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SAMPLE REPORT
FRAUD AND SECURITY IN GLOBAL ONLINE PAYMENTS 2019
PUBLICATION DATE: JULY 2019

PREFACE

A LIST OF ADVANTAGES

- yStats.com provides secondary market research: By using various sources of information we ensure maximum objectivity for all obtained data. As a result companies get a precise and unbiased impression of the market situation.
- Only reliable sources such as national and international statistical offices, industry and trade associations, business reports, business and company databases, journals, company registries and news portals are used as a basis for the analyses, statistical reports and forecasts.
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GENERAL METHODOLOGY OF MARKET REPORTS

Secondary Market Research

- The reports are compiled based on secondary market research. Secondary research is information gathered from previously published sources. Our reports are based on information and data acquired from national and international statistical offices, industry and trade associations, business reports, business and company databases, journals, company registries, news portals and many other reliable sources. By using various sources we ensure maximum objectivity for reported data. As a result, companies gain a precise and unbiased impression of the market situation.
- Cross referencing of data is conducted in order to ensure validity and reliability.
- The source of information and its release date are provided on every chart. It is possible that the information contained in one chart is derived from several sources. If this is the case, all sources are mentioned on the chart.
- The reports include mainly data from the last 12 months prior to the date of report publication. Exact publication dates are mentioned in every chart.

Definitions

- The reports take into account a broad definition of B2C E-Commerce, which might include mobile commerce. As definitions may vary among sources, exact definition used by the source (if available) is included at the bottom of the chart.

Chart Types

- Our reports include text charts, pie charts, bar charts, rankings, line graphs and tables. Every chart contains an Action Title, which summarizes the main idea/finding of the chart and a Subtitle, which provides necessary information about the country, the topic, units or measures of currency, and the applicable time period(s) to which the data refers. With respect to rankings, it is possible that the summation of all categories amounts to more than 100%. In this case, multiple answers were possible, which is noted at the bottom of the chart.

Report Structure

- Reports are comprised of the following elements, in the following order: Cover page, preface, legal notice, methodology, definitions, table of contents, management summary (summarizing main information contained in each section of report) and report content (divided into sections and chapters). When available, we also include forecasts in our report content. These forecasts are not our own; they are published by reliable sources. Within Global and Regional reports, we include all major developed and emerging markets, ranked in order of importance by using evaluative criteria such as sales figures.

Notes and Currency Values

- If available, additional information about the data collection, for example the time of survey and number of people surveyed, is provided in the form of a note. In some cases, the note (also) contains additional information needed to fully understand the contents of the respective data.
- When providing information about amounts of money, local currencies are most often used. When referencing currency values in the Action Title, the EUR values are also provided in brackets. The conversions are made using the average currency exchange rate for the respective time period. Should the currency figure be in the future, the average exchange rate of the past 12 months is used.

METHODOLOGY OF THE CURRENT REPORT

Report Coverage

- This report covers the global online payment market with a focus on fraud and security issues. It takes into account a wide definition of online payment, including payments made in online shopping and mobile payment, such as remote and proximity payments.
- The report includes data mostly published within the previous 12 months. The exact date of publication of the source is stated on each chart. The time period which the data refers to differs by source.

Report Structure

- The global chapter opens the report, featuring an overview of global trends and innovations, value of online payment fraud worldwide and the attitude of global consumer to security of digital payments.
- The rest of the report is divided by regions presented in the descending order of B2C E-Commerce sales. Within each region, the countries are also ranked by B2C E-Commerce sales.
- The types of information included per country differ due to varying data availability. These may include: information about card-not-present fraud and chargebacks, attitude of consumers towards online and mobile payment security, security-related barriers preventing Internet users from shopping online and making payments via mobile devices, demand for biometric identification methods, 3D-Secure transactions penetration, and payment-related fraud types encountered by online shoppers.

DEFINITIONS

The following expressions and definitions are used in this report*:

