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## **Payment Card Fraud Losses Reach \$32.34 Billion**

### **The Nilson Report Releases Annual Issue on Fraud Statistics**

SANTA BARBARA, Calif., Dec. 22, 2022 (GLOBE NEWSWIRE) -- Payment card fraud losses worldwide exceeded \$32 billion in 2021, of which nearly \$12 billion was in the US, according to the Nilson Report, the leading trade publication covering the global payment card industry. Losses to fraud worldwide increased by 14% in 2021.

Over the next 10 years, the industry is projected to lose an accumulated \$397 billion worldwide, with \$165 billion coming from the US.

The US accounted for 37% of worldwide losses to card fraud in 2021 even though it only accounted for 23% of card spending at merchants and cash transactions at ATMs combined. Higher fraud losses in the US were attributable to a 25% increase in purchases made by credit cards after a 9% drop in 2020. Also impacting fraud in the US was the continued growth in card-not-present transactions such as those that occur when spending online. Online purchases leave merchants more vulnerable to fraud.

The \$11.9 billion in fraud losses in the US in 2021 was up 18%. Fraud in the US was connected to card volume of \$11.3 trillion. In 2020, the US total for fraud losses was \$10.1 billion tied to \$9.4 trillion in total card volume.

Among payment card industry executives, fraud is expressed in basis points (cents) per \$100 in total volume. In 2021, it was 6.61¢ per \$100 in total volume. This was an improvement from 2020 when the figure was 6.77¢ per \$100.

The total for worldwide spending for goods and services, combined with cash advances against lines of credit and cash withdrawals from funds on deposit, equaled \$48.955 trillion in 2021, an increase of 16.6% from 2020. This payment volume was generated by global brand, domestic-market-only and private label credit, debit and prepaid cards used at merchants in stores and online, along with cash obtained at ATMs.

"While fraud as a percentage of total card dollar volume declined, criminals saw 14% growth in the money they were able to steal from the system. Card fraud netted criminals nearly \$4 billion more in 2021 than in 2020," said David Robertson, Publisher of the Nilson Report.

Losses to fraud are incurred by card issuers, merchants, processors of card payments from merchants, and processors of card transactions from ATMs.

#### ABOUT THE NILSON REPORT

For more than 52 years, the Nilson Report has been the most respected provider of data and news about the payment card industry. Available worldwide by subscription only, the Nilson Report surveys over 2,000 financial institutions and other payment card businesses to produce statistics about card issuers, card networks, merchant acquirers and technology providers. This business intelligence is not available from any other source. The twice-monthly newsletter also includes informative feature articles, concise updates regarding new products and services, monthly listings of investments and acquisitions by companies in the payment industry, and news about executive appointments.

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