



Q1 2024 Global Identity Fraud Report

The impact of regulations and
future proof technology





Table of Contents

Foreword	3
Large scale, coordinated identity fraud then and now	5
Q1 Highlights	6
Conclusion	13
How protected is your business?	14

Foreword

In 2024, the ID verification (IDV) industry is at a pivotal crossroads. Increased digital traffic, rising fraud, new digital IDs, the race to digital wallets, deepfakes, and intensified regulations are converging, necessitating innovative solutions and advanced technologies.

Identity fraud has morphed into an AI vs. AI battleground, where sophisticated AI-driven fraud attempts are countered by equally advanced AI detection systems. In this dynamic environment, a multi-layered defense system is the only solution. Without it, only amateur fraud is detected, leaving organizations vulnerable to sophisticated attacks.

At AU10TIX, we're not just committed but leading the way in this critical field, providing the confidence that comes with future-proof technology.

Dan Yerushalmi, CEO, AU10TIX



Future-proof

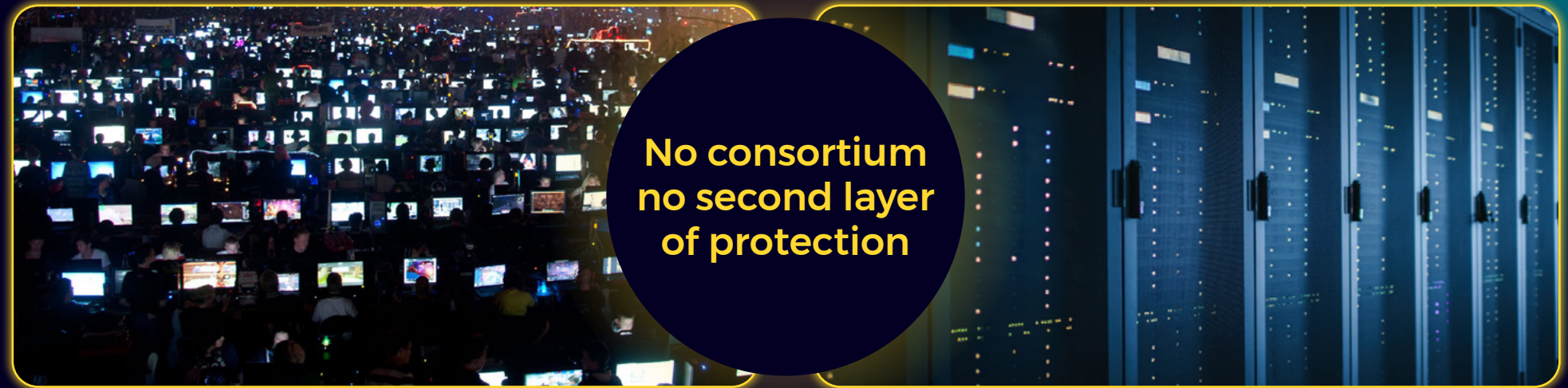
(adjective) /'fju:.tʃər pru:f/:

Technology that is continuously developed and improved to stay ahead of emerging threats, fraudulent activities, and technological disruptions; designed to anticipate and mitigate future challenges and advancements.

Large scale, coordinated identity fraud then and now

How big attacks used to operate - call centers

How big attacks operate now - AI



Today, our adversaries are not human but formidable AI entities. It's a battle of computers vs. computers. This almost makes one nostalgic for the days when huge call centers were the problem.

At AU10TIX, we are committed to outsmarting fraudsters' best efforts. With over a decade of experience, our team of top-notch developers has created advanced neural networks. Our AI and machine learning technologies are future-proof and offer superior protection. Our consortium validation ensures that all others are automatically shielded when one member detects a threat.