▪ **ONLINE PAYMENT**	Transfer of money made over the Internet following a consumer's payment command, includes payments for products and services purchased in E-Commerce and M-Commerce.
▪ **MOBILE PAYMENT**	A wide definition of mobile payments includes remote payments made remotely in M-Commerce and proximity payments made in-store, such as via QR code scanning and NFC technology.
▪ **CHARGEBACK**	The charge that a merchant pays to a customer who successfully disputed a transaction on his/her credit card statement.
▪ **CARD-NOT-PRESENT FRAUD**	Fraud that occurs in purchases and payments maid without presenting a card, mainly online or by phone.
▪ **BIOMETRIC AUTHENTICATION**	Any means by which a person can be uniquely identified based on evaluation of one or more distinguishing biological traits. These may include fingerprints, facial recognition, iris scan and others. In payments, biometric authentication is used to identify the user and authorize the transaction.
▪ **MOBILE WALLET**	A software solution that enables consumers to store payment credentials, such as credit or debit card information, and use the stored credentials to pay digitally for transactions made in-store, online or via mobile. Mobile wallets are installed on mobile devices which are used to complete payments. The examples of mobile wallets include Apple Pay, Samsung Pay and Android Pay. Mobile wallets are often included in the E-Wallet category.
▪ **B2C E-COMMERCE**	The sale of products (and services) through electronic transactions via the Internet from businesses to consumers. Some sources cited in this report exclude services such as online travel from their definition of B2C E-Commerce sales.
▪ **ONLINE SHOPPING**	Purchase of products or services by consumers via the Internet. Broadly defined, may include business to consumer and consumer to consumer transactions.

Note: *the definitions used by the original sources might differ from the ones stated on this chart; the exact definition used by each source, where available, is included on the respective charts

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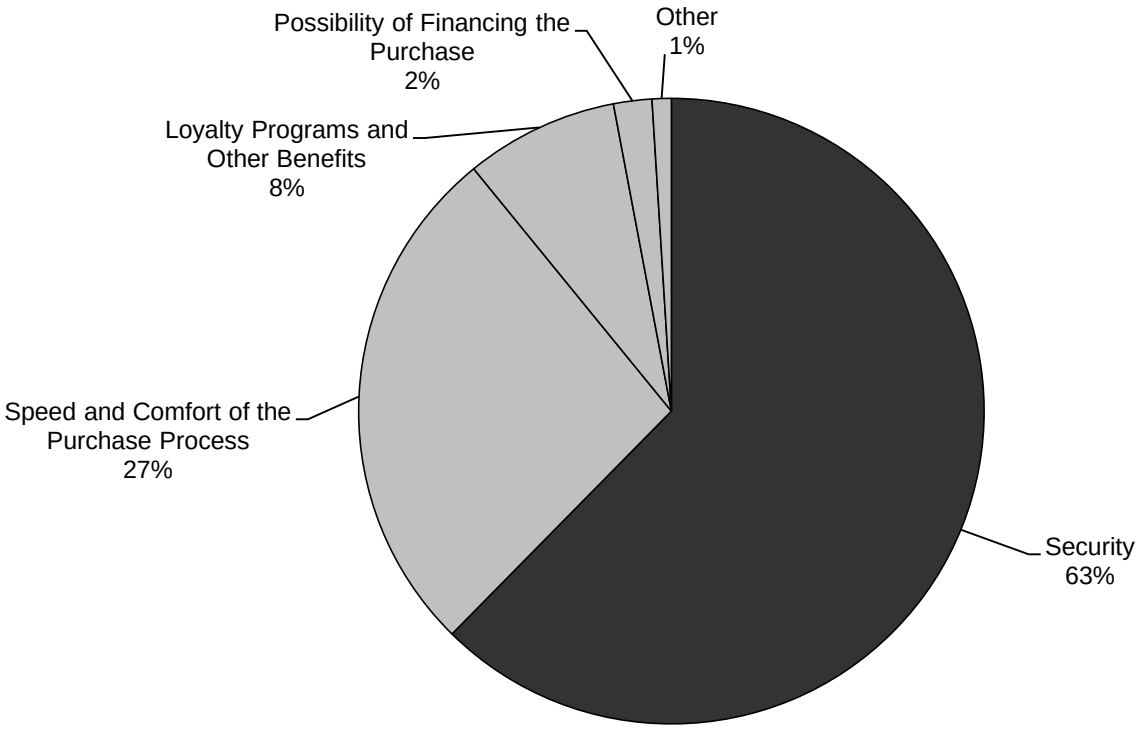
"Security" (63%) was the most valued factor in online payment methods in Spain, according to a shoppers' survey in October 2018.

