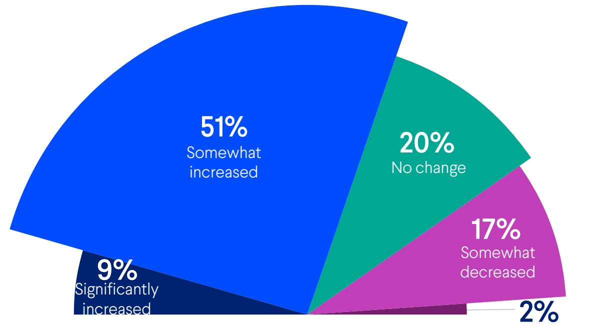
"Mainstream media has been paying increased attention to fraud and cybersecurity more generally – with more reports as a result.

Merchants would be wise to consider the impact fraud has on their brand image, including social media mentions and discussions."

Nick Lally
Co-Founder & CFO at Ravelin

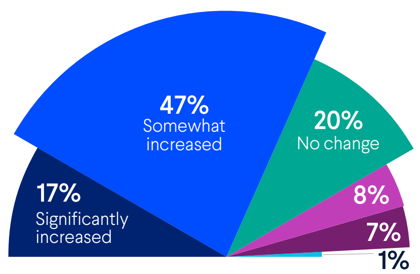
FRAUD CONTINUES TO INCREASE IN ONLINE RETAIL

"IN THE PAST 12 MONTHS, HAVE YOU NOTICED A CHANGE IN THE VOLUME OF FRAUD THAT AFFECTS YOUR COMPANY?"

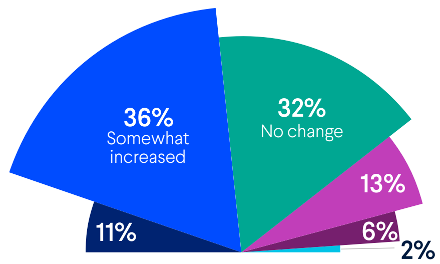


All fraud types

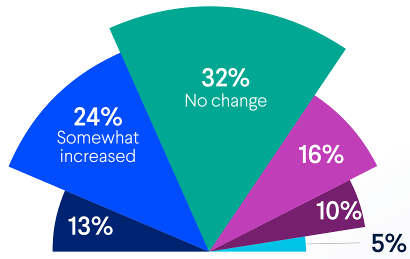
Significantly increased · Somewhat increased · No change · Somewhat decreased · Significantly decreased · Don't know/N/A



