

Payment Fraud Overview

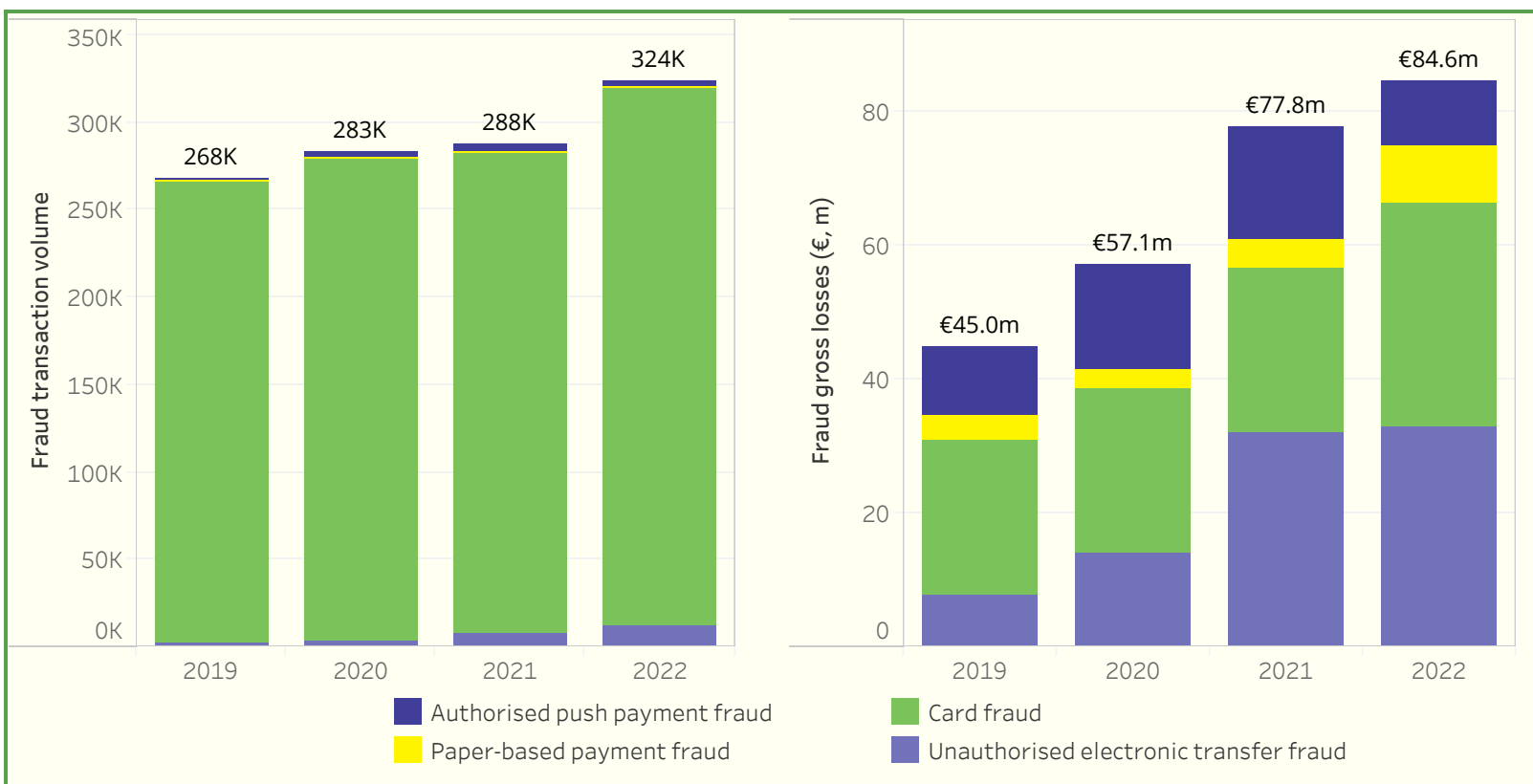
	Number			Value (€ m)		
	2021	2022	YoY	2021	2022	YoY
Card fraud	275,613	308,205	11.8%	24.4	33.4	37.0%
Unauthorised electronic transfer fraud	7,787	12,194	56.6%	32.0	32.8	2.4%
Paper-based payment fraud	192	386	101.0%	4.5	8.5	87.8%
Authorised push payment fraud	3,967	3,212	-19.0%	16.8	9.9	-41.0%
Grand Total	287,559	323,997	12.7%	77.8	84.6	8.8%

Almost 324,000 fraudulent payment transactions were made in 2022, 12.7% more than in 2021, according to BPFI members. Gross fraud losses reached €84.6 million in 2022, 8.8% more than in 2021.

