

More Secure One-Time Passwords Rely On Proactive Prevention Capabilities

PROACTIVE SMS OTP FRAUD PREVENTION BENEFITS BOTH CUSTOMERS AND THE BUSINESS

Most important capabilities to prevent SMS/text OTP fraud

83%

Identifying high-risk phone numbers

82%

Detecting if a phone scam is active before sending OTP

78%

Using decision engine to determine the lowest-risk channel

77%

Sending OTP to the lowest-risk channel available

Top benefits of preventing OTP fraud

64%

Improved customer experience

63%

Improved brand reputation

58%

Increased transaction speed

55%

Reduced annual fraud losses

MANY FACE CHALLENGES DETECTING AND MEASURING OTP FRAUD TODAY

86% of respondents report having OTP authentication challenges. Top challenges include:*

46%

A lack of solutions for effectively detecting OTP fraud.

43%

Difficulty for customers to use/ increase in friction.

42%

How to know/ measure when OTP fraud has occurred.

39%

No effective alternatives to OTP authentication.

JUST ONE IN THREE SAY THEIR ORGS' ABILITY TO PREVENT OTP FRAUD IS OPTIMIZED

Few respondents are confident their organizations have the tech needed to solve OTP challenges.*

30%

VERY CONFIDENT
Detecting OTP fraud

32%

VERY CONFIDENT
Preventing OTP fraud

RESPONDENTS ARE INVESTING IN SOLUTIONS TO PREVENT OTP FRAUD*



69%

of respondents have invested in fraud platforms/software to prevent OTP incidents.

Base: 300 North American fraud prevention decision-makers
 *Base: 176 North American fraud prevention decision-makers using OTP authentication
 Source: A commissioned study conducted by Forrester Consulting on behalf of Neustar, January 2022