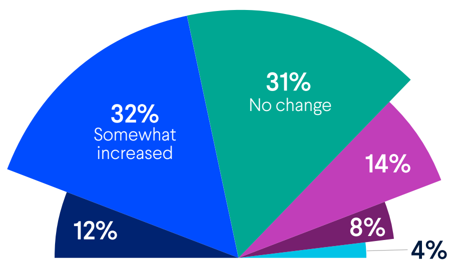
Online payment fraud



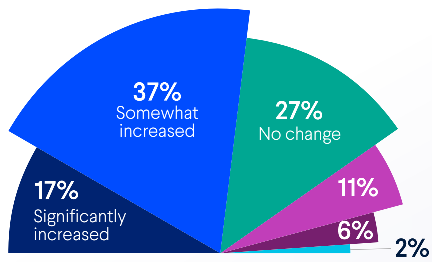
Fraudulent chargebacks



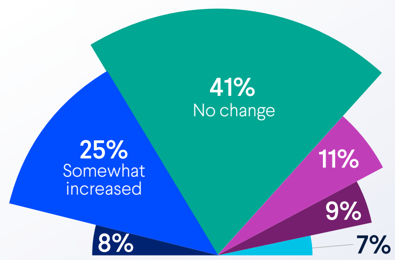
ATO attacks



Promo abuse

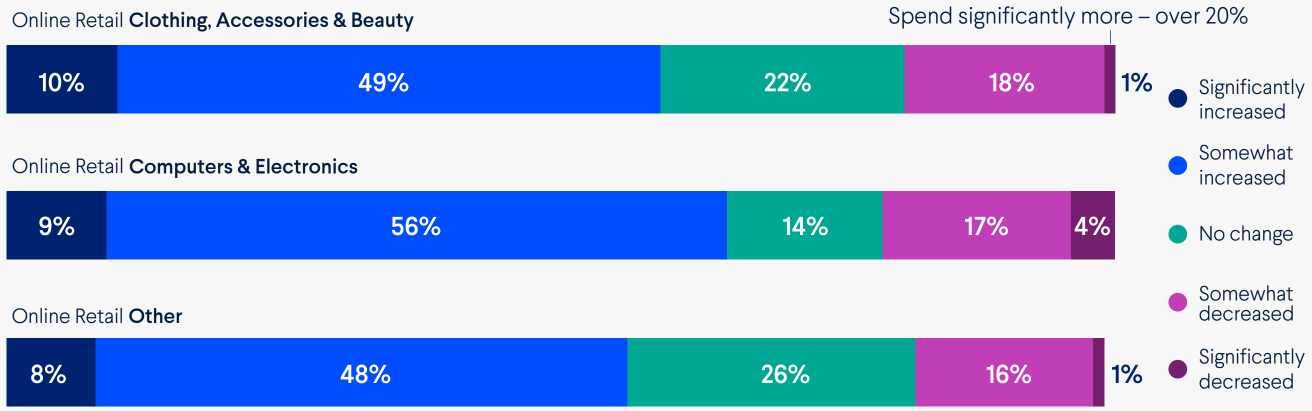


Refund abuse



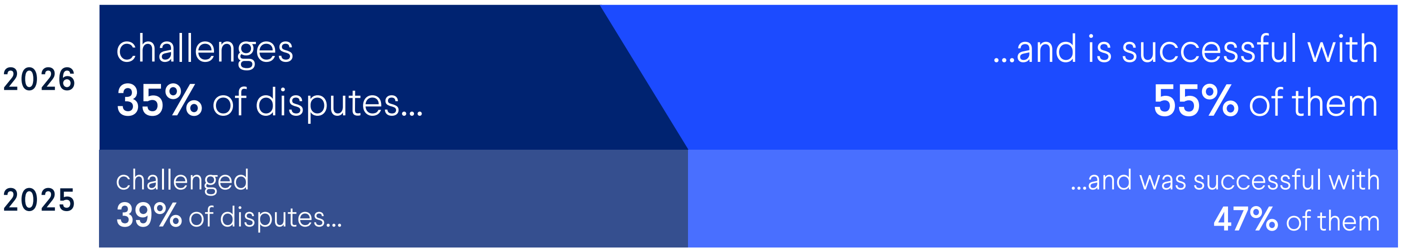
Supplier fraud

PER SUBSECTOR

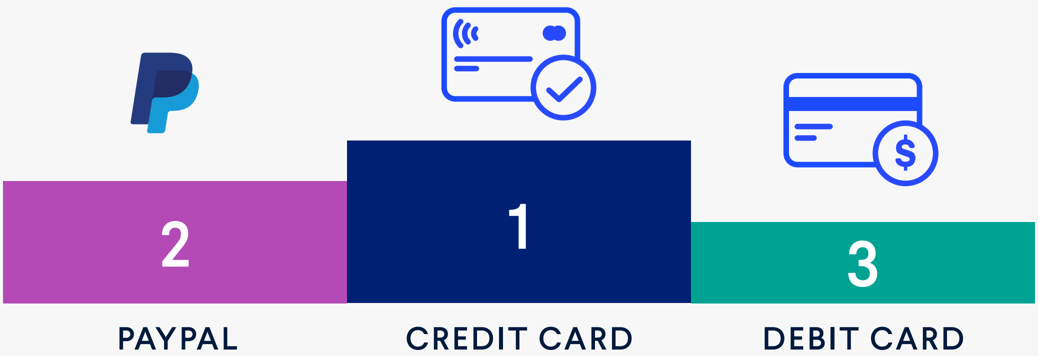


TRENDS IN CHARGEBACKS AND DISPUTES

THE AVERAGE ONLINE RETAIL MERCHANT...



LEAST SUCCESSFUL PAYMENT METHODS WHEN CHALLENGING DISPUTES

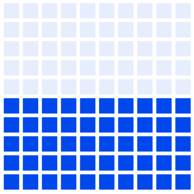


PRE-DISPUTE ALERT USE

TRENDS IN REFUNDS & REFUND ABUSE

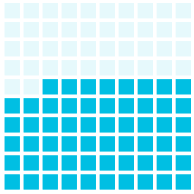
65%

feel **pressured to refund customers** even when there is evidence they are misrepresenting the quality/condition of items.



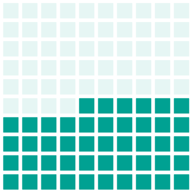
50%

struggle to quantify the scale of their refund abuse/policy abuse problem.



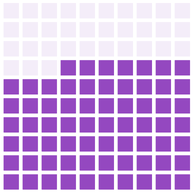
58%

have difficulty telling **when a legitimate cardholder is misrepresenting the truth** to gain money or items, or making a genuine claim.



46%

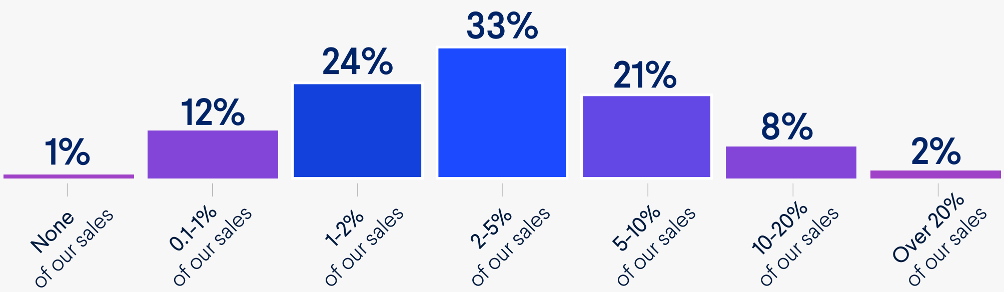
say their **Customer Service team(s) lack the tools** and training to effectively challenge suspicious refund claims.



