According to Ingenico ePayments’ data, most travelers in LATAM arrive or depart from these top five airports:

<table>
<thead>
<tr>
<th>Code</th>
<th>Airport Name</th>
<th>City, Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>PTC</td>
<td>Tocumen International Airport</td>
<td>Panama City, Panama</td>
</tr>
<tr>
<td>SCL</td>
<td>Comodoro Arturo Merino Benítez International Airport</td>
<td>Santiago, Chile</td>
</tr>
<tr>
<td>LIM</td>
<td>Jorge Chavez International Airport</td>
<td>Lima, Peru</td>
</tr>
<tr>
<td>BOG</td>
<td>El Dorado International Airport</td>
<td>Bogota, Colombia</td>
</tr>
<tr>
<td>GRU</td>
<td>Sao Paulo – Guarulhos International Airport</td>
<td>Gaurulhos, Brazil</td>
</tr>
</tbody>
</table>

We work with some of LATAM’s biggest airlines, visiting all of these destinations, by helping them reach more customers around the world. Make sure that you’re targeting all of your international travelers throughout their journey, with the most payment methods and comprehensive acquiring coverage available.

Visit: [www.ingenico.com/epayments](http://www.ingenico.com/epayments) to learn more.
FRIENDLY FRAUD: HOW TO STOP IT

An Ethoca hosted panel
WHAT IS FRIENDLY FRAUD?

STEWART MCINTOSH | Director of Sales, North America
WHAT IS FRIENDLY FRAUD?

**FRIENDLY FRAUD** refers to fraud that is committed when an individual had *knowledge* of and/or was *complicit* with and/or somehow *benefited* from the transaction on their own account, although the individual reported the transaction as unauthorized.
28% Percent of total ecommerce revenue lost to ‘friendly fraud’.

Source: MRC 2014
PERCENTAGE OF FRIENDLY FRAUD

Source: Lexis Nexis Total Cost of Fraud 2012-2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>18%</td>
</tr>
<tr>
<td>2013</td>
<td>18%</td>
</tr>
<tr>
<td>2014</td>
<td>18%</td>
</tr>
<tr>
<td>2015</td>
<td>22%</td>
</tr>
<tr>
<td>2016</td>
<td>31%</td>
</tr>
</tbody>
</table>
JUST HOW HIGH CAN IT GO?

+90%

Digital Goods Merchants
SPECTRUM OF FRIENDLY FRAUD

Benign – Household/Family:
• Minor: A minor in the family made the purchase, most likely without permission.
• Adult:
  • Cardholder was unaware of purchase made by spouse/household member
  • Could be a simple case of just not recognizing the purchase – descriptor issue, statement is confusing, etc.
  • Denial of the purchase due to embarrassment or remorse

Hostile/Abusive – The cardholder is abusing the system with the intent to commit fraud.
WHY DON’T ISSUERS DO MORE?

Regulatory environment privileges the cardholder.

They want to preserve a good relationship with the cardholder.

They have limited information needed to resolve incoming dispute.
FRIENDLY FRAUD CONTRIBUTES TO FALSE DECLINES

- Good transactions are coded as fraud.
- Fraud models get tuned incorrectly.
- Merchants, issuers or acquirers decline more.
- Good customers are turned away.
THE FALSE DECLINES PROBLEM

$118B versus $9B

The value of transactions falsely rejected by U.S. card issuers in 2014.

The value of actual fraud measured by U.S. card issuers in 2014.

13-1 Ratio

Where should your focus lie?

Source: Javelin 2014
FRIENDLY FRAUD AT AIR CANADA

CARL SOMIGLI COCHRANE | Cyber Fraud Prevention Speciality – IT Security & Compliance
FRIENDLY FRAUD AT AIR EUROPA

YAGO CASASNOVAS | Payments & Fraud Manager
FRIENDLY FRAUD AT SOUTHWEST

BRANDON ADAMS | Revenue Protection Services Manager
QUESTIONS?
SIX BEST PRACTICES TO COMBAT FRIENDLY FRAUD

1. Leverage Merchant Historical Data to Create Household Profiles
2. Bolster Available Evidence to Include Proof of Receipt, Consumption and Usage
3. Consider Implementing Parental Controls
4. Call the Customer (when it makes sense)
5. Implement Simple, Clearly Stated Return and Refund Policies
6. Change Behavior by Enforcing Consequences
QUESTIONS?