

Understanding fraud within digital marketplaces

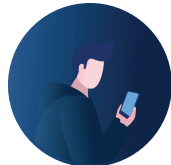


The sharing and gig economies, an industry estimated to generate **\$335 billion in revenue*** has amplified the ability to connect with others through digital marketplaces, extending the reach and impact of these interactions.

Unfortunately, the growth of digital marketplaces, driven by convenience, changing consumer behavior and increasing digitization, also offers opportunities for fraudsters with malicious intent.



Buyer Side



Identity fraud at onboarding

Many apps require users to create an account on the marketplace as part of the onboarding process. Without accurate identity information, it can be more challenging for the platform to understand who the user claims to be, making it more difficult to police fraud.



Fake accounts/profiles

This scam involves the creation of fake accounts, which can be used to leave false negative reviews on buyer listings, harass other users or gain monetary benefits.



Stolen credit cards and payments/transaction fraud

Transaction fraud occurs when a buyer makes a purchase with payment information that doesn't belong to them, such as a stolen credit card.



Account takeover

Legitimate accounts can also fall victim to cyberattacks and hackers for monetary gain.

Vendor Side



Fake accounts/profiles or listings

Fake profiles can be used to defraud potential customers; leading to reputational harm to the platform or company operator.



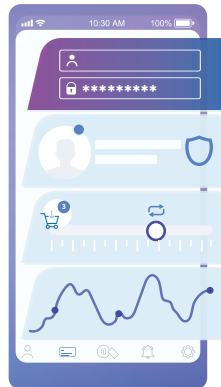
False advertising

Fraudsters will use false advertising to misrepresent the products or services being sold and manipulate the buyer.



Securing the customer journey

Businesses need to have effective fraud prevention strategies that protect buyers and sellers on both sides of the platform.



Set up account/membership

(onboarding)
Verify that the user is who they say they are.

Log-in and ongoing authentication

Identify anomalous behavior for known users and block bad actors from account takeover.

Purchasing/transaction

Confirm payer identity and that they're the sole owner of the payment instrument.

Reviews

Prevent false reviews.

Taking the right action



Identity verification

Use our range of identity verification solutions to verify the identity of users and detect potential fraud. These solutions can be integrated into the onboarding process to ensure that only legitimate users are able to access the platform.



Fraud detection

Identify and prevent fraudulent activity with our fraud detection solutions. Our solutions use data analytics and machine learning algorithms to analyze transactions and identify patterns that may indicate risks from bad actors.



Risk assessment

Assess your risk profile and identify areas where you may be vulnerable to fraud. By analyzing data on past fraud incidents and identifying trends, we help businesses implement targeted risk mitigation measures.

The key to the long-term success of digital marketplaces is built on protecting themselves and their users from fraudulent activity, building trust, and improving their overall trust and safety practices.

Explore Experian's suite of [fraud and identity solutions](#).

* PwC: The Sharing Economy: Will it disrupt your business?