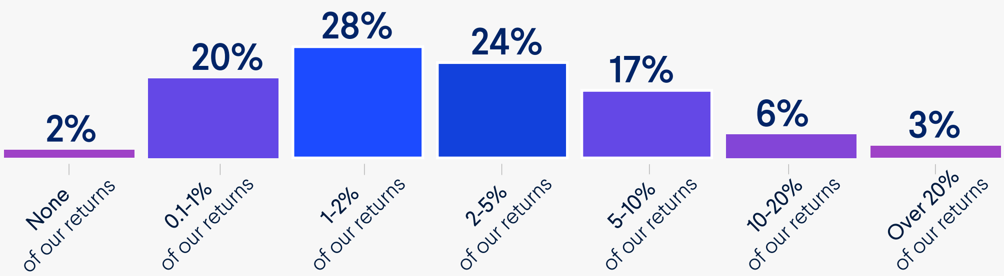
67%

of companies **consider customer loyalty and brand reputation more important** than stopping refund abuse.

"IN THE PAST 12 MONTHS, WHAT PERCENTAGE OF YOUR SALES DID YOU RECEIVE REFUND REQUESTS ON?"



"IN THE PAST 12 MONTHS, WHAT PERCENTAGE OF ALL RETURNS OR REFUNDS DO YOU ESTIMATE TO BE A RESULT OF POLICY ABUSE?"

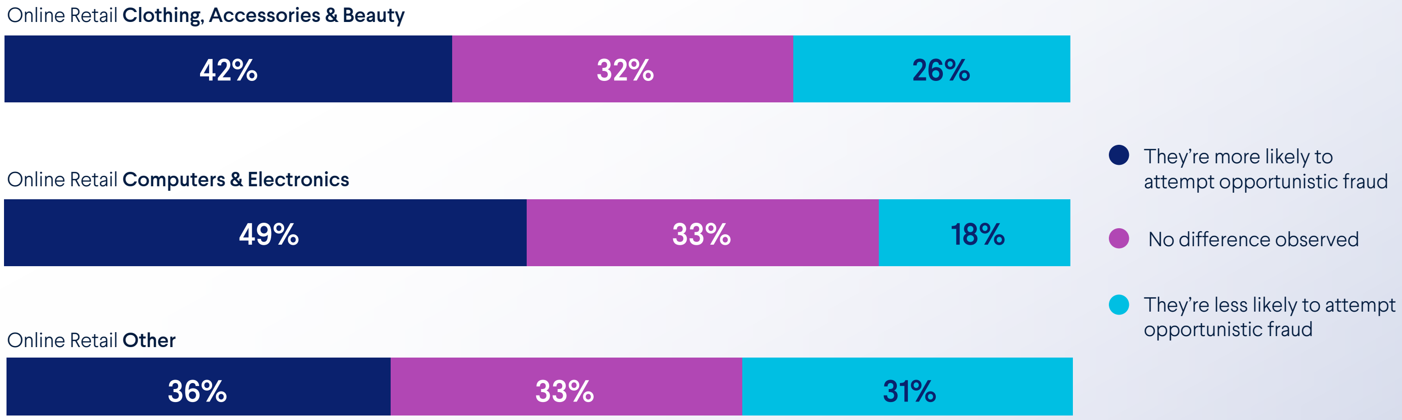


FIRST-PARTY FRAUD & ABUSE TRENDS

"HAVE YOU NOTICED A CHANGE IN CUSTOMER/LEGITIMATE CARDHOLDER BEHAVIOR OVER THE PAST 12 MONTHS?"

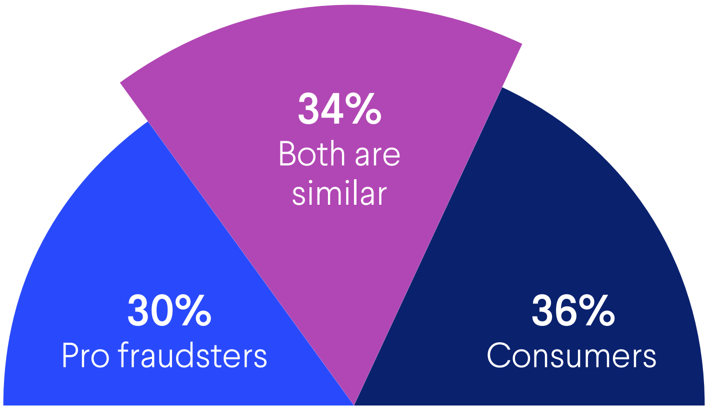
Online Retail **Overall**

PER SUBSECTOR



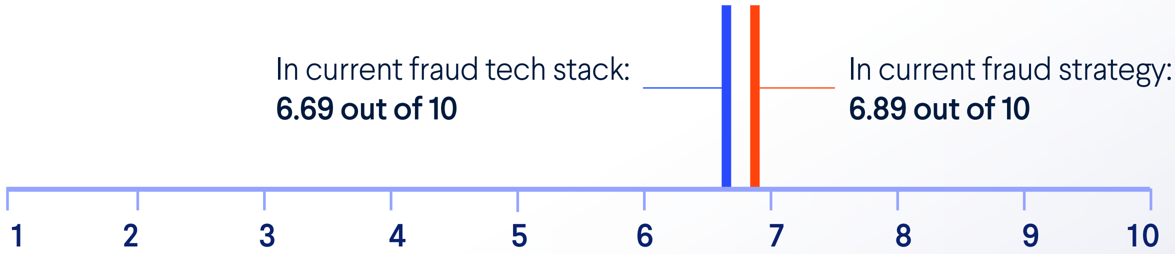
FRAUDSTER VS CONSUMER THREAT

"WHO POSES MORE OF A THREAT TO YOUR COMPANY?"

