How to Fight Fraud in B2B Payments

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Bottomline | PAYMODE

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Agenda

- Introductions
- Today’s B2B Payments Fraud Landscape
- Fighting Fraud: 6 Factors to Consider
- Key Takeaways, Tips, & Considerations
- Q & A

“Preventing fraud is everyone’s business!"

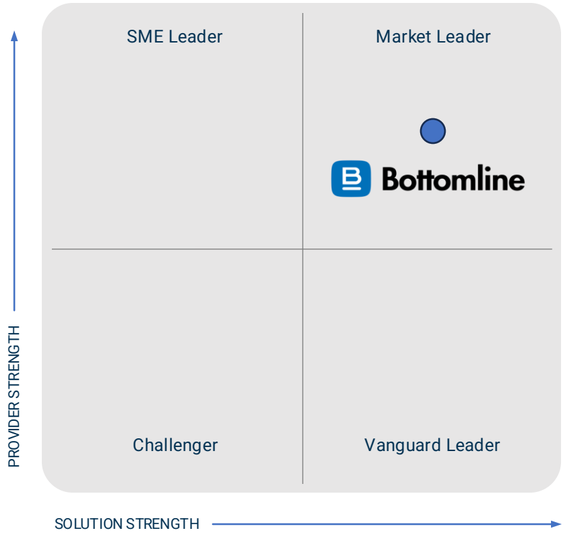
— Frank Abagnale

Security consultant, author, and convicted felon whose life inspired the movie “Catch Me If You Can”

Who Is Bottomline?

Recognized Market Leader

Ardent Partners ePayables Technology Advisor Report



90%

of customers reduce AP costs

Zero

fraud payment network

Earn 50%+

more rebates on AP spend

Bottomline

$500B+

in **payments processed** per year

600,000+ businesses

Largest B2B Digital Payment Network

What is Today's B2B Payments Fraud Landscape?

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It’s a Jungle (of Fraud) Out There

Business Email Compromise (BEC)

Account Takeover

Fraudulent / Imposter Vendors

Social Engineering

$24B

projected 2024 global losses due to **check fraud**

$3.4B

worldwide losses due to **Business Email Compromise (BEC)**

90%

of businesses report being a **cyber fraud target** in 2024

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Sources: AFP, NASDAQ/Verafin Global Financial Crime Report

QUICK POLL

Does your company have anti-fraud policies?

(that are known throughout the organization?)

Let’s Fight Fraud

& Consider These Factors

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AI introduces new risks

AI's ability to convincingly mimic writing, voices, faces, and other core characteristics of executives, coworkers, suppliers, and customers mean **we can't always trust what we see and hear**

AI Is Helping Everyone, Even Fraudsters

BEC

Account Takeovers

Deepfakes

Social Engineering

Over 50%

of all fraud attempts involved the use of AI in 2025

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Sources: AFP, NASDAQ/Verafin Global Financial Crime Report

Factor 1

Manual payment processes create lots of **blind spots**

Manually handling data is risky

Only 20% of companies verify vendor/supplier data before making payments

55% of fraud incidents use unverified data used for these payments

Working with a partner to validate vendor information lowers risk, saves time, and reduces errors.

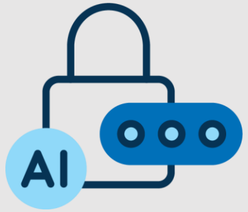
[US B2B Payment Fraud: Trends and Expert Insights]

Factor 2

Emerging tech is helping to **fight (and create) fraud**

AI is helping everyone, even fraudsters

While artificial intelligence is used to help prevent fraud, it's also used in **40% of BEC attempts***



Leading business payments networks can authenticate and validate vendors on your behalf, reducing the risk of AI-related payments fraud.

Security Magazine

Factor 3

Bad actors can be **external (and internal)**

Know who poses a risk

Insider threat **incidents have risen 44%** over the past two years, with costs per incident up more than a third to **$15.38 million**

84% of fraudsters display at least one behavioral red flag.

Solutions with anomaly detection can identify & curtail fraudulent behavior.

2022 Cost of Insider Threats: Global Report
Occupational Fraud 2024: A Report to the Nations

Factor 4

There are **two sides to consider** with every B2B payment

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You’re only as safe as your least secure vendor

You can master fraud prevention on your end and still suffer fraud losses, because **vendors can be** (and often are) **compromised**

The best way to protect vendors and their data is to have a business payments network with **strong controls**

2022 Cost of Insider Threats: Global Report
Occupational Fraud 2024: A Report to the Nations

Factor 5

Invoice fraud opportunities are everywhere

Fake bills = a real problem

Fraudulent invoices can look almost identical to legitimate invoices.

