

90% of Americans worry about rise in fraud, 74% think AI will increase successful fraud attempts, Abrigo Survey finds

2024 Abrigo Fraud Survey shows half of Americans are “extremely concerned” about fraud, misconceptions about recoverability persist, and majority (71%) worry about money laundering

AUSTIN, Texas – August 14, 2024 – Abrigo, a leading provider of financial crime prevention and risk management solutions for U.S. financial institutions, today announced compelling new survey results revealing how Americans feel about financial fraud, their fears about AI’s impact on fraud, and some misconceptions that endure. The vast majority of Americans (90%) are worried about the rise in fraud: More than half (51%) are “extremely concerned” and another 39% are “somewhat concerned.”

The concern is backed by additional data. According to the FTC, American consumers lost [\\$10 billion](#) to fraud scams in 2023, up from \$3.5 billion in 2020. Another study showed it costs North American financial institutions [\\$4.41 for every dollar](#) lost to a fraudster.

Americans worry about AI’s impact on fraud

Fears about the sophistication of AI and its impact on fraud are abundant, too. The survey found a strong majority of Americans (68%) are concerned about financial fraud attempts increasing with the advancement of AI, and three-quarters (74%) believe the advancement of AI will result in the increased *success* of those attempts.

“Americans are expressing deep concern about rising fraud and the fear that AI advancements will add to rising fraud rates. Financial crime is always evolving, and that means we will need vigilant, ethical, AI-assisted crime-fighters to stop criminals using AI,” said Ravi Nemalikanti, CTO at Abrigo. Abrigo’s AI-powered fraud detection and anti-money laundering solutions in its financial crimes suite safeguard financial institutions, as well as consumers, from escalating risks.

“It’s crucial for both consumers and financial institutions to guard against new, sophisticated AI-backed methods of attack,” added Jay Blandford, CEO at Abrigo. “Criminals are already utilizing AI for fraud schemes, so financial institutions must be able to leverage the same tools within their fraud solutions to stay on top of crime. Abrigo continues to focus on driving efficiency in fraud detection with AI, including machine learning.”

Americans are hit by fraud — and worry about multiple kinds of attack

Close to half of those surveyed (45%) self-report having been the victim of financial fraud. Among those who were victims, the top three types of fraud experienced were:

- Credit card theft (53%)
- ACH or electronic payment fraud (19%)
- Check fraud (17%)

Almost a quarter (24%) indicated they lost \$5,000 or more, which can constitute devastating financial loss for many Americans.

Americans surveyed were most concerned about internet scams and identity theft, which often originates with check fraud. Responders also expressed widespread concern about major financial crimes like money laundering:

- 71% said they were somewhat concerned (45%) or extremely concerned (26%) about money laundering in the U.S.

That's a powerful statistic as crypto currency [reemerges](#) and [money launderers increasingly are turning to crypto](#). Federal financial regulators are also updating anti-money laundering (AML) requirements for financial institutions and encouraging innovative approaches to compliance. "As AI amplifies attacks, it's more important than ever for FinCrime professionals at banks, credit unions, and other financial institutions to understand the specific methods, patterns, and techniques criminals use in money laundering and be prepared to detect this activity in transactions with tools and approaches that can keep up," said Blandford.

Misconceptions and loss

According to the survey, more than a third of Americans (36%) believe that 75% to 100% of all fraudulent transactions are able to be recovered. However, the reality is quite different. The 2023 Association for Financial Professionals (AFP) payments fraud [survey](#) found that "a majority of organizations recoup less than 10% of funds stolen due to fraud."

The Abrigo survey revealed another key misconception: While over half of Americans (53%) believe credit card theft is most common and what they fear most (43%), check fraud is actually the [bigger liability for banks](#).

Indeed, on top of the hard-dollar losses, financial institutions stand to lose business after their customers experience fraud: 16% of respondents switched financial institutions entirely after becoming fraud victims. And, a majority of Americans (58%) said they would be more likely to minimize their banking relationship with a financial institution (i.e., reduce the use of a card, reduce the number of accounts, etc.) if they were the victim of fraud.

Learn strategies to fight fraud

Join Abrigo's upcoming live webinar: **Tackling operational risks: Strategies for check fraud and ransomware prevention.**

- **When?** Tuesday, September 17, 2024 at 2:00 p.m. ET / 1:00 p.m. CT / 11 a.m. PT.
- **Who's leading it?** Lloyd E McIntyre III, CFE, Examination Specialist (Fraud) for the FDIC Cyber Fraud and Financial Crimes Section.

The webinar focuses on the current operating environments and understanding how fraud threats and vulnerabilities can increase risk at a financial institution.

About the Survey

Propeller Insights conducted a nationwide survey in March 2024 of 1059 consumers, including 39% self-reported small business owners, sponsored by Abrigo. Respondents were roughly representative of the U.S. adult population in the United States along common demographic characteristics. Propeller Insights is a full-service market research firm based in Los Angeles. Using quantitative and qualitative methodologies to measure and analyze marketplace and consumer opinions, they work extensively across industries such as travel, brand intelligence, entertainment/media, retail and consumer packaged goods.

About Abrigo

Abrigo is a leading provider of risk management, financial crime prevention, and lending software and services that help more than 2,500 financial institutions manage risk and drive growth in a rapidly changing world. We deliver transformational technology, product innovation, world-class support, and unparalleled expertise so our customers can face complex challenges and make big things happen.

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