

Regulatory Alert

Regulatory Insights

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Fraud, Identity Theft, and Other Scams

KPMG Insights:

- **Fraud Losses Increasing.** *Fraud losses reported in 2023 totaled more than \$10 billion, representing a nearly 14 percent increase over reported fraud losses in 2022.*
- **Identity Theft Tops Concerns.** *Consistent with 2022, Identity Theft was the most commonly reported complaint in 2023.*
- **Reported Payment Method.** *The highest reported fraud losses (where a payment method was identified) were associated with bank transfers and payments and cryptocurrencies.*

The Federal Trade Commission (FTC) publishes its 2023 Data Book [report](#) outlining information received from consumers regarding their experiences with fraud, identity theft, and other consumer protection-related issues. The annual report is comprised of information the FTC received directly from consumers as well as reports filed with others, including federal, state, and local law enforcement agencies; federal regulatory agencies; industry participants; and non-profit organizations. The information is stored in the FTC's Consumer Sentinel Network (a secure online database that is only available to law enforcement).

Below are key findings highlighted by the FTC based on the 5.4 million reports received in 2023:

Consumer Sentinel Network Data Book

The Data Book Report sorts the complaints received into 29 categories, and also broadly aggregates the categories into three groups:

- Fraud (48 percent of all reports)
- Identity Theft (19 percent of all reports)
- Other (34 percent of all reports)

The FTC adds:

- Between 2022 and 2023, the total number of consumer reports for these three groups (Fraud, Identity Theft, and Other "scams") increased from 5.15 million (2022) to 5.4 million (2023).
- Identity theft (in all forms) was the most common of all reported complaints.

The top three categories of reports for each of these three groups are as follows:

Group	Categories	# of Reports	% of Group
Fraud	Imposter Scams	854K	33%
	Online Shopping and Negative Review	368K	14%
	Prizes, Sweepstakes, and Lotteries	157K	6%
Identity Theft	Credit Card Fraud, including new and existing accounts	416K	40%
	Other Identity Theft	261K	25%
	Loan or Lease	150K	14%
Other	Credit Bureaus, Information Furnishers, and Report Users	712K	39%
	Banks and Lenders	230K	13%
	Auto-Related	178K	10%

The FTC notes:

- Consumers aged 20-29 reported losing money to fraud (44 percent) more often than consumers aged 70-79 (25 percent) or 80 and over (22 percent), however when the latter groups reported a loss, the median loss was higher (\$480 vs \$803 and \$1,450, respectively).
- Although credit cards were most frequently identified as the top payment method in fraud reports, bank transfers and payments accounted for the highest aggregate losses (\$1.86 billion), followed by Cryptocurrency (\$1.41 billion).
- Of the 2.6 million fraud reports, only 27 percent reported a loss; the total fraud losses reported were more than \$10 billion.

Military Consumers

- Military consumers reported approximately 93,000 fraud records and \$477 million in related total losses.
- The top three fraud categories reported by military consumers were imposter scams, online shopping and negative reviews, investor related fraud (mirroring the top three frauds in 2022); the top three Identity Theft categories matched the aggregate national results.

State Statistics

Four states were ranked among the top five states reporting the highest levels of both fraud and identity theft per 100K in population.

States (# of Reports per 100K Population)	
Fraud	Identity Theft
Georgia (1,564)	Georgia (457)
Florida (1,563)	Florida (438)
Nevada (1,531)	Nevada (404)
Delaware (1,500)	Connecticut (384)
Maryland (1,372)	Delaware (359)

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