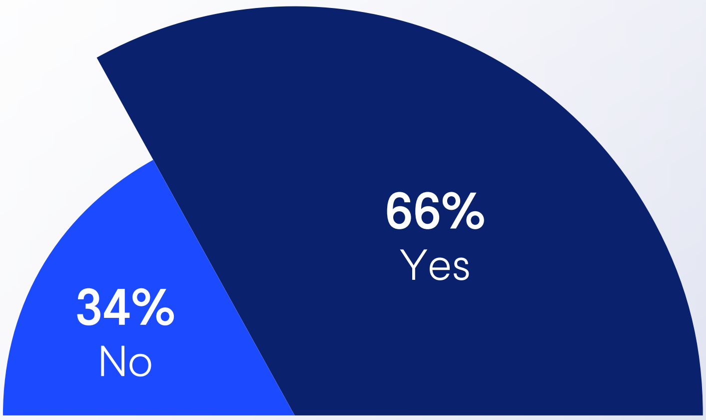


FRAUD TOOLS & STRATEGIES

LEVELS OF CONFIDENCE



"ARE YOU CURRENTLY USING MACHINE LEARNING (ML), LARGE LANGUAGE MODELS (LLM) OR ANY OTHER AI TECH TO DETECT/PREVENT FRAUD?"



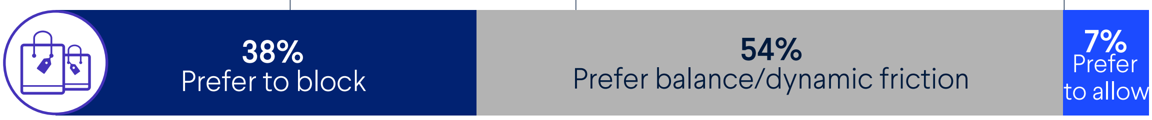
FRICTION VS SECURITY: A RETAILER’S DILEMMA

“WHERE DO YOU STAND ON FRICTION VS SECURITY FOR ONLINE PURCHASES?”

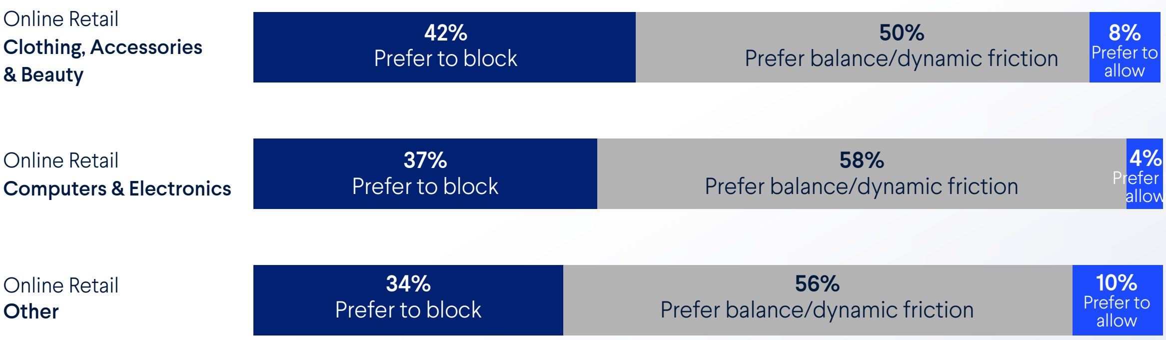
I prefer to **block** as many fraudsters as possible, even if it means introducing friction into the journey of legitimate customers (potentially affecting customer loyalty and satisfaction)

I prefer a balance of the two/ **dynamic friction**

I prefer to **allow** as many customers as possible, even if it means letting some fraudsters get away with it (potentially affecting revenue)



