

Savanta:

# Online payment security

Online Payment Fraud –  
who's at risk and who cares?

With the rise of e-commerce and digital transactions, concern over online payment security is ever-increasing. The security of online transactions is crucial for consumers who are sharing sensitive information across multiple platforms on a frequent basis.

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Using Savanta's Consumer Omnibus we surveyed 2,100+ UK consumers to explore who is most concerned by online payment security, those who have been affected by fraud, and the implications on their online payment habits.

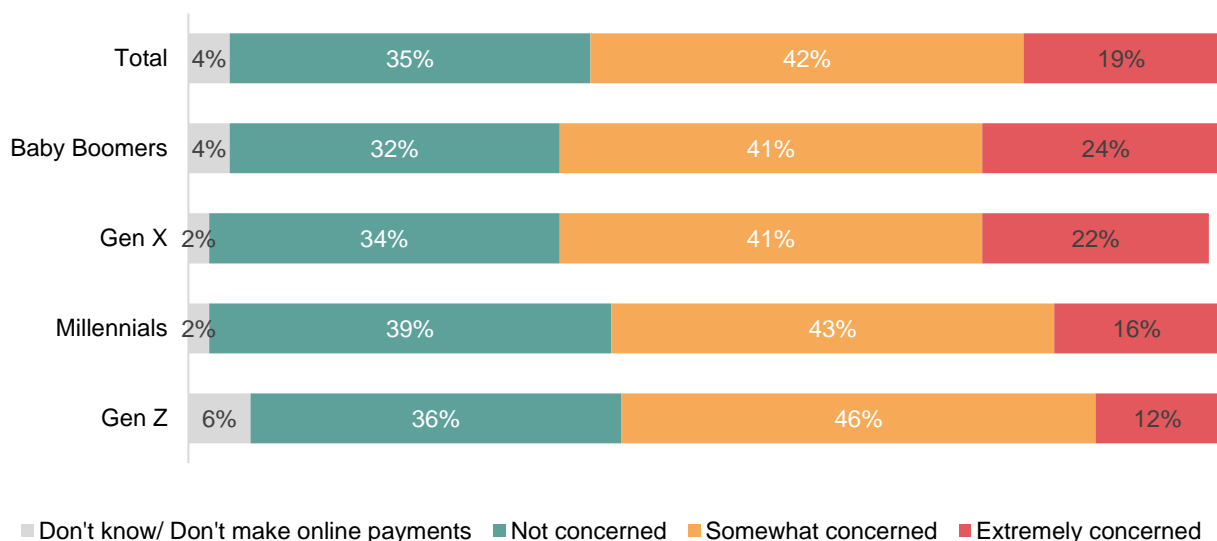
# The older generations are more concerned about online payment security

The majority (61%) express some concern over their data security when making online payments. But, perhaps unsurprisingly, those who are most concerned about their data security are Baby Boomers, with 24% expressing 'extreme concern' in comparison to only 12% of Gen Z.



24% of baby boomers expressing 'extreme concern'

Concern over online payment security by age group







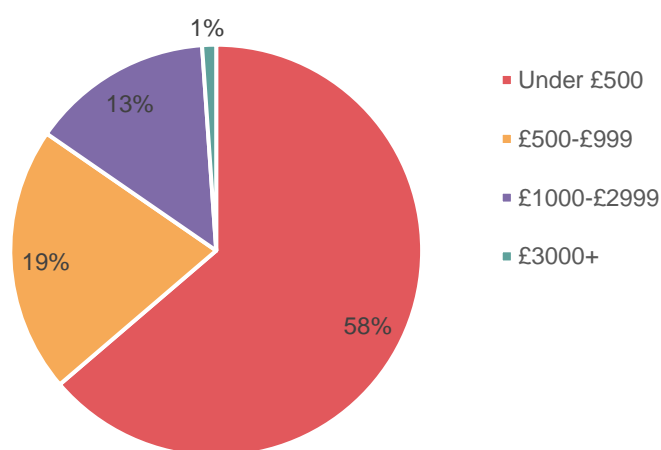
# Those with least concern, Gen Z, are most likely to have fallen victim to fraud

Throughout 2022 the amount Brits' lost to cyber-fraud totaled a staggering £4 billion. Expectedly, online shopping was the biggest source of fraudulent activity with reference to the number of cases (67,300 reported in 2022) amounting to a total loss of £103 million.

Overall, 1 in 5 consumers we spoke to reported having been a victim of fraud in the past 12 months. Whilst being the least concerned over online payment security, Gen Z and Millennials

are the groups who have most often fallen victim to fraud as a result of online/digital activity; 32% and 28% respectively cite experiencing fraud in the past 12 months in comparison to just 18% and 8% of Gen X and Baby Boomers alike. It is worth noting that, of those who fell victim to fraud, almost 3 in 5 lost less than £500.