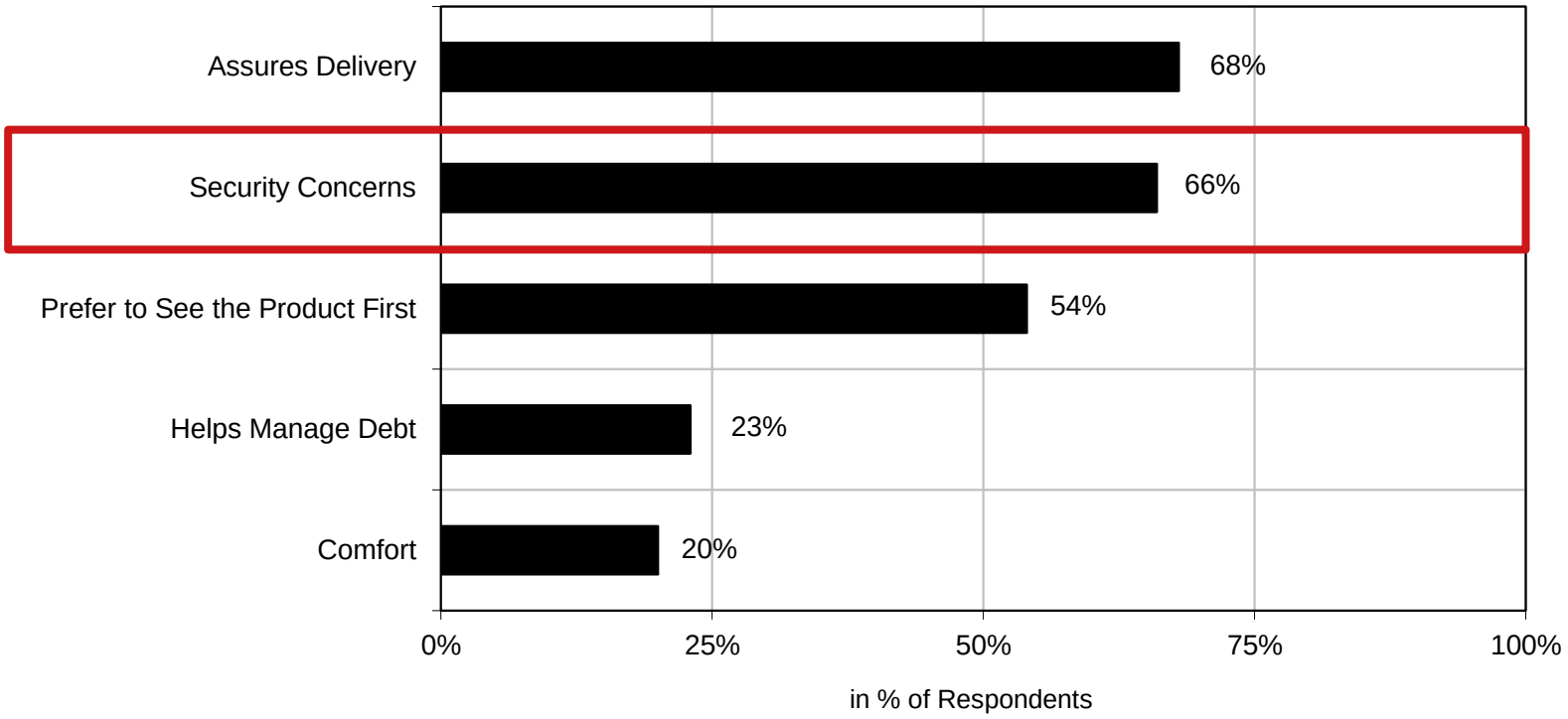
Spain: Breakdown of Factors Most Important in Online Payment Methods, in % of Online Shoppers, October 2018



Note: may not add up to 100% due to rounding
Definition: individuals aged 18-65 who have purchased online in the previous 12 months from any of the following categories: appliances and technology, furniture, mobile devices, travel, sport, bicycle and accessories, automobile and accessories or motorcycle and accessories.
Survey: based on a survey of 2,200 consumers, conducted in September – October 2018; question asked "When it comes to paying for your online purchases, what do you value the most about payment methods?"
Source: Cetelem, December 2018

In the UAE, 66% of shoppers surveyed in February 2018, chose to pay by "Cash on delivery" due to security concerns.

UAE: Top 5 Drivers for Paying by Cash on Delivery in E-Commerce, in % of Respondents, February 2018



Note: does not add up to 100% due to multiple answers possible; only the top 5 answers are ranked

Survey: based on a survey of 600 individuals in the UAE, conducted in February 2018; all respondents made at least one online payment in the past six months; the respondents were UAE citizens (11%), expat Arabs (33%), expat Asians (51%) and expat Westerners (5%); 55% of the respondents lived in Dubai, 29% in Abu Dhabi, 12% in Sharjah and 4% in other emirates; the age groups were 18-35 (64%), 36-45 (30%) and 46-55 (6%)

Source: Visa, 4SiGHT Research & Analytics, cited by The National, June 2018

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