

# How Digital Payments Can Help Protect Against Fraud

With a rise in remote work, more businesses are experiencing B2B payment fraud.<sup>1</sup> Learn how they are adapting and what steps you can take to help protect your business and your customers.

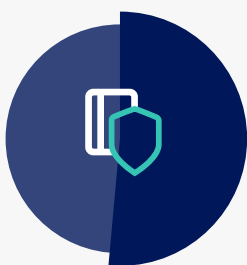


## The Problem

### Security and fraud concerns today

Swiftly sending and receiving payments digitally is now essential for companies looking to stay afloat.<sup>2</sup>

Of surveyed corporations in 2021:<sup>3</sup>



**52%** have higher or significantly higher payment security concerns



**49%** had serious fraud attempts or losses

## The Response

### How businesses are responding to fraud concerns

Taking payments digital instead of relying on manual methods is often one of the first steps affording B2B firms some protection against fraud threats, but many companies are falling behind in this regard.<sup>4</sup>

Many businesses are already digitizing their payments:

**60.5%**

of surveyed CFOs expect that digitizing payments will increase payment security.<sup>5</sup>

**65%**

of companies surveyed make more than 50% of all B2B payments electronically.<sup>5</sup>

**36%**

of companies surveyed still make more than half of their B2B payments by check.<sup>7</sup>

## Businesses are digitizing payments with virtual cards. Why?



### Security

Virtual cards allow corporate buyers to secure payments by generating one-time codes for each transaction.<sup>8</sup>



### Transparency

Businesses using a virtual card can track their payment in real time as well as gain insight into overall cash flow.<sup>9</sup>

## The Checklist

### Steps to take to safeguard your business

See how adopting more electronic payments and digitizing your payment acceptance processes can help decrease fraud and security risks.

Your B2B payment security checklist:

- ✓ **Require customers to set up online accounts** versus using guest checkout.<sup>10</sup>
- ✓ **Capture additional transaction data** (such as email address, IP address, shipping information, etc.) to help assess the risk of transactions by using tools such as Enhanced Authorization®, a free solution from American Express.
  - Merchants who use **Enhanced Authorization** typically see increased approval rates and fraud reduction of up to 60% while maintaining a seamless customer experience. Learn more at [americanexpress.com/enhanced-authorization](https://americanexpress.com/enhanced-authorization).
- ✓ **Use login challenges or two-factor authentication**, such as push notifications and one-time passcodes, to protect against account takeovers.<sup>11</sup>
- ✓ **Look out for red flags when processing online transactions**, such as larger-than-normal orders, orders with many big-ticket items, orders with an international shipping address or transactions placed on multiple cards with the same shipping address.<sup>12</sup>
- ✓ **Install software updates and run antivirus software** on computers and terminals to protect your business from malicious attacks and compromised data.<sup>13</sup>
- ✓ **Validate telephone and mail orders** by asking for additional information and directing customers to enter payment and billing information via a digital channel.
  - With American Express **Verify-It**®, you can quickly validate customer information before shipping an order. Learn more at [merchant-channel.americanexpress.com/merchant/en\\_US/verifyit](https://merchant-channel.americanexpress.com/merchant/en_US/verifyit).

**Fight fraud on your terms. See how American Express can help protect your business with secure B2B payment solutions.**

**Payment Processing Solutions for Merchants**

#### SOURCES

<sup>1,2,4</sup> Global B2B Payments Playbook, PYMNTS.com, April 2021.

<sup>3</sup> B2B Payments Survey Report, Bottomline and Strategic Treasurer, 2021.

<sup>5</sup> The Strategic Role of the CFO, PYMNTS.com, October 2021.

<sup>6,7</sup> B2B Payments Research, Bottomline & Strategic Treasurer, 2021.

<sup>8</sup> Buyers, Sellers Moving From Paper Checks To Virtual Cards To Boost Efficiency, PYMNTS.com, August 27, 2021.

<sup>9</sup> Deep Dive: How Automation, Virtual Cards Can Help Firms Meet Their Next-Gen B2B Payment Needs, PYMNTS.com, May 5, 2021.

<sup>10,11</sup> Fraud Prevention 101, American Express.

<sup>12,13</sup> Fraud Prevention Tips for Retailers, American Express.



**DON'T do business WITHOUT IT**