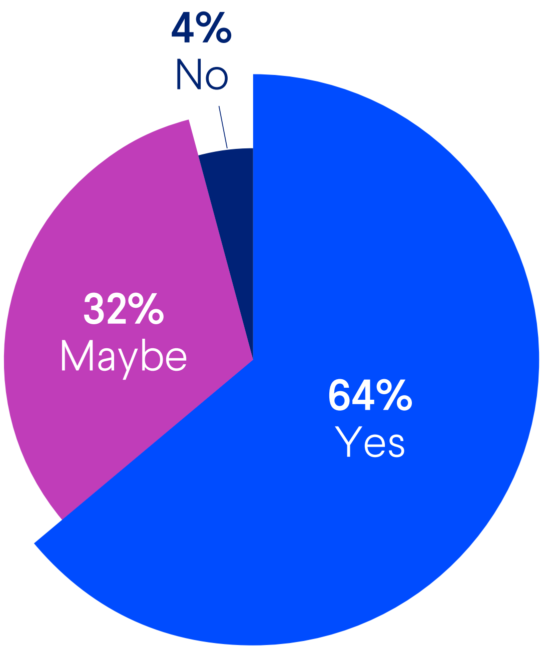
PER SUBSECTOR



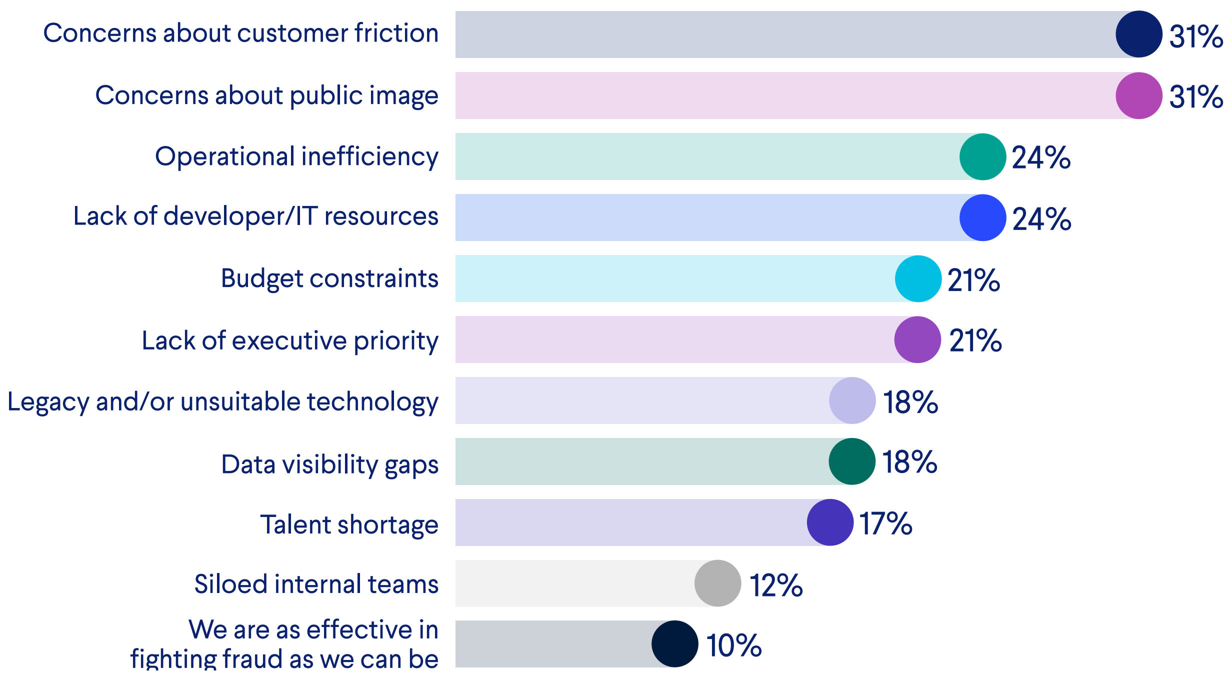
> “That merchants hesitate to be more decisive with fraud for fear of introducing friction signals a level of uncertainty in decisioning which may hinder efficiency and increase risk.”
>
> Mairtin O’Riada
> COO at Ravelin

COULD WE TRY HARDER?

"DO YOU BELIEVE YOUR COMPANY SHOULD BE DOING MORE TO BATTLE FRAUD?"