Q1 Highlights

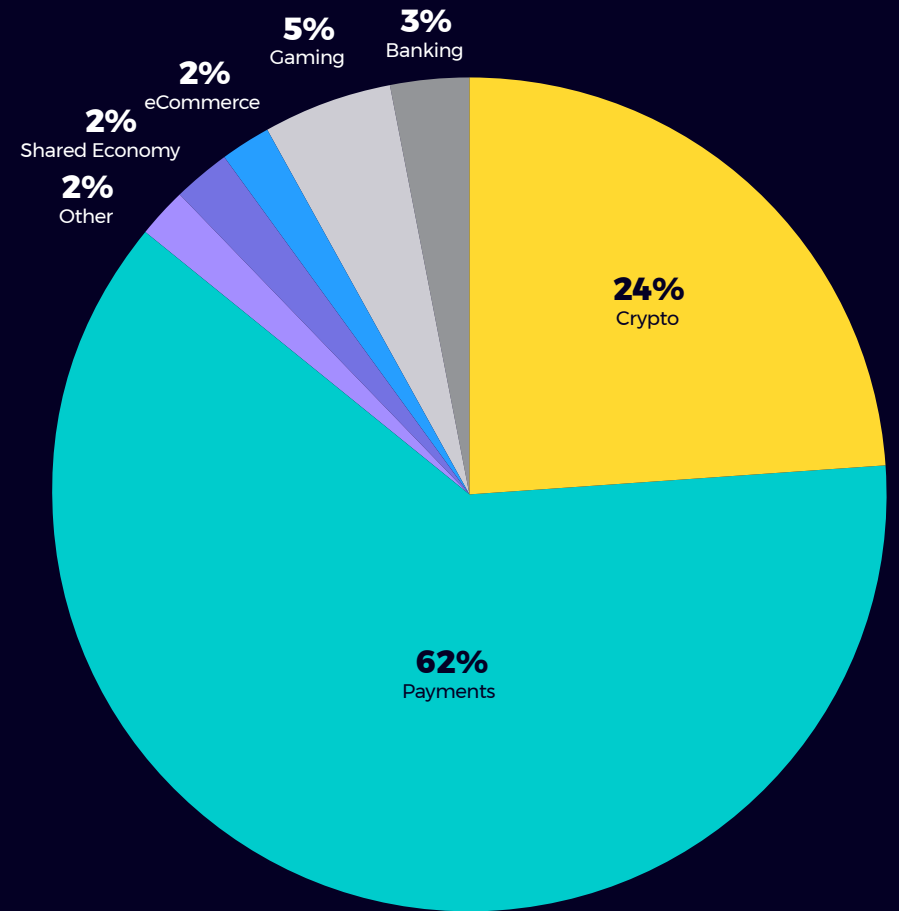


Q1 hotspots

The trends we reported last year are clearly depicted in the data generated by our consortium during the first quarter.

Fraud attempts against the Payments sector exceed those in all industries, and Crypto has returned to its pre-Bitcoin price drop proportions.

Gaming appears for the first time with 5% of the market share.