Card fraud accounted for the vast majority of fraudulent payment transactions by volume but only 40% of fraud losses. While card fraud losses increased only modestly between 2019 and 2021, they jumped by 37% in 2022.

By contrast, losses from unauthorised electronic transfers more than trebled between 2019 and 2021 but grew by only 2.4% in 2022. Losses from unauthorised paper-based payment transactions (such as cheques and paper credit transfers) jumped by 88% in 2022 to almost €8.5 million. The average loss per transaction was almost €22,000.

Gross losses from authorised push payment (APP) fraud fell to the lowest level since the data became available in 2019 at €9.9 million.



Unauthorised fraud

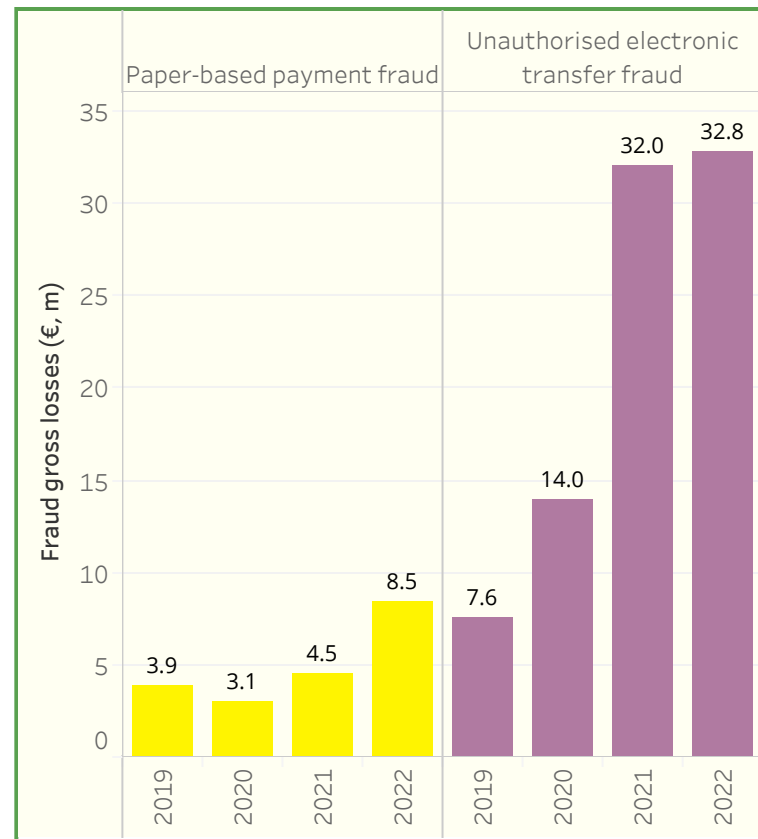
An unauthorised transaction is a payment or cash withdrawal made by another person without the account holder's authorisation or permission and results from the loss, theft or misappropriation of sensitive payment data (such as account numbers and PINs) or a payment instrument (such as a card or cheque).

Unauthorised Payment Fraud Losses

The number of unauthorised electronic transfers (primarily transfers through online or mobile banking) rose by 56.6% in 2022 to 12,194 but the value of fraud increased by only 2.4% to €32.8 million. The average fraudulent payment value dropped from €4,114 to €2,692.

There were only 386 paper-based fraudulent payments in 2022 (mainly paper credit transfers and cheques) but they averaged almost €22,000 per transaction.

By contrast, the average fraudulent debit card payment was €109, up from €84 a year earlier. The number of fraudulent debit card payments rose to almost 235,000, some 10,000 more than in 2021 and almost 43,000 more than in 2019. Debit card fraud losses jumped by 37% year on year to €25.6 million.