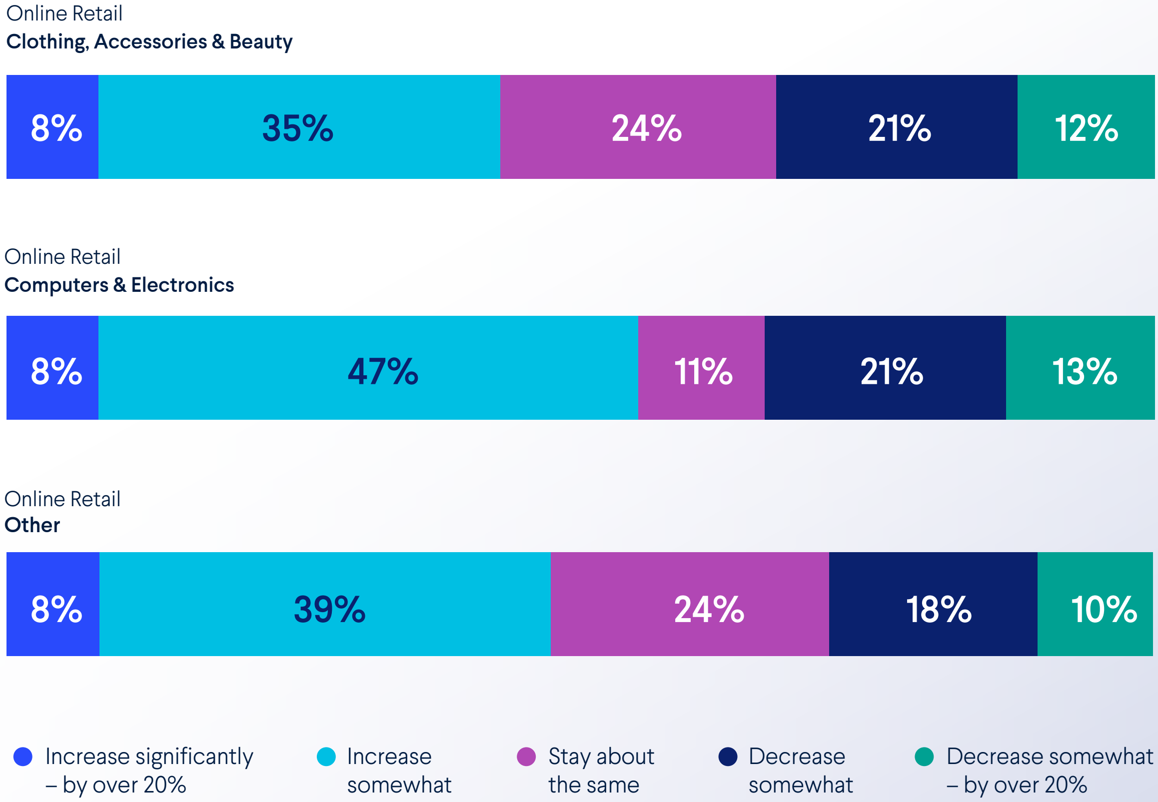
PERCEIVED OBSTACLES TO BETTER FRAUD PREVENTION



THE FUTURE OF RETAIL FRAUD

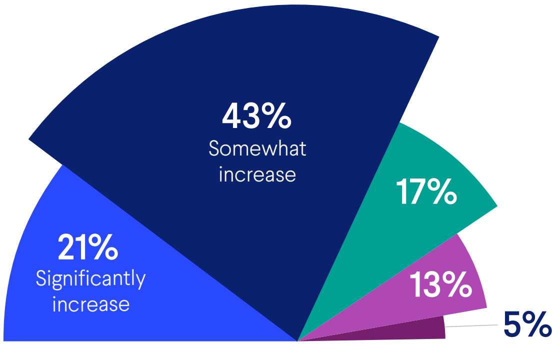
"DO YOU EXPECT FRAUD AGAINST YOUR COMPANY TO INCREASE OR DECREASE IN THE NEXT 12 MONTHS?"

PER SUBSECTOR

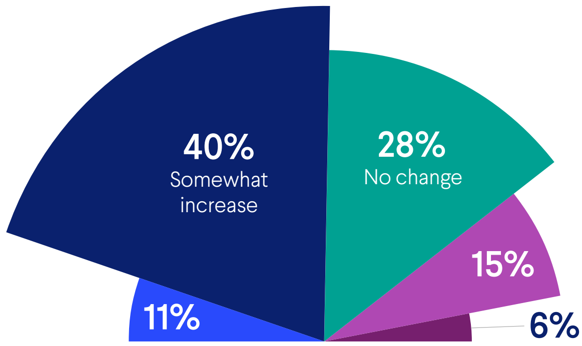


THE FUTURE OF RETAIL FRAUD – BY TYPE

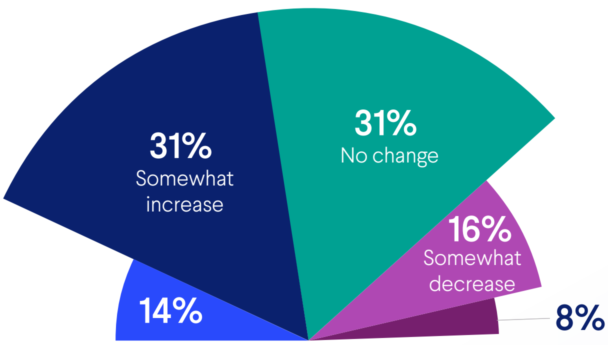
"WHICH TYPES OF FRAUD DO YOU THINK WILL INCREASE IN THE NEXT 12 MONTHS, AND BY HOW MUCH?"