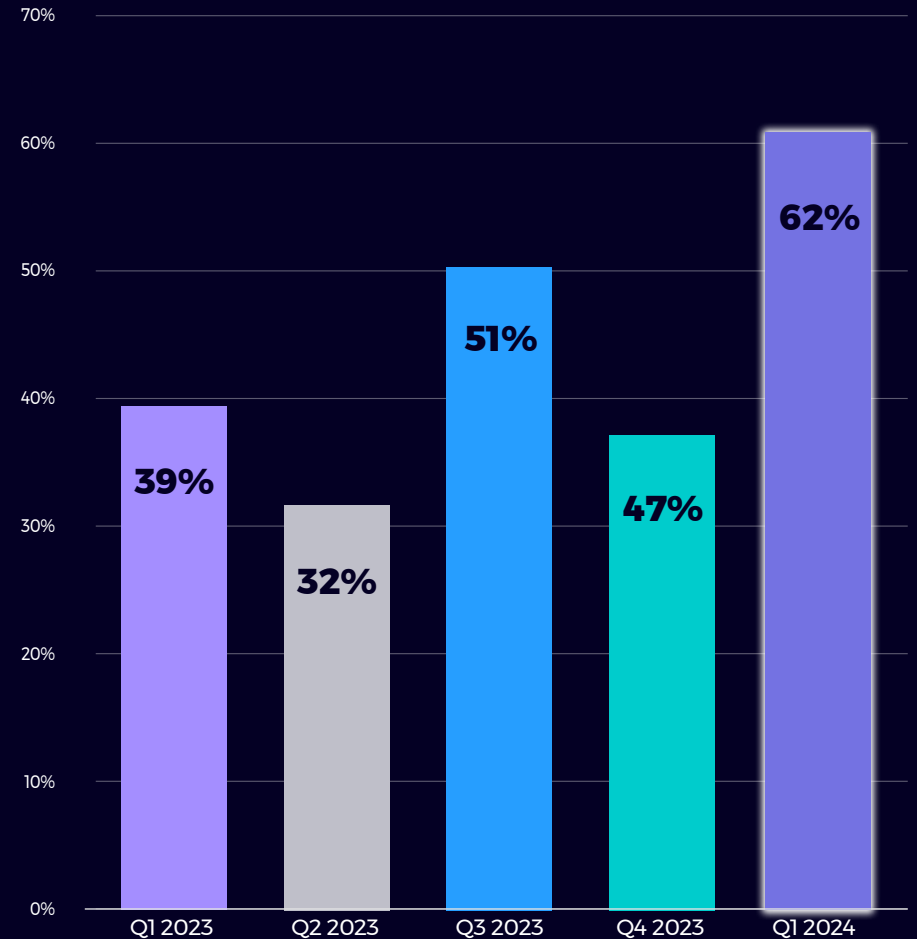


Top Level Overview: First Quarter Global Attacks by Industry

Fraudsters perceive the payments sector as an easy game

Until this sector is regulated we expect to see this trend increase.

We urge payment providers to “self-regulate” with a serious fraud detection solution.



Payments sector share of overall global identity fraud from Q1 2023 to Q1 2024

Gaming is a new hotspot

In an interesting development, the industry is on our radar for the first time in a significant number.

The global online gaming market generates \$26 billion annually.

Bonus abuse is a growing threat that accounts for up to 50% of sector fraud.

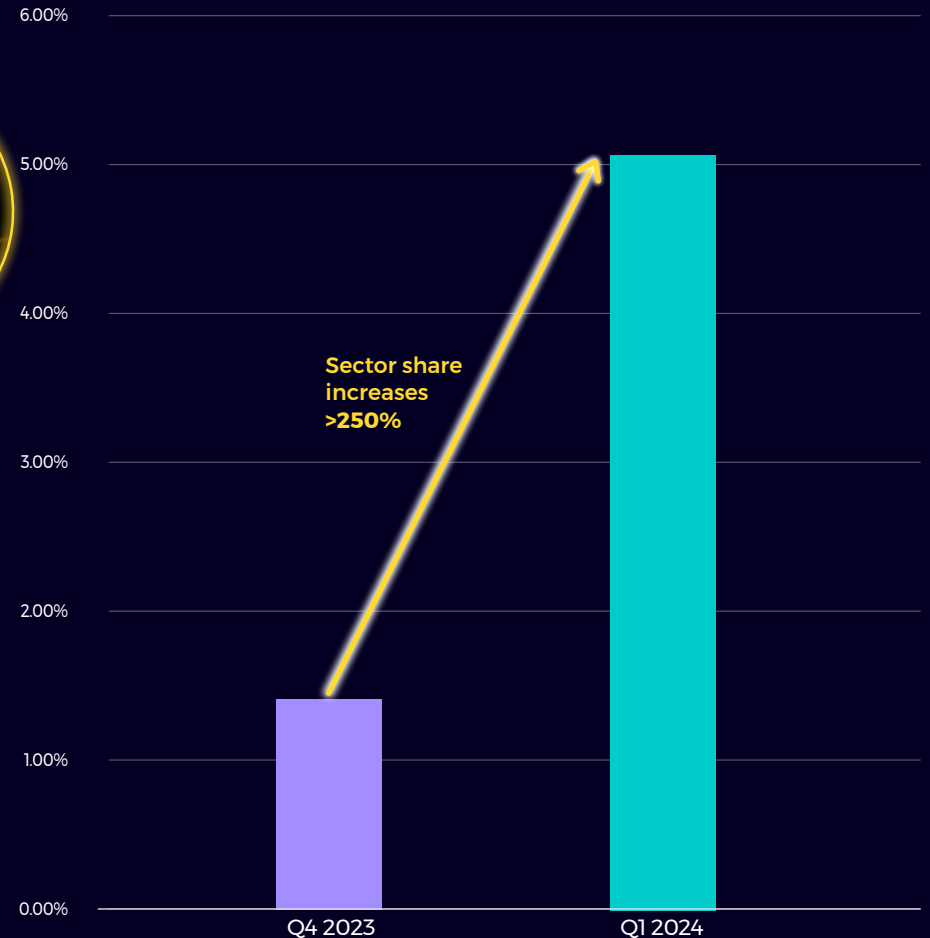
In response to online gaming's appeal to young people, new US (COPPA 2.0, 2024), UK (OSA, 2023) add an extra layer to the EU's GDPR regulations from 2018.

