



fraud prevention top ten fraud prevention tips

Card not present (CNP) fraud scams are created and growing everyday. This means you as the merchant need to be diligent in protecting your company from fraudsters. In addition to preventing fraud you will also want to have fraud scoring modules in place to evaluate which orders you should accept and which ones should be manually reviewed before a decision is made. Below is a list of the top ten ways you can prevent fraud with some addition tips for manual review. Contact us to discuss these points and additional options.

- 1) Use the Address Verification System (AVS) to confirm that the address provided matches the address on the card being used.
- 2) Collect the CVV code as verification that the person making the order has access to the card.
- 3) Be extremely wary of shipping overseas-- It can be difficult to pursue claims abroad.
- 4) Perform reverse IP address checks. Confirm that the IP address matches the email address and/or the physical location of the customer and their credit card.
- 5) Do not accept a prepaid credit card for a multi-pay or continuity order. Request another form of payment or have the customer pay for the product in one payment.
- 6) Participate in the Verified by Visa and the MasterCard SecureCard programs.
- 7) Keep a negative database of all prior fraud attempts that includes the fraudulent customer's information. All incoming orders should be run against this database. This won't stop new fraudsters but it will keep you from being hit by repeat offenders.
- 8) Only ship products to your customer's billing address.
- 9) Use real-time authorization on your phone orders. This will allow the agent at the call center to find out if the card is valid or has been reported lost or stolen, all while your customer is still on the line.
- 10) Establish velocity controls to ensure that you don't ship multiple products to the same address.

Manual review tips (if fraud already suspected):

- * check the customer's area code against their location
- * call the customer to verify the order
- * call the issuing bank to see if other fraud is suspected
- * don't ship to PO boxes without contacting customer

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