Payment types

Electronic transfers include electronic credit transfers (ECTs), which are mainly digital banking transfers via online and mobile banking platforms) and direct debits. The level of direct debit fraud is negligible.

Paper-based payments include cheques, bank drafts and paper-based credit transfers.

Card fraud comprises debit card payment fraud, credit/delayed debit card fraud and card-based cash withdrawal fraud. Credit card fraud losses for 2021 have been restated upwards to reflect data previously excluded in error.

Card Fraud Trends

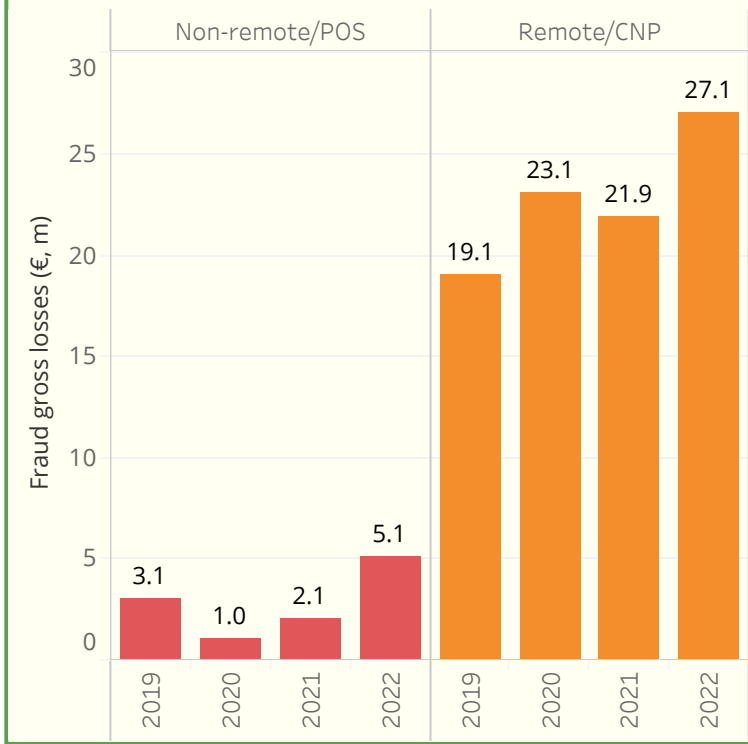
Payment card fraud at the point of sale (POS) has increased sharply since 2020. There were almost 55,000 POS card fraud transaction valued at €5.1 million, some 58% and 147% more than in 2021. An estimated 91% of the volume and 69% of the value of POS fraud in 2022 involved contactless payments.

Card not present (CNP) fraud continued to dominate card fraud with CNP card fraud losses up by 24% year on year to €27.1 million.

