

# Fraud Prevention Tips for

## *Online Merchant*

During the last few years there has been an increase in online fraudulent of global scope and geometrically increasing proportions. There are now actual companies that specialize in spam and other illegal marketing techniques, like Phishing and Hacking, which take every opportunity to make a few pennies. Even though their net income per person is miniscule, it becomes significant when multiplied by hundreds of thousands or even millions. Added to this threat are the man amateur fraudulent artists around the world who troll the Internet for credit card and financial information to use for fraudulent purposes. Finally, identity thieves are reaping high rewards at the expense of both the target and the online retailer.

Below are advice and tips for Merchants when dealing with Credit Card customers in an internet transaction:

1. Merchants must be wary of unusually large orders from customers.
2. Merchants should also be wary of orders shipped to a single billing address but purchased with multiple credit cards. Besides this, also be wary of multiple transactions made with similar card numbers in a sequence.
3. Merchants have to be wary of orders which ask for express, rush or overnight shipping because these are the shipping of choice for many credit card fraudsters. Merchants need to call the customer to confirm the order first.
4. For overseas orders, especially if the order exhibits any of the characteristics noted above, merchants must be wary of them. This is because credit card fraudulent may not be entirely preventable, but by establishing and following procedures to check every credit card transaction, merchant can cut down the credit card fraudulent losses.

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Additionally, below are advice and tips for both Credit Card customers and Merchants when purchasing items over the Internet:

1. Credit card customers and merchants must not open e-mails from unknown senders. Merchants should not simply process credit card orders that originate from free e-mail addresses or from e-mail forwarding addresses. In such cases, merchants should ask the customer for an ISP or domain-based e-mail address that can be traced back before processing the order.
2. Customers must only give their credit card details to reliable websites which are from reputable companies. In addition, reputable merchant sites usually use encryption technologies to protect credit card information.
3. Merchant should not process credit card orders unless the credit card information of that customer is complete. If the shipping address and the billing address on the order are different, merchants need to call the customer to confirm the order. Merchants may even want to make it a policy to ship only to the billing address on the credit card.
4. Credit card customers must be very careful with to whom to give personal identification information, such as mother's maiden name and social security number. Customers have to ask if the information can be kept confidential and inquire how it will be used and with whom will the information be shared.
5. Customer also must never send account information, such as account numbers or PIN in an e-mail as it may be intercepted.

Above are the advice and tips on how to prevent credit card fraudulent for merchants. Merchants should also apply fraudulent detection web services such as FraudLabs™ Credit Card Fraud Detection Web Service from FraudLabs™ in order management to greatly reduce credit card fraudulent.

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**FraudLabs™ Credit Card Fraud Detection Web Service** is the proprietary credit card fraudulent detection service that is integrated with our IP2Location™ technology (geolocation service provider) to reduce credit card fraudulent for merchant. It screens and detects online credit card fraudulent where every transaction goes through a strict assessment process which reviews over a dozen aspects of online purchase parameters to determine high risk orders, such as IP address, email address and billing address and returns fraudulent analysis results together with a fraudulent score in real-time. Through our analysis, we have been able to identify traits and patterns that are associated with fraudulent orders, before the payment is processed. Merchants can make use of our service in order to speed up manual order verification, automate order process according to the fraudulent score that we provide.

Please visit <http://www.fraudlabs.com> for more information about the FraudLabs™ Credit Card Fraud Detection Web Service, or email [sales@fraudlabs.com](mailto:sales@fraudlabs.com).