Our analysts expect to see the sector share drop once more gaming platforms comply and implement robust IDV with KYC and age verification solutions.

“By 2027, 90% of online vendors providing age-restricted products and offerings will have implemented age verification and consent tracking to comply with new online data privacy and security regulations.”

Gartner Emerging Tech: Security – Age Verification and Consent Tracking Guide.

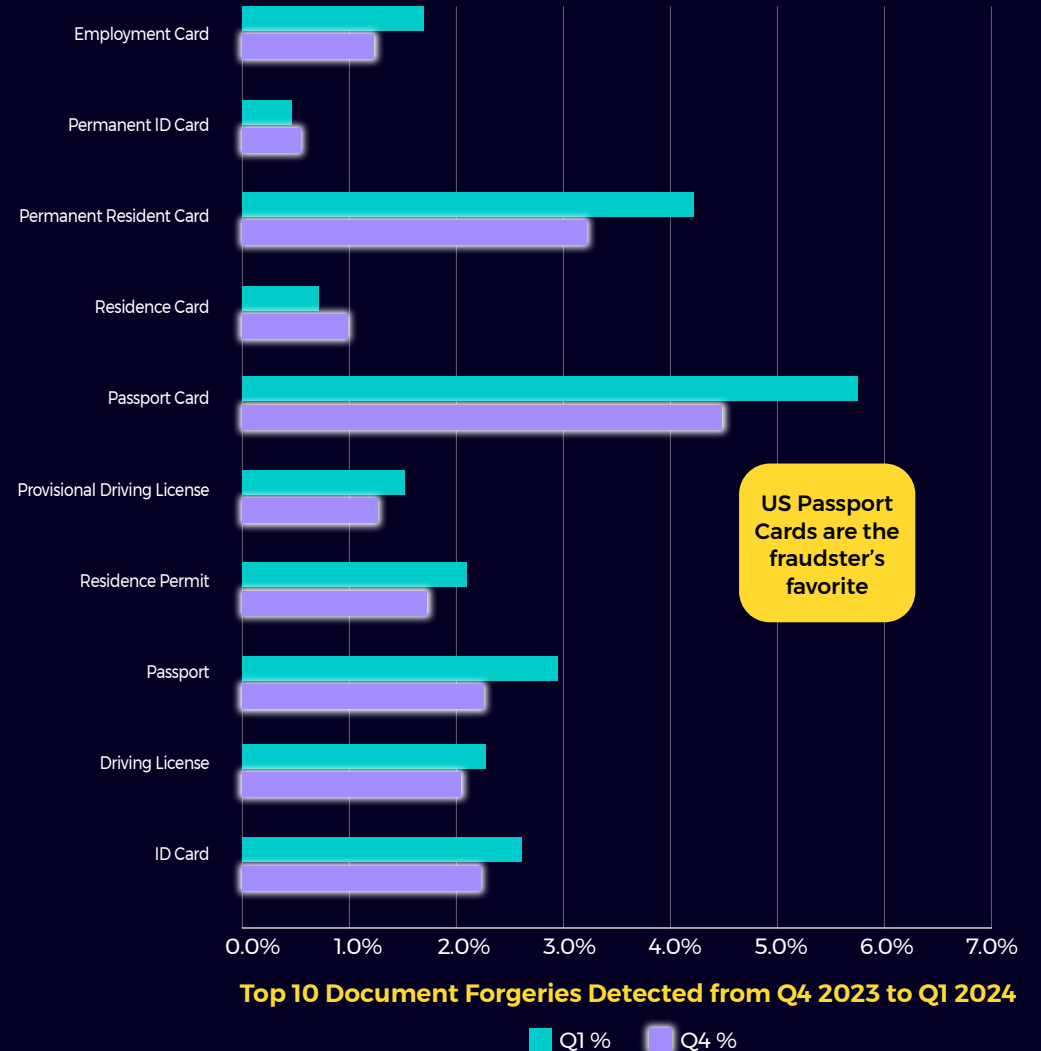
Gartner



Gaming sector share of overall global identity fraud from Q4 2023 to Q1 2024

Document forgeries

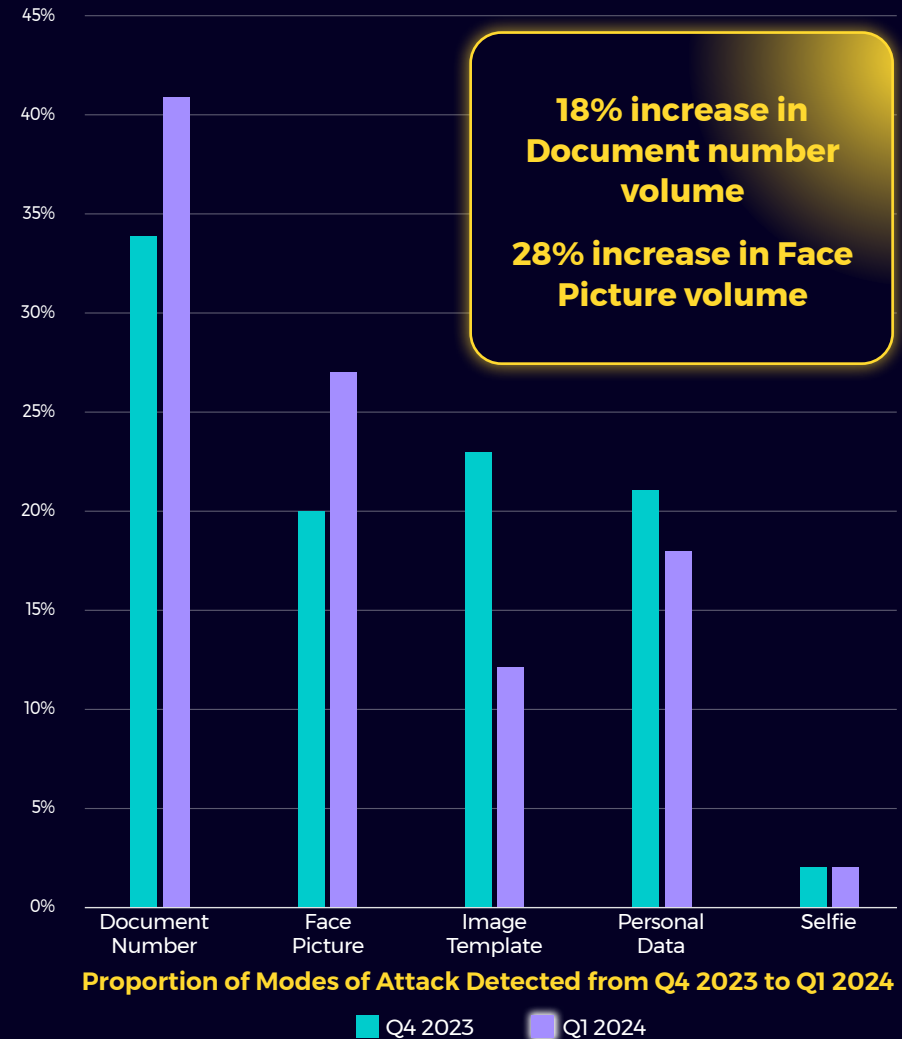
US Passport ID cards are easy to synthesize with deepfake tech and slip through a monitoring system undetected.



Modes of attack

Nothing out of the ordinary here. **Selfies stop fraud.**

The numbers show that deepfake synthetic fraud (variations on document numbers and face pictures) is becoming more common, while verification through selfies has repeatedly proven to deter attempts at identity fraud.



Actionable insights and recommendations

Assess your exposure and resilience against fraudsters!



Gaming providers can deliver compliance and growth with robust KYC + age verification.



Payment providers should self-regulate KYC, KYB, and AML protocols in the absence of strict regulations.

Conclusion

Looking back at the trends we highlighted last year, our latest data clearly shows that the fraud landscape continues to evolve rapidly. The first quarter of 2024 has shown us that fraud attempts in the Payments sector are still the highest. Interestingly, Gaming has made its debut as a fraud target, holding 5% of the market share.

