

Payment & Chargeback Statistics You Need to Know

(and How to Respond to Them)

As the hospitality industry grows within the digital sphere, you become more vulnerable to fraud and chargebacks. In fact, of the \$3 trillion in revenue the hospitality industry generates each year, **5-6% (or \$150 billion) of that revenue is lost**. Read on to learn how to get ahead of the trends.

+20%

A 20% increase in online transaction values occurred following the pandemic's acceleration of e-commerce.

Customers now expect to conveniently pay online for all types of transactions, but with increased e-commerce came the increased threat of digital fraud.

Source: Stripe, Online and eCommerce Fraud Statistics Predicting the Future of Fraud Report

65%

Card-not-present (CNP) fraud represents 65% of fraud losses.

That's because CNP transactions are less secure than transactions with physically-present cards – *when improperly managed*. Collecting card information by phone or email, then manually key-entering it into a pin pad, is by far the most risky way to process CNP transactions, such as in the case of deposits and third-party payments.

Source: Merchant Cost Consulting, Credit Card Fraud Statistics (2023)

WHAT THIS MEANS FOR YOU...

You may need a better way to capture card-not-present (CNP) payments.

It's inefficient, insecure, and much more costly to handle CNP transactions the same way as card-present transactions. Plus, it can keep you from getting paid. If you're still calling or emailing guests for payment information, then key-entering it, it's time to start processing those payments online.

SERTIFI BLOG POST

How to Handle Card-Not-Present Payments Correctly

[Read the Post](#)

Over half of all credit card fraud occurs with hotels.

False credit cards is the main culprit, leading to chargebacks and revenue loss.

Source: Forbes, How to Protect the Hospitality Industry from the Growing Fraud Threat

>50%

Around 4 million compromised credentials have been found

to be associated with fraudster attacks on airlines, travel, and hospitality entities globally since 2021.

Source: Chargebacks911, Travel & Hospitality Fraud, How It Works & How to Stop It

4M

WHAT THIS MEANS FOR YOU...

Start taking advantage of easy cardholder authentication methods with your online payment processor.

Authentication methods like 3-D Secure (3DS) and Address Verification Service (AVS) are easy ways to verify a cardholder's card is in their possession instead of a fraudster's – but they're only available when you're processing transactions, such as an event deposit, online.

[Read Sertifi's 3DS Guide](#)

[Read Sertifi's AVS Guide](#)

#1

Friendly fraud is now reportedly the #1 fraud attack source that merchants have to deal with,

up from #5 in 2019. In fact, about six in ten chargebacks issued in North America in 2023 are expected to be cases of friendly fraud.

Source: Chargebacks911, Chargeback Stats, The Most Up-to-Date Dispute Data Points Available

50%

Around 50% of guests initiate a chargeback instead of a refund.

Even a small issue during a stay can result in a guest disputing an entire charge with their card issuer and expecting their money back.

Source: pymnts.com

WHAT THIS MEANS FOR YOU...

You have to be prepared for guest-initiated chargebacks.

To dispute a chargeback, you can submit evidence that proves the transaction was approved by the cardholder. Compiling the right evidence is critical in winning your case and is made easier with a digital solution. Plus, as a Sertifi customer, we'll even handle the dispute on your behalf!

SERTIFI BLOG POST

Compiling Compelling Evidence to Fight Chargebacks

[Read the Post](#)

Sertifi's helped 18,500+ unique organizations protect revenue with our credit card authorization and event payment processing solutions. Let's chat to see how you can create greater efficiency and security in your processes while reducing costs.

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