



# More sales revenue with less risk

Or, how to achieve the optimum balance between fraud rate and lost earnings in e-commerce

Online retail is booming. According to Forrester Research, annual growth in European online retail will be 12 per cent on average until 2017. In the age of globalisation, a growing number of retailers have to ask themselves the following question: How can I best protect my business from fraud attempts and avoid payment defaults?

Protection against payment default in online retail should not be a static system but involve a dynamic process as those committing fraud are constantly developing and perfecting their cunning methods. Consequently, fraud patterns in e-commerce are extremely diverse and vary from sector to sector. It is absolutely vital that retailers examine and scrutinise their procedures for minimising payment default on an ongoing basis. However, when doing so, it is incredibly hard to maintain an overview. External service providers can help with this process. They can help retailers establish up-to-date and professional risk management solutions, without high initial investments being required.

Intelligent guidelines and complex decision-making strategies combining a range of different methods are used to carry out real-time verification before the business transaction is concluded. "In this way, we increase the success rate of identifying fraud patterns in good time and enable sound decisions to be made as to whether a sale should be approved or denied," says Carlos Häuser, EVP, payment & risk at Wirecard AG, a leading global provider of electronic payment systems and risk management.

"However, completely eliminating fraud is not a realistic target. Retailers who are too hasty in rejecting transactions must take into account that regular purchases may be erroneously categorised as fraudulent, which would result in lost earnings. It is therefore key to achieve the optimum balance between fraud rate and lost earnings."



[www.wirecard.com](http://www.wirecard.com)