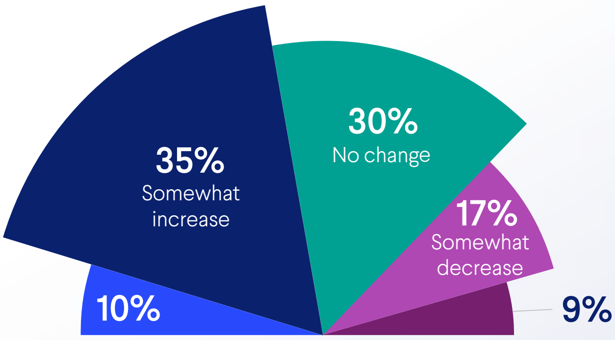
Online payment fraud



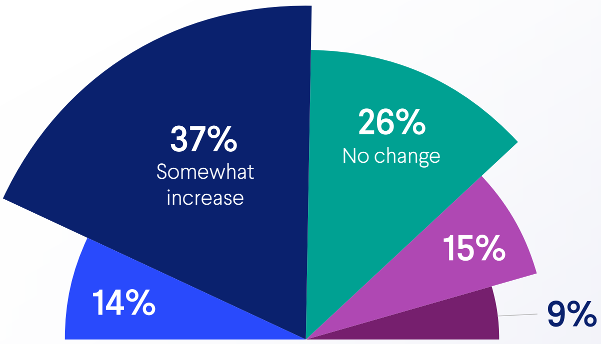
Fraudulent chargebacks



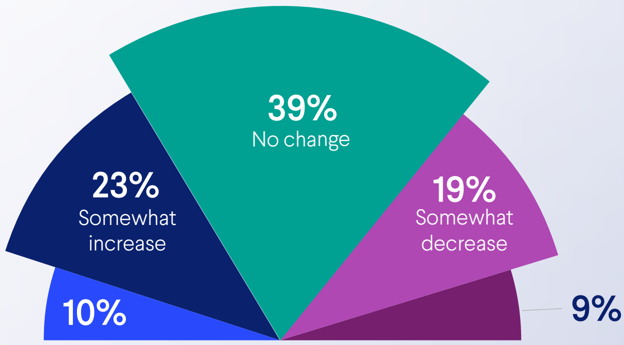
ATO attacks



Promo abuse



Refund abuse

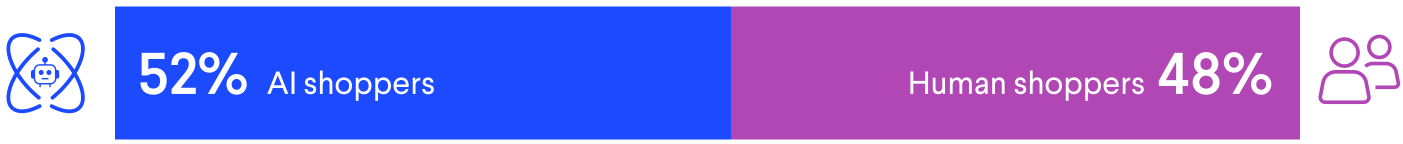


Supplier fraud

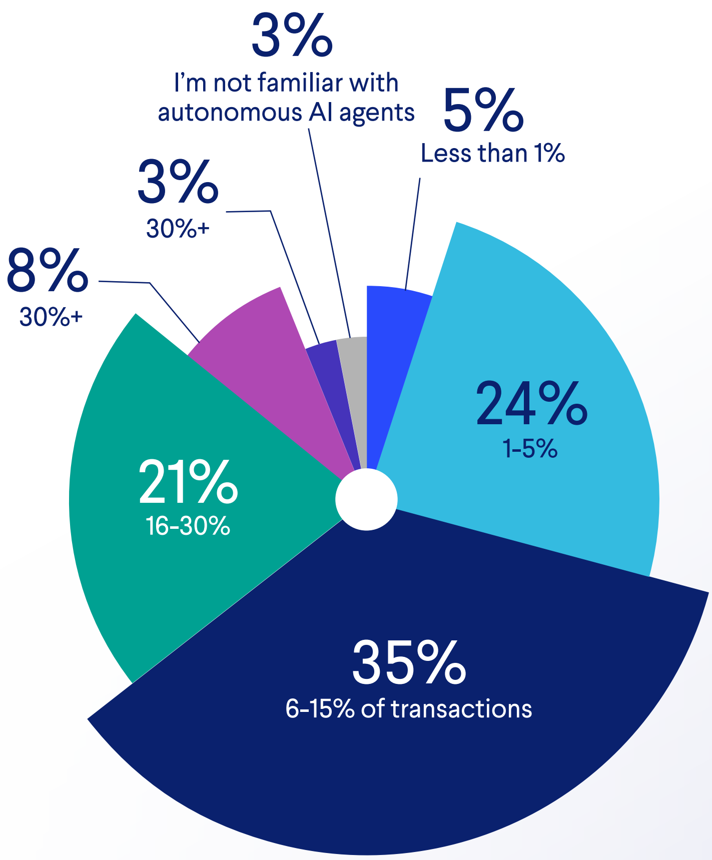
Significantly increase
Somewhat increase
No change
Somewhat decrease
Significantly decrease

AGENTIC COMMERCE – TRUST & PREDICTIONS

"WHO IS MORE TRUSTWORTHY? AI OR HUMANS?"



"WHAT PERCENTAGE OF YOUR ECOMMERCE TRANSACTIONS DO YOU PREDICT WILL BE INITIATED BY AUTONOMOUS AI AGENTS BY 2029?"



Ravelin has conducted extensive research into agentic AI commerce trust, and fraud, and we have plenty more findings to share with you.