Total loss due to fraud



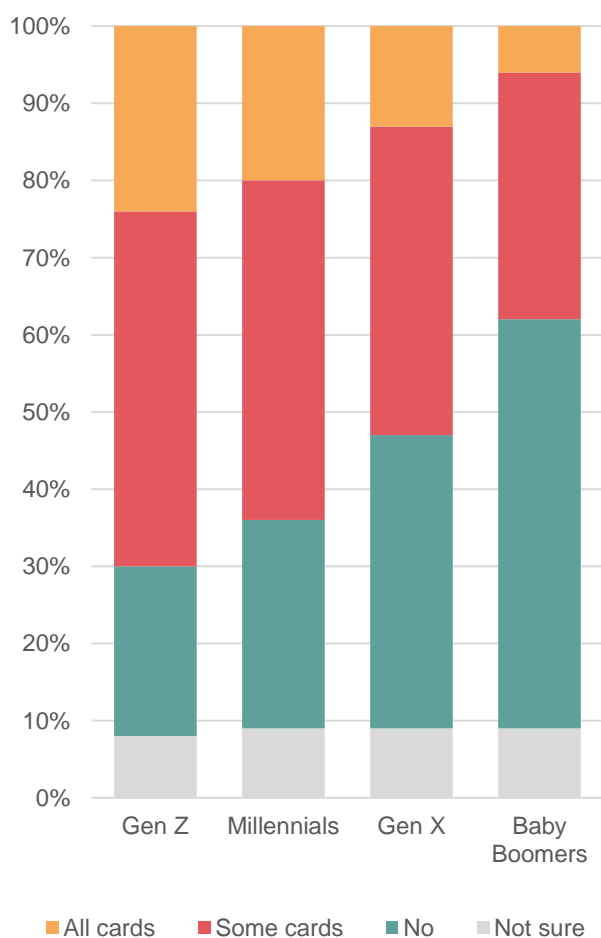
# Younger generations are more digitally exposed

The younger generation of consumers are less concerned over their data security while also being more digitally exposed and therefore more frequently falling victim to fraud. Gen Z and Millennials are the main groups storing their card details on digital platforms, with 70% and 65% respectively stating they store 'some' or 'all' of their data online in contrast to only 2 in 5 Baby Boomers.



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## Habits in storing card details online



## And more likely to use digital wallets

Online payment platforms (eg. PayPal, VISA secure etc.) are widely accepted across age groups; 53% of consumers overall use these platforms for their digital transactions. Yet, there is an aged divide in those who use digital wallets (eg. Apple Pay, Google Pay etc.); 40% of Gen Z and Millennials use digital wallets while just one in ten Baby Boomers do the same.

However, there is still a sizeable proportion of consumers who are manually entering their card details for online payments. Over 3 in 5 (64%) Baby Boomers make online transactions in this way in comparison to just 32% of Gen Z.

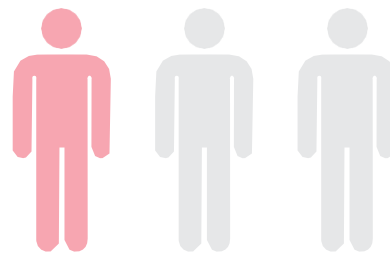
Manual input of card details imposes a greater security risk than the use of secure digital platforms and wallets, but the older generation of consumers may be nervous to change their habits.

# Current advised security measures are no longer enough to safeguard consumers' details

On the whole, 9 in 10 consumers report taking measures to protect their data, though this leaves a surprising 9% who say they take no preventative action. Consumers are using, on average, at least 4 different methods including strong password protection (55%) and multi-factor authentication (35%). Further, 1 in 3 respondents mention using secure networks, changing their passwords regularly, and installing software and virus protection - so why, when following the advice provided to them, are so many consumers still having issues with fraud?

