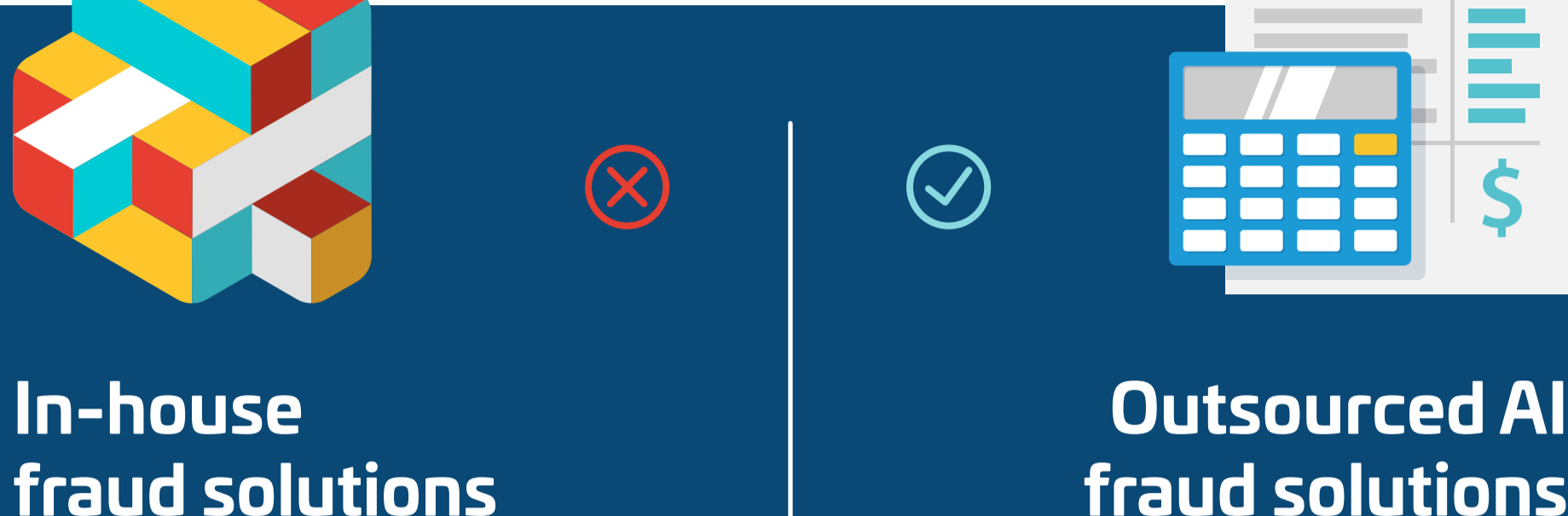


To Build or Buy: How to Address Fraud Detection & Prevention



In today's world, merchants and consumers are dealing with fraud like never before. With **global losses from payment fraud tripling** from \$9.84 Billion in 2011 to \$32.39 in 2020, it's no wonder digital merchants are aggressively pursuing solutions to stop fraud in its tracks. Effective fraud solutions are needed to not only minimize fraudulent transactions, but also ensure a positive customer experience.

The question is, should your company build in-house fraud solutions or outsource the work to a third party? Let's take a closer look at these two options in order to help you determine the best course of action for your business.



In-house fraud solutions

13-20%

Chargebacks

When handling the costs of fraud and chargebacks, you're on your own.

Fraud and chargeback management can account for **13% to 20%** of a business's operational budget.¹

Time & Money

It takes a lot of time to roll out fraud solutions that are built in-house.

On average, it takes eCommerce operations roughly **6-18 months** to roll out their in-house fraud prevention system.²

63%

Fraud Management & Operations

Operating and maintaining in-house fraud solutions is very expensive.

63% of physical goods merchants believe that outsourcing fraud mitigation and chargeback management is more cost-effective than building in-house solutions.³

Fraud Detection & Prevention

In-house solutions can't keep up with the ever-growing amount of fraud attacks. Homegrown solutions are typically reactionary, built to address a recent fraud attack, but not smart enough to defend against unforeseen attacks in the future.

For U.S digital merchants, the average fraud takes **14 months** from the time it occurs until the time it's discovered.⁴

57%

Customer Experience

Working with an AI-based vendor removes the tedious processes that cause friction within the customer experience, resulting in more revenue and increased customer satisfaction.

Through Vesta's machine learning-based fraud solutions, customers are properly protected against fraud while still having consistent, seamless checkout experiences.