Invoice fraud can result in an **annual cost of $280,000** per middle market business

AP automation solutions help detect hard-to-spot anomalies.

PYMNTS.com

Factor 6

Checks are **less secure** than most people think

Checks? Just check no

Novel LLC impersonation and check theft is leading to **significant fraud losses** nationwide.

Two-thirds of businesses said they have experienced **check fraud**

Reduce check stacks to lower your risk.

2023 AFP Fraud and Controls Report

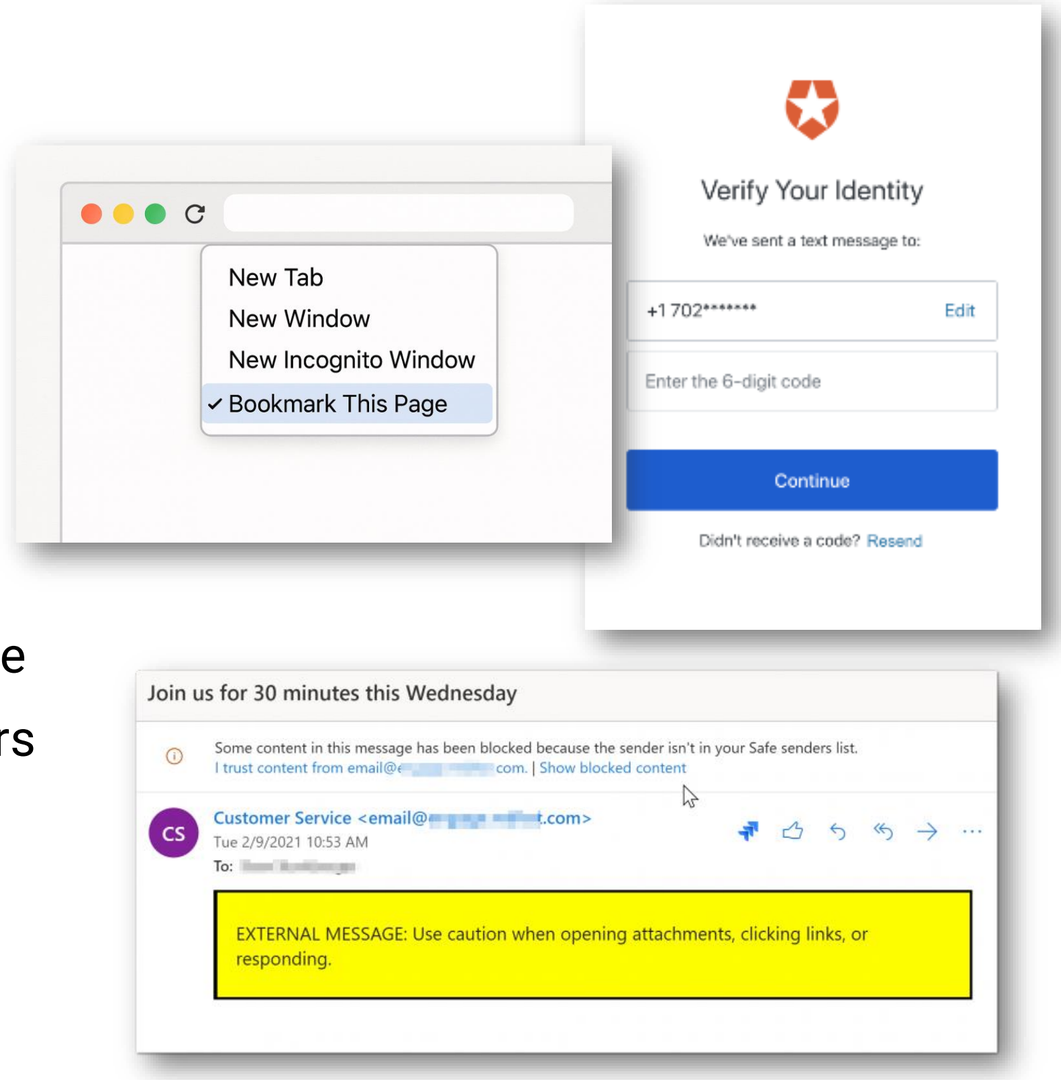
Key Takeaways | Tips | Considerations

Key takeaways

1. AI fraud is rising, with **$40B in losses** expected by 2027
2. **Fake elements** invoices, emails, videos, and calls **are harder to spot**
3. The best defense against fraud is to **slow down and verify the source**
4. Well-trained **staff can be fraud fighters** too

