

# Combatting escalating fraud in a digital world

GBG



## Growth in digital transactions in Asia

Accelerated digitisation is driving fraud and compliance challenges for FIs

**66%**

Of transactions are done digitally

**70%**

Of increase in average digital transaction volumes expected by 2025

## Challenges with growth in digitisation

Scaling fraud management and cost of compliance emerge as key challenges

**39%**

Of FIs consider **scaling fraud detection as biggest challenge** in digital transactions

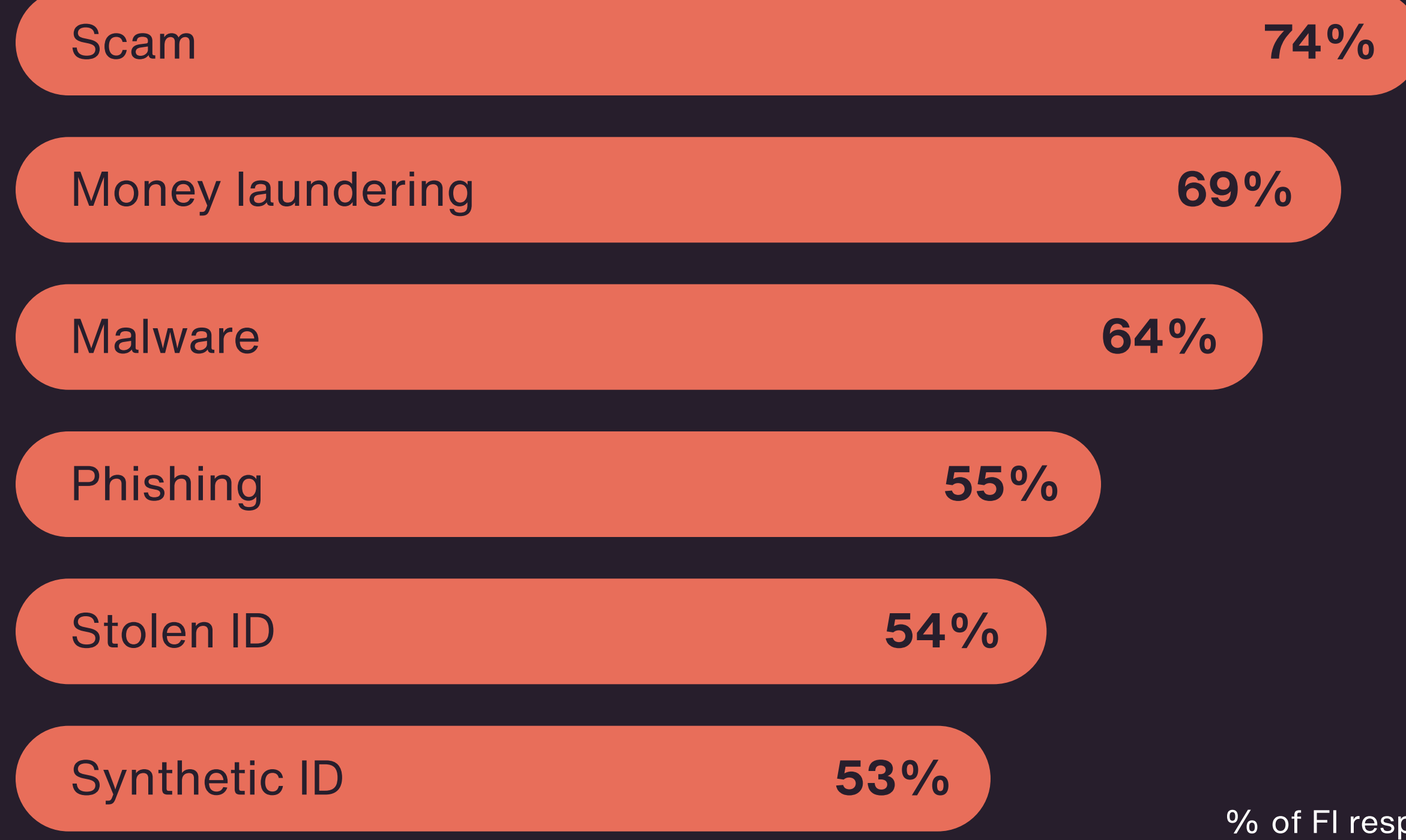
**44%**

Of FIs consider **managing cost of increasing compliance** the biggest concern in online products