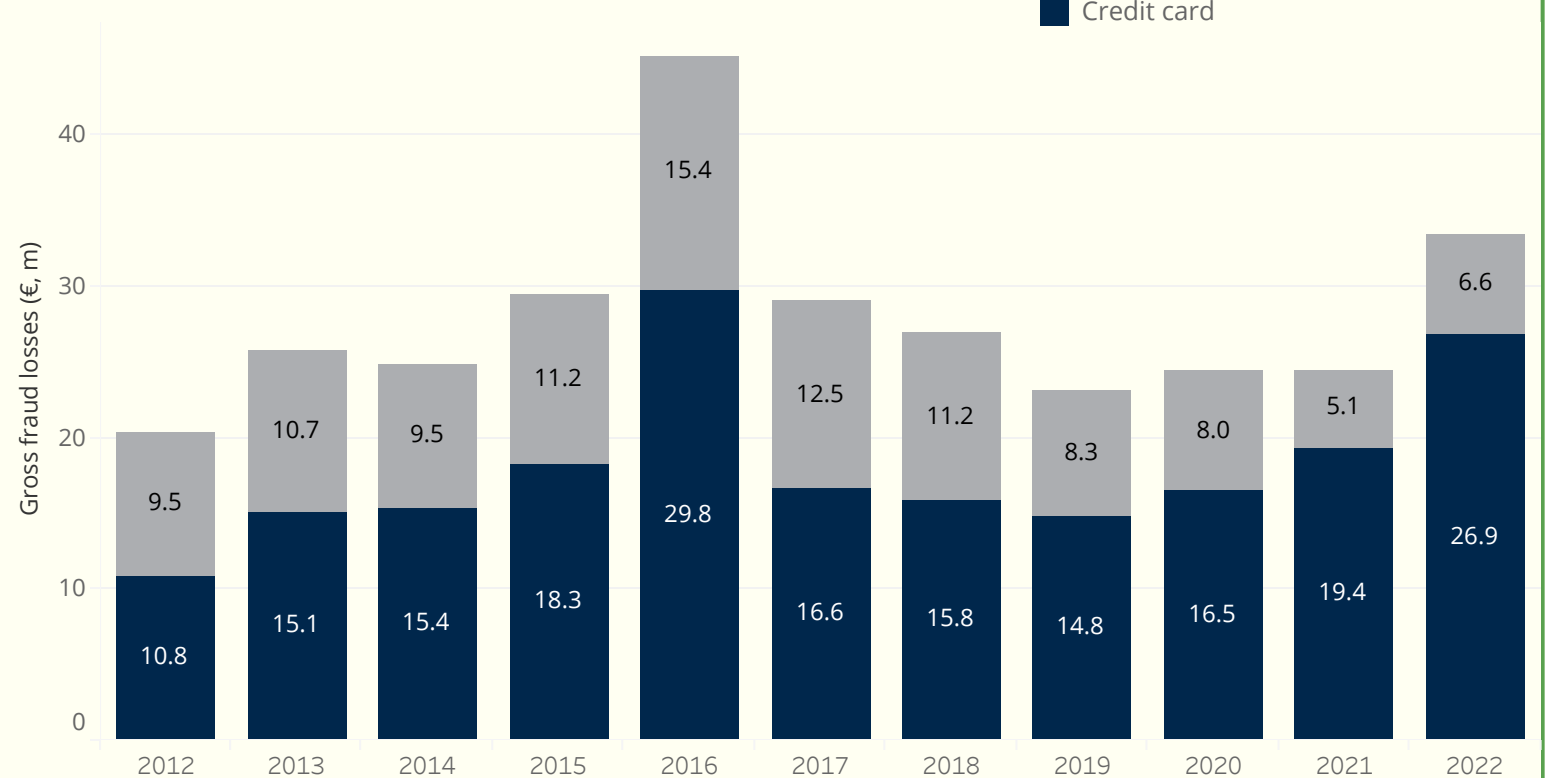
Debit/ATM card fraud losses increased by 39% year on year, to the highest level since 2016 at €26.8 million.

Some nine out of ten card fraud transactions were conducted with lost/stolen cards or stolen card details.

Payment Card Fraud by Channel



Card Fraud - Historical Trends



Card use channels

CNP (Card not present) payments include all payments made remotely such as over the Internet (including mobile Internet, via mail or over the phone).

Point of sale (POS) payments are initiated at a physical terminal and include payments using physical cards and payments via mobile devices such as mobile wallet (e.g. Apple Pay or Google Pay).