Gaming providers who implement stringent KYC and age verification protocols are not only ensuring compliance but also positioning themselves for growth. Conversely, payment providers should consider self-regulating their KYC, KYB, and AML protocols, particularly in the absence of stringent regulations.

As fraudsters get more sophisticated with their AI, it's all about being prepared and resilient. At AUTOTIX, we're leading the charge with cutting-edge solutions to keep your ID verification processes future-proof.



How protected is your business?

Get Actionable Results Instantly

Address identity fraud-related risks for smarter decision-making

[Click here to assess your risk now](#)

Our Risk Assessment Tool is specifically designed to help businesses quickly evaluate their exposure to identity fraud and other security threats.

It leverages advanced analytics and our database of billions of transactions to provide tailored risk profiles in real-time.

Within just minutes, you'll receive a detailed, customized report highlighting your vulnerabilities and offering actionable insights through a simple, easy-to-use online interface.

This tool is not just about detecting risks—it's about empowering your business to take proactive steps towards a safer future.



Contributors



Ofer Freidman

Chief Business Development Officer

AU10TIX



Dror Shmuel

Business Analytics Manager

AU10TIX



Guy Yahav

Senior Business Analyst

AU10TIX



Amy Lurie

Senior Content Manager & Editor

AU10TIX

About AU10TIX



AU10TIX, a global identity intelligence leader headquartered in Israel, is on a mission to obliterate fraud and further a more secure and inclusive world. The company provides critical, modular solutions to verify and link physical and digital identities so businesses and their customers can confidently connect. Over the past decade, AU10TIX has become the preferred partner of major global brands for customer onboarding and verification automation – and continues working on the edge of what's next for identity's role in society. AU10TIX's proprietary technology provides results in less than 8 seconds, enabling businesses to onboard customers faster while preventing fraud, meeting compliance mandates, and, importantly, promoting trust and safety. AU10TIX is a subsidiary of ICTS International N.V. (OTCQB: **ICTSF**).

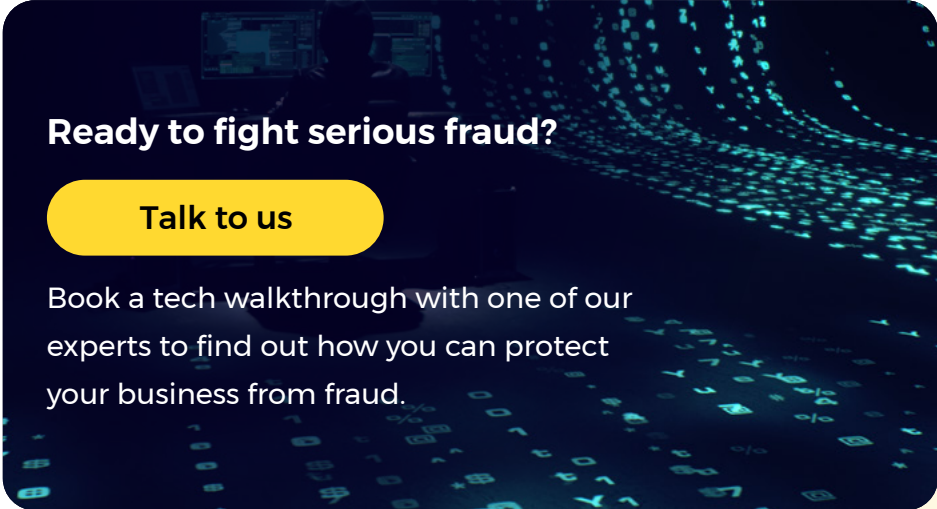
For more information, visit [AU10TIX.com](https://www.au10tix.com).

Media Contact:

Lisa Vestel

Head of Global Communications

lisa.vestel@au10tix.com



Ready to fight serious fraud?

Talk to us

Book a tech walkthrough with one of our experts to find out how you can protect your business from fraud.

Resources and further reading

[Q4 2023 GLOBAL IDENTITY FRAUD REPORT](#), AU10TIX, February 2024

[Emerging Tech: Security - Age Verification and Consent Tracking](#), Gartner, 8 March 2024

[Identity and fraud in online gaming - Reflections on ICE London](#), Future Identity, February 2024