## Increase in frauds

FIs are struggling with escalating fraud, especially scam, money laundering and malware

FIs (%) witness increased frauds in 2022



% of FI respondents

## Challenges in fraud management capability

Key gaps emerge in fraud management owing to issues in data and organisational integration

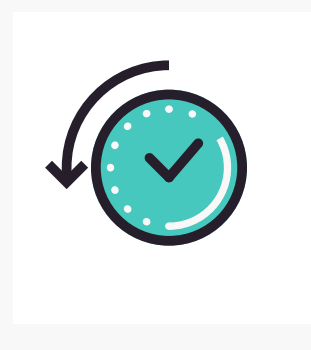
### Key challenges in fraud management

● Organisation integration ● Regulatory compliance ● Data



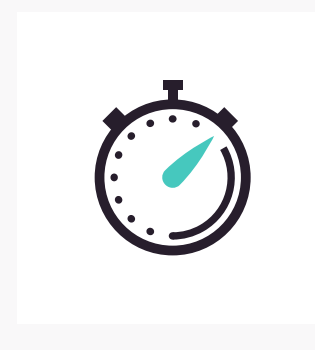
**31%**

Of FIs have not integrated cyber-security, fraud control and compliance



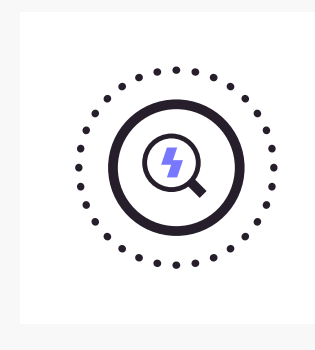
**60%**

Of FIs find challenge in meeting past regulations



**58%**

Of FIs challenged with recent regulations that require fast implementation



**38%**

Of FIs challenged with inadequate data governance in fraud risk investigation



**32%**

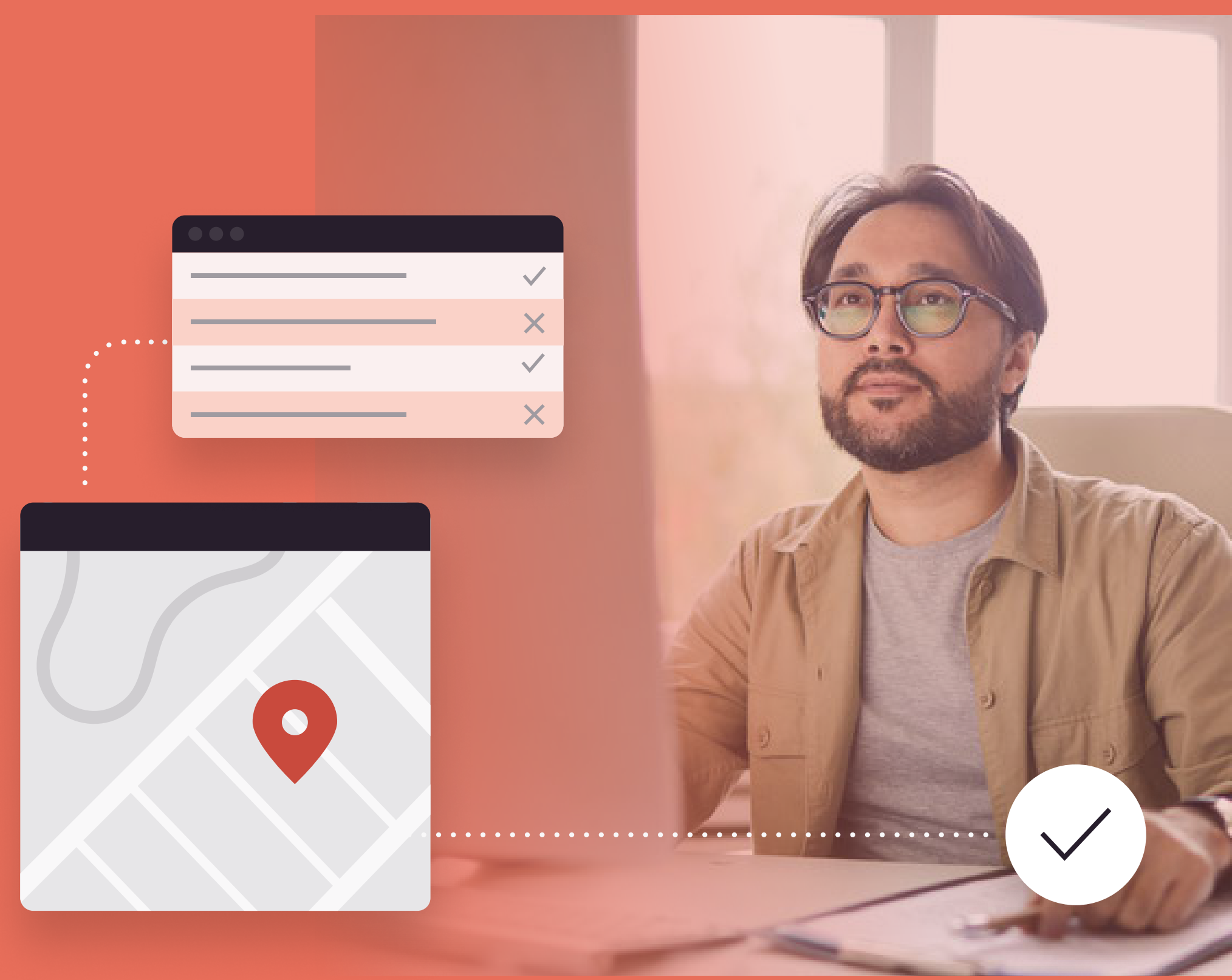
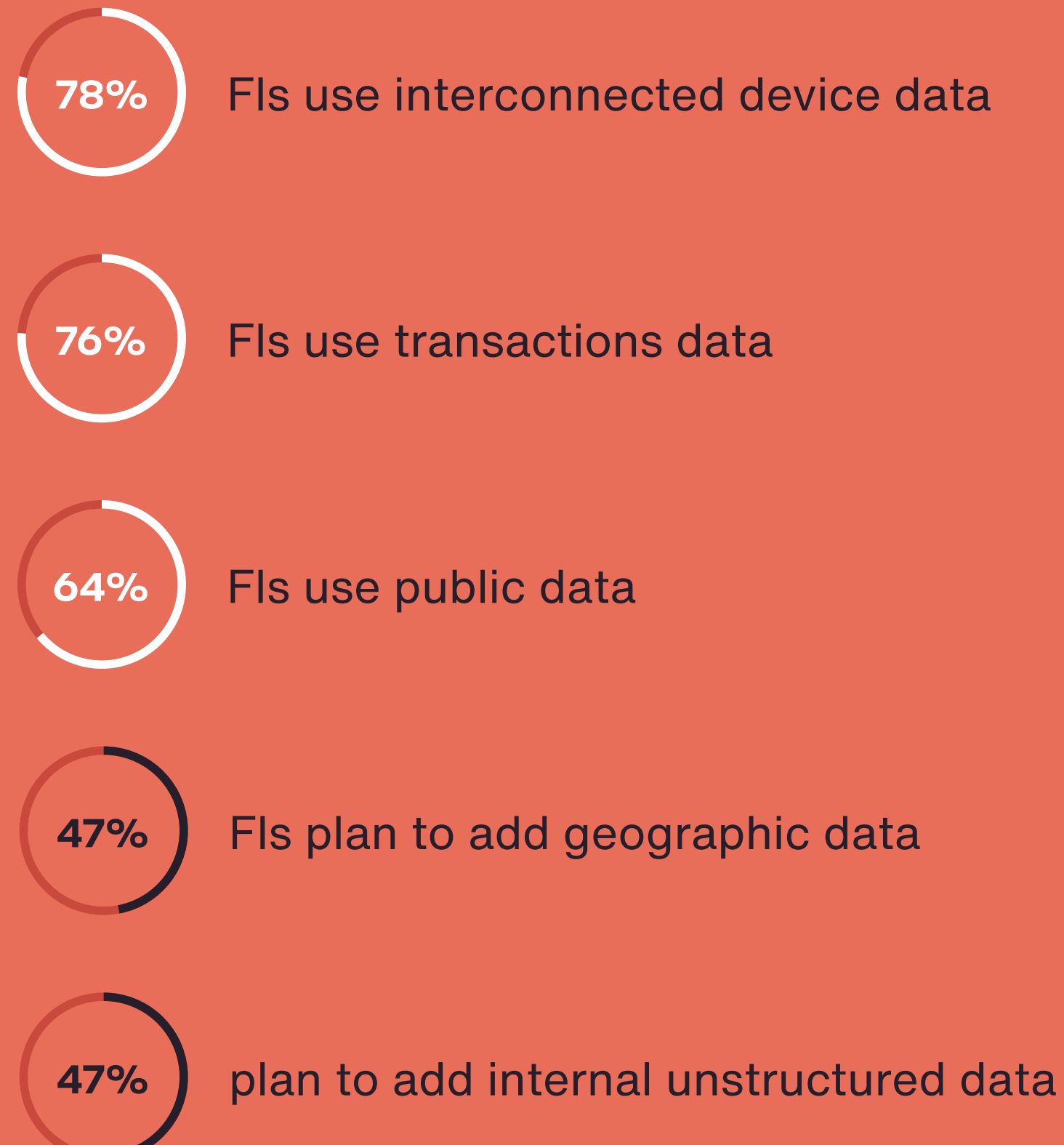
Of FIs have fragmented data with piecemeal systems

