Ecommerce fraud and security tips

As shoppers turn to ecommerce in record numbers, instances of fraud are on the rise. Armed with the latest knowledge and technology, however, ecommerce retailers are pushing back.

Looking to bolster your ecommerce security practices? Take a look at our top tips to help keep your business safe.

Understanding the impact

$3.02 USD

A recent study from the American firm LexisNexis Risk Solutions showed that every US$1 (approximately CAN$1.26) of fraud costs mid to large Canadian ecommerce merchants up to US$3.02 (approximately CAN$3.83).[1]

73%

of Canadians said they would shop more with retailers who use delivery companies that ensure parcels are secure.[2]

Start with the ecommerce fraud basics

Investigate the common red flags associated with fraud

You know your business and customers well, so if something doesn't seem right, don't ignore it. Some signs of fraud include multiple purchases from the same IP address with different payment or address details, bulk ordering of a product or repeat or high value gift card purchases. When in doubt, check it out.

Invest in secure payment and checkout processes

Leveraging online checkout safety tools benefits your business and instills customer confidence. Making CVV codes mandatory at checkout and implementing an address verification (AVS) check are ways you can ensure real and correct information is being provided by your shoppers. Let customers know the steps you're taking to protect them while looking out for your business as well.

Ensure your partner offers secure delivery options

You partner's delivery practices help you get orders into customers' hands safely. Consider the measures your partner has in place for secure delivery, such as alternate parcel pickup points or flexible delivery options to allow shoppers the most secure delivery experience possible.

Handle returns strategically

How you handle returns can keep your business safe from fraud. You can mitigate instances of fraudulent returns by ensuring refunds are only issued once the returned package arrives and is processed, helping to ensure items are in good condition and match the details of the original order.

What you can do when fraud occurs

Get the full picture

A customer contacted you with fraud concerns – what now? Here are some steps you can take to address it.

Work with your customer

Ask them about where they usually have parcels delivered or any tracking/delivery notification details for shipments. If they're contacting you about a return, ask them if they received a return confirmation when the package was sent back and what type of packaging was used to ship the items back.

Contact your shipping partner

Your shipping partner should be able to help if you suspect or encounter fraud. Their resource centre, dedicated team or department and educational resources can help you manage processes and customer conversations.

Stay up to date

The Canadian Anti-Fraud Centre maintains a list of scams affecting businesses to help keep Canadians safe. If fraud affects your business, be sure to report it to them.

Train your team

Make sure everyone is on the same page and following the same protocols to ensure consistency and increase awareness of fraud tactics.

For more information about Canada Post's secure delivery practices, and how you can securely manage your ecommerce business, contact your dedicated sales representative.

Read our full blog for more ecommerce fraud and security information by visiting **canadapost.ca/ecommercesecurity.**

1. LexisNexis Risk Solutions. *2020 True Cost of Fraud™ Study: E-commerce/Retail Edition*, 2020.
2. Canada Post. *2020 Fall Survey*, 20-214, October, 2020.

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