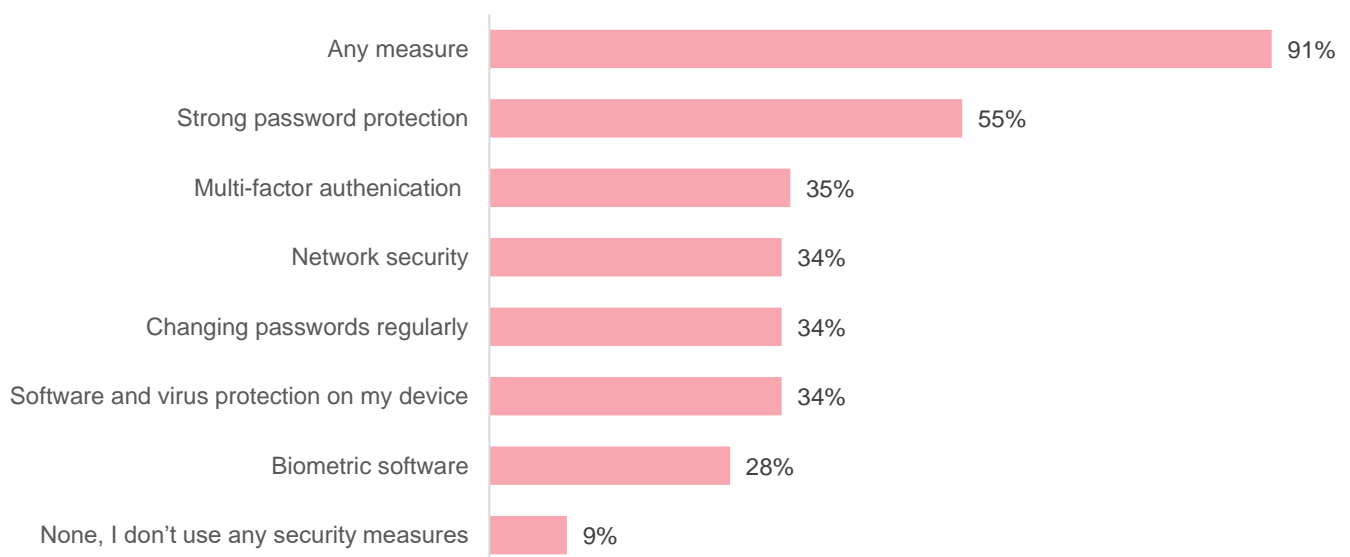


90% of consumers report taking measures to protect their data



1 in 3 respondents mention using secure networks, changing their passwords regularly

## Measures taken to protect data when making online payments



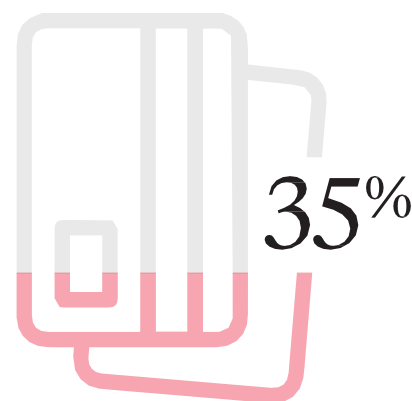




## Consumers are increasingly being caught out by more agile forms of fraud

Advanced payment fraud (authorised fraud) is the most frequently mentioned fraud experienced by those we surveyed, affecting 1 in 3. UK Finance describes losses from APP fraud as being 'driven by the abuse of online platforms by criminals'.

Gen Z consumers are more frequently falling victim to fraud, but often due to less security related causes such as text scams (13%), mobile device theft (18%) and fraudulent charities (25%). While Baby Boomer's are more often affected by credit card fraud (35%) and phishing scams (24%).



**Boomer's are more often affected by credit card fraud (35%)**

# We can't change fraudsters behaviour, but banks and payment providers can do more to protect their customers and the economy

In terms of implications, 3 in 5 consumers who fell victim to fraud state they are making fewer online/digital payments. Meanwhile, 1 in 10 state they now refrain from making online payments altogether. In an era of digitisation it is becoming increasingly difficult for consumers to avoid making online transactions and why should they have to?

The older generation are more concerned over their online payment security but all the while are at higher risk as they opt for manual methods rather than storing their details securely. They require more industry support and guidance on using more digitally advanced payment techniques in order to mitigate their risk.

Despite a consensus that the older generation are more likely to be scammed, we found that youngsters are less cautious and more frequently impacted. While they are adept users of advanced technology, they are more frequently exposed and unsuspecting of fraud, thus requiring the provision of more preventative measures from their banks as well as payment providers.

The responsibility for allowing fraudulent payments belongs to both the sending and receiving banks, who can do more to promote awareness and educate their users on evolving scams. In the meantime, more action can be taken to spread awareness of campaigns such as 'Take Five- To Stop Fraud' and a push to enforce multi-factor authentication across a wider range of digital payment platforms.



# Savanta:

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# Team



**Stephen Palmer**  
EVP, Financial Services

Stephen has 25 years' research experience across financial services and tech and leads the financial services team at Savanta. Prior to Savanta, Stephen was Head of Insight at Kantar Financial Services & Technology and responsible for delivering customer experience, brand and segmentation research. Stephen is a certified member of the MRS and has sat on the standards board.



**Ben McGregor**  
Director, Client Services

Ben has spent the last 25 years working in financial services, providing targeted support to some of the most recognizable global brands across banking, insurance, payments, wealth, and investment banking. Ben moved to Savanta at the end of 2021 to support the growth of the financial services business.



**Christina Beza**  
VP, Financial Services

Christina is a generalist researcher with over 20 years of experience in quantitative research across different sectors, more recently in FS and Payments. She has helped clients with a range of business issues with difference audiences from mass market to HNWIs as well as Businesses. Christina has a degree in Economics from Bocconi University, Milan



**Isabella Armstrong**  
Executive, Financial Services

Since joining Savanta, Isabella has gained experience across a variety of quantitative and qualitative projects across a variety of financial services areas including business banking, private banking and wealth management and lending. Areas of focus are customer experience and satisfaction tracking and proposition testing with different audiences.



**Louise Bukuru**  
Executive, Financial Services

Prior to joining the FS team at Savanta in 2022, Louise worked as a Graduate Analyst at RFI Global. Since joining Savanta, Louise has built on her experience across a variety of quantitative and qualitative projects, across a range of business issues from customer satisfaction to product development and corporate reputation. Louise completed a degree in Psychology and a Masters degree in Clinical Psychology.

# Savanta:

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