Tips for Fighting Fraud in B2B Payments

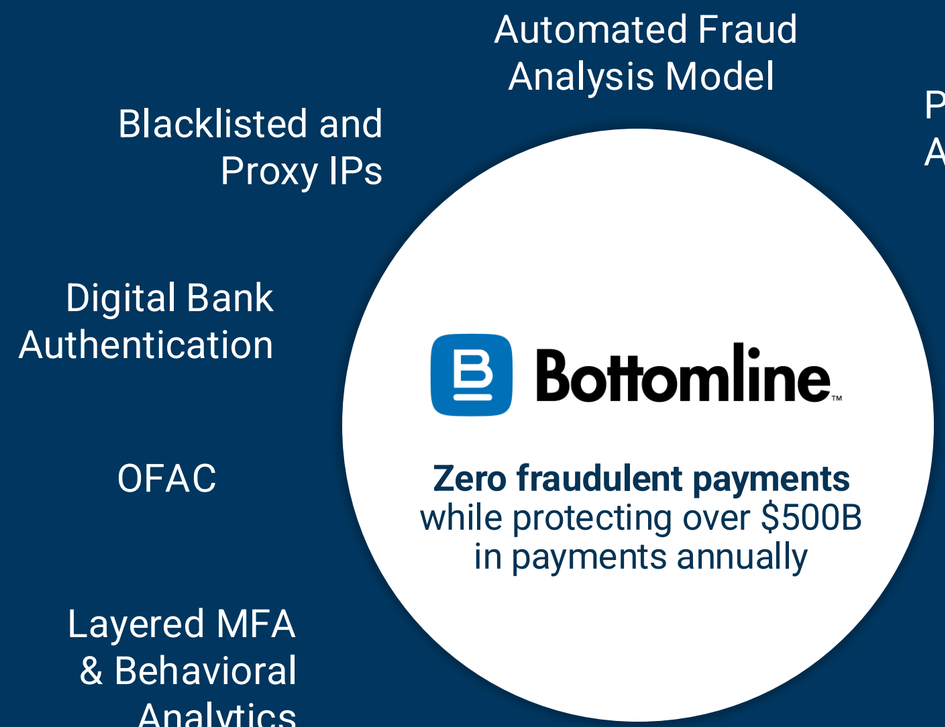
1. Use a multi-layered approach
2. Automate and digitize your payments mix
3. Communicate through secure portals and ensure phones/emails have layered protection
4. Bookmark, and exclusively use, verified login pages
5. Incorporate segregation of duties in the finance office
6. Encourage improved fraud protection for your vendors and look for impersonation warning signs
7. Add external email alerts and secure, smart processing solutions
8. Use a secure payments network



Consider technology that fights fraud

- Secures payments against outside threats
- Prevents account takeovers and unauthorized access
- Reduces the risk of check fraud
- Secures critical bank data

Bottomline Helps
Protect Your Payments



Zero fraudulent payments while protecting over $500B in payments annually

Questions?

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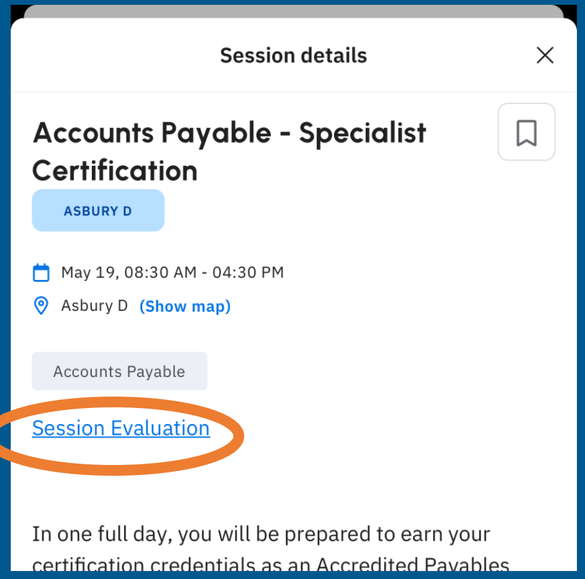

Tues 3:00 – How to Fight Fraud in B2B Payments

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