



Helping you avoid fraudulent orders.

We work hard to help prevent fraud, but every online transaction still carries some risk.
That's why we recommend that all merchants take a proactive approach to risk management.



Look out for the following potential warning signs.

If something seems too good to be true, it probably is. While none of these warning signs necessarily mean an order is fraudulent, it is important to be on the lookout for the following:

- **The shipping address is in a high-risk location.**
Search online to find a list of countries well-known for fraud.
- **The order is larger than normal.**
Use caution if you receive an order from a new customer that's larger than a typical order, and if it's a product in high demand (e.g. electronics).
- **The customer asks to change shipping address after paying.**
Make sure the address change makes sense. Fraudsters initially enter valid addresses so fraud systems won't catch them, they then contact you to change the address.
- **There's an abnormal number of international orders within a short time.**
For example: you receive 50 orders from customers outside your market within a few days, but you normally receive just 2 international orders per month.
- **There's an abnormal number of orders at an unusual time of day.**
For example: you receive 10 orders from customers outside your market, all around 3:00 a.m. on the same day.
- **Several orders from different customers have the same shipping address.**
Fraudsters often make orders from several stolen debit or credit cards, and then have the orders shipped to one address.
- **You receive multiple small orders from the same PayPal account.**
Low-priced orders normally receive less scrutiny than larger ones. Fraudsters may place smaller, separate orders to avoid detection.
- **A customer overpays.**
Fraudsters will often overpay for an order and then ask for the return of the overpayment through a wire transfer, or to their preferred shipping company. If someone overpays you, always send the extra money back through PayPal.
- **An order consists of multiple requests for the same item.**
For example: a customer orders 50 pairs of the same shoe in various sizes. Ask yourself if the quantity ordered of the same product makes sense.
- **A customer requests rush or overnight shipping.**
A completed order is harder to spot or correct. That's why fraudsters sometimes choose to receive merchandise quickly, regardless of the cost.
- **A customer uses a suspicious email address.**
Keep an eye out for email addresses that seem unusual, like "knh\$\$yro123456@gmail.com," or undeliverable emails. Legitimate customers are more likely to use email addresses that contain their name.
- **An order has a suspicious shipping address.**
Criminals may ship orders to freight forwarders, shipping companies, P.O. boxes, or vacant properties to remain anonymous. Before shipping an expensive order, make sure you know where it's being shipped.



Verify the customer's order information before you ship.

The amount of time you spend on fraud prevention will depend on what you sell, who your customers are, and the amount of risk you're willing to take. If you sell expensive, in-demand products, your fraud prevention and detection processes are even more critical.

Verify the customer's shipping address

Fraudsters often ship orders to addresses