Modern, cloud-based and fully-managed fraud solution platforms can reduce the implementation process from months (with in-house) to days.

It typically takes several months to roll out your own purpose-built fraud prevention system. When using a vendor, like Vesta, your integration can be completed in a matter of several days.

Fraud can go undetected for a long time. Intelligent outsourced solutions continuously learn and evolve in order to detect fraud immediately and accurately. This helps you detect and prevent fraud today and into the future.

Built on two trillion data points, Vesta's platform can evaluate every transaction and determine risk in **less than a second** with pinpoint accuracy.

In-house solutions involve timely processes that negatively impact the customer experience, including increased false declines, unnecessary information collection, and slow site speed.

57% of shoppers will abandon their cart if they have to wait 3 or more seconds for a page to load.⁵

Calling on experts to implement intelligent fraud solutions will save you money in the long run.

69% of U.S. eCommerce merchants say they are very likely to outsource their fraud prevention efforts due to the cost benefits.⁶

Fraud solutions vendor scorecard

Ready to start your search for the best fraud solutions vendor for your business? Use our handy vendor scorecard to evaluate various vendors and determine which one is best suited to your company's needs.

Based on pass/fail. If the vendor passes, assign 1. If the vendor fails, assign 0.			
Trust & Credibility	Vesta	Vendor1	Vendor2
The vendor directly addressed our business' specific goals in the sales process.	1		
The vendor has case studies of similar level and complexity of my company.	1		
The vendor has strong references and customer stories, and allows our team to speak with past customers about their experiences.	1		
The vendor is upfront about what services are kept in-house and what's outsourced.	1		
Compatibility	Vesta	Vendor1	Vendor2
The vendor personnel I work with are easy to get along with and can form a partnership with.	1		
The vendor has a culture that compliments ours.	1		
The vendor has achieved results with clients in the same or similar industry as our company.	1		
Holistic Approach to Fraud Solutions (Offers Services to Address All Pain Points Related to Fraud)	Vesta	Vendor1	Vendor2
The vendor offers total fraud coverage through services such as protecting payments from chargeback fraud, increased approval rates, 100% zero chargeback guarantee, and protection against Account Takover.	1		
The vendor has a dedicated team to aid in implementing effective, personalized fraud solutions.	1		
The vendor uses data to inform the ongoing evolution of our fraud solutions.	1		
The vendor has business continuity planning processes in place.	1		
Communication	Vesta	Vendor1	Vendor2
The vendor has a clear process for updating our team on the progress and timeline of all work.	1		
At any given time, the vendor can deliver numbers around our progress toward our established goals.	1		
Vendor personnel are responsive when we have questions or concerns.	1		
Total score	14		

The winner? Outsourced AI solutions

In short, outsourcing intelligent fraud solutions saves you time, money, and resources in the long run. Opting for an outsourced, fully managed solution means you only pay for what you use. Your partnership with your vendor of choice will be transaction-based, whereas an in-house solution results in recurring costs that add up over time.

Better protect your customers by calling on experts to detect and prevent fraud. At Vesta, we bring unparalleled accuracy to fraud detection and prevention, all while ensuring your customers are able to check out quickly and securely. [Contact us today](#) to learn more about our fraud protection services and how they can benefit your business.

¹ [https://cdn2.hubspot.net/hubfs/425439/gatedContent/whitePapers/Impact%20of%20Fraud%20and%20Chargeback%20Management%20on%20Operations%20\(0915\).pdf](https://cdn2.hubspot.net/hubfs/425439/gatedContent/whitePapers/Impact%20of%20Fraud%20and%20Chargeback%20Management%20on%20Operations%20(0915).pdf)

² [https://cdn2.hubspot.net/hubfs/425439/gatedContent/whitePapers/Impact%20of%20Fraud%20and%20Chargeback%20Management%20on%20Operations%20\(0915\).pdf](https://cdn2.hubspot.net/hubfs/425439/gatedContent/whitePapers/Impact%20of%20Fraud%20and%20Chargeback%20Management%20on%20Operations%20(0915).pdf)

³ https://www.acfe.com/uploadedFiles/ACFE_Website/Content/covid19/Covid-19%20Benchmarking%20Report%20December%20Edition.pdf

⁴ <https://www.newsmax.com/finance/monicaeaoncardone/cfos-fraud-prevention-buy/2018/03/06/id/847142/>

⁵ <https://sleeknote.com/blog/cart-abandonment-statistics/>