APP Fraud Trends

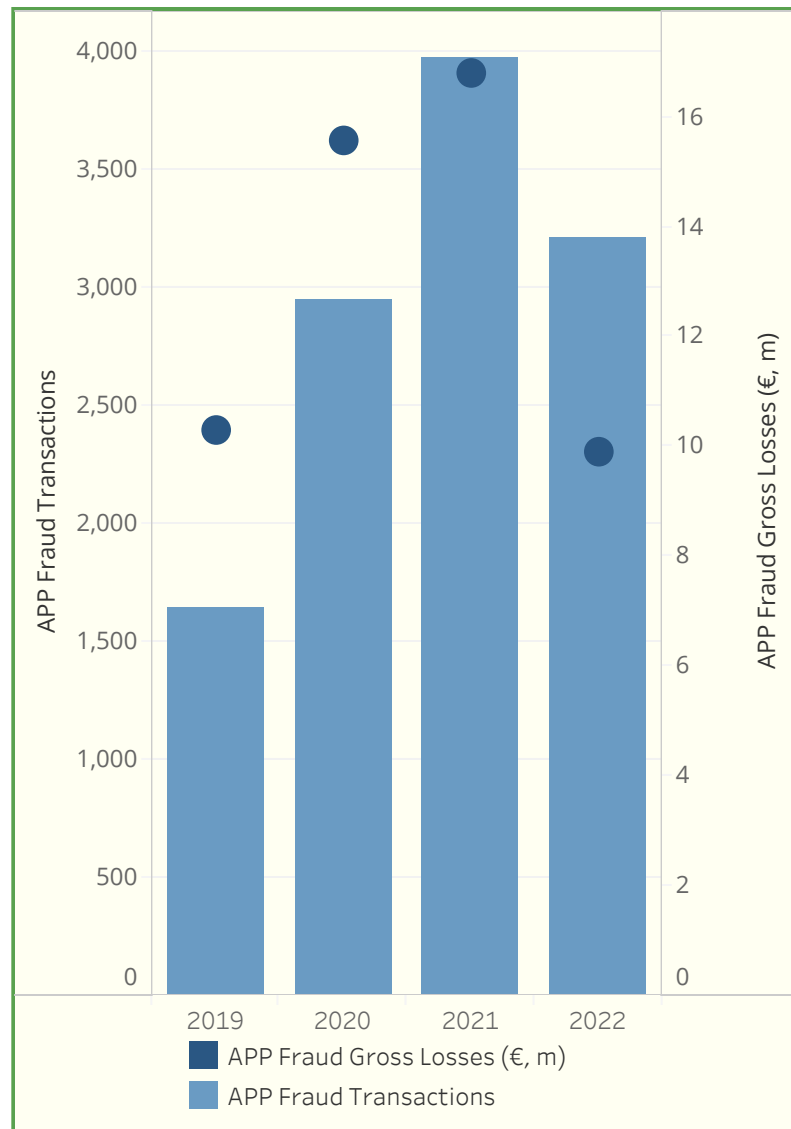
	2021	2022	YoY
APP Fraud Transactions	3,967	3,212	-19.0%
APP Fraud Gross Losses (€, m)	16.8	9.9	-41.0%

Authorised Push Payment (APP) fraud, also called manipulation of the payer, happens where a fraudster tricks a person or business to instruct their payment service provider, such as their bank, to send money from their account to an account controlled by that fraudster.

There were 3,212 APP credit transfer payments in 2022, 19% fewer than in 2021. APP fraud losses dropped by 41% to €9.9 million, the lowest value since the data became available in 2019.

The drop in APP fraud values partially reflects a continuing trend in which the average APP fraud value has fallen by about €1,000 each year since 2019, reaching €3,086 by 2022.

More than 90% of APP credit transfer fraud transactions are believed to be initiated via online or mobile banking. However, scammers may also try to convince victims to make payments using other methods such as card, cheque, bank drafts or even cash.



APP fraud

There are two broad types of APP fraud:

- APP disputed payments, where the customer makes a payment to the account intended but later disputes the payment as the payee has manipulated and scammed the payer. Types of APP disputed payment include advance fee scams, investment scams, purchase/online shopping scams, and romance scams;
- APP misdirection/impersonation, where the customer makes a payment intended for a legitimate recipient but where the scammer manipulates the customer to make the payment to the scammer's account. Types of APP misdirection/impersonation include impersonation scams and invoice re-direction scams.

Disclaimer/About this data

Banking & Payments Federation Ireland (BPFI) is the principal voice of the banking and financial services sector in Ireland. For queries, contact Anthony O'Brien, Head of Sector Research & Analysis, BPFI at anthony.obrien@bpfi.ie.

This report is based on statistical information supplied to BPFI by the participating member institutions (AIB, Avant Money, Bank of Ireland, KBC Bank Ireland (up to 2021), permanent tsb and Ulster Bank). Some data breakdowns are estimated where detailed data is not available.

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