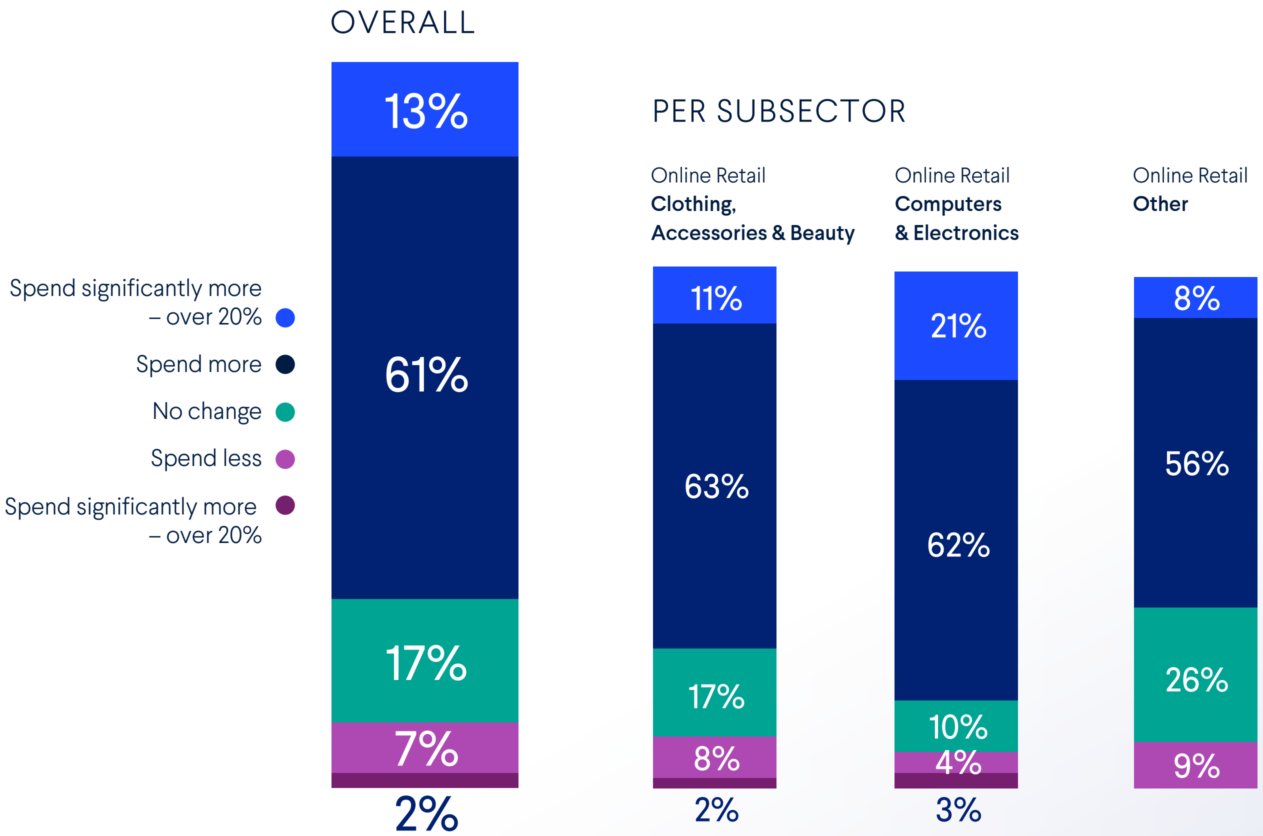
Get all the data by following this [link to Ravelin's Agentic Commerce & Fraud report.]

FUTURE FRAUD SPEND

"IN THE NEXT 12 MONTHS, DO YOU EXPECT TO SPEND MORE OR LESS ON COMBATING FRAUD, INCLUDING TOOLS/SOLUTIONS, CONTRACTORS, FRAUD LOSSES, RESOURCES, ETC.?"

74%

of retailers believe their fraud spend will increase



"Fraud perpetration is in that category of disciplines that are perfect candidates for agentic AI automation.

With 1 in 3 merchants not using AI as part of their defenses, it is very probable that career fraudsters are adopting AI faster than all but the most nimble businesses."

Mairtin O'Riada
COO at Ravelin

Online fraud can be a challenge for the Retail sector.

Ravelin has built solutions to address all these pain points, learning from your historical data to inform **a fraud prevention strategy that works for your specific landscape – and no-one else's.**

Get in touch today to chat about payment fraud, account takeover attacks, refund abuse, voucher, promo & policy abuse, transaction optimization, 3D Secure, link analysis or supplier fraud.

Book a call at ravelin.com/contact-us.

10.7bn
fraud scores a year calculated

$62bn
in transactions processed

340+
merchants protected

METHODOLOGY & DEMOGRAPHICS

In January 2026, Ravelin commissioned research provider Qualtrics to carry out an online survey of **1504** fraud and payments professionals from around the world, with a focus on the UK, USA, Canada, France, Germany, Italy, Spain, Australia, Brazil, and Mexico.

Participants belonged to the C-suite or Fraud/Risk, Finance/Payments, Compliance/Operations or Product teams of enterprises in the following industries: Online Retail, Travel, Transport & Hospitality, Digital Goods & Subscriptions, Online Marketplaces. Enterprises were defined as businesses with more than $50 million in annual revenue and/or over 500 employees, which sell their products either online or both online and offline.

They were asked questions around their observations, attitudes and predictions related to fraud, payments and ecommerce in the past 12 months, at present, as well as in the future.

All data in this report pertains to the overall findings for the Online Retail sector, except where otherwise noted.

All 2025 data referenced is from Ravelin's Global Fraud Trends: Fraud & Payments Survey 2025. All 2024 data referenced is from Ravelin's Global Fraud Trends: Fraud & Payments Survey 2024.

Thank you for reading our Retail Fraud Trends Report.

Questions? Comments? Please write to marketing@ravelin.com.

We frequently release new findings in fraud and payments.

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