## Key data sources

FIs plan to integrate geographic and internal unstructured data to detect fraud in 2023

### Key data incorporated by FIs for fraud prevention

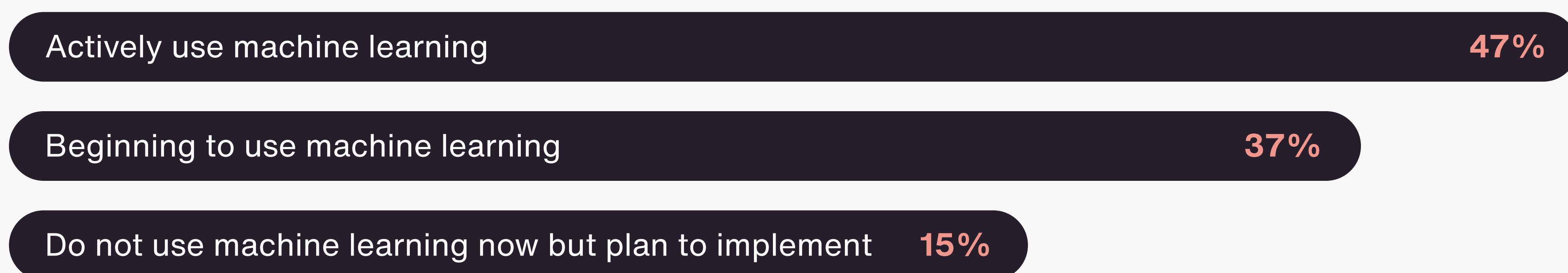
● Current data sources (2022) ● New data sources (2023)



## Focus on machine learning

Use of machine learning in fraud detection is expanding across FIs

### Adoption of machine learning for fraud prevention by % of FIs



## Investment in fraud prevention technology

End point threat detection and integrated data platform emerge as key focus in investment in fraud prevention technology

### Key investments prioritised by FIs in fraud prevent

