Payment fraud remains a major concern. Just under half of organizations (46%) reported experiencing some form of fraud or other economic crime within the last 24 months in PwC’s Global Economic Crime and Fraud Survey 2022, Protecting the Perimeter: The Rise of External Fraud. However, there are many developments that can help you mitigate the risk to your business.

Here are five tips for combating payment fraud:

1. **Implement payment hub technology**
   Payment hubs that help companies reduce the risk of fraud are becoming increasingly widespread. Best-in-class controls increase the security of your overall payment infrastructure, while centralized and standardized processes and automation make it easier to comply with security and audit requirements.

2. **Leverage a real-time fraud detection service**
   Integrating a specialized real-time fraud detection service with your treasury management and payment hub technology solutions is key. It can extend the capabilities of these solutions with an additional layer of fraud detection to stop suspicious payments before they are sent to the bank. You can screen for suspicious treasury and supplier payments based on real-time authentication of bank data from third parties, customers and suppliers. You can also receive alerts and prompts to take further action.

3. **Participate in building communities**
   Sharing information across different parties is a powerful tool when it comes to combating financial crime. Notable developments include the rise of specialist applications and service providers that can detect anomalies by screening data across multiple organizations. Payment solution providers that connect to these specialist services can help you bolster your fraud defenses.

4. **Utilize validation services**
   Validation services provide an opportunity to correct any errors in payment information, as well as reducing the risk of fraud. Notable developments include SWIFT’s Payment Pre-validation service: building on SWIFT gpi, the service will allow banks to confirm beneficiaries’ account details over an API before a payment is sent. Local networks are also looking at implementing their own validation services.

5. **Leverage machine learning and AI**
   Technologies like machine learning and artificial intelligence (AI) are also providing new ways of combatting payment fraud. By integrating your payment hub with specialist applications or service providers, you can benefit from new techniques powered by innovative technology. These include using anomaly detection to recognize inconsistencies or inaccuracies in payment information, as well as the use of predictive analytics to score a transaction’s fraud risk based on a pre-trained algorithm.

Companies can combat payment fraud by utilizing the latest in digital and innovative technology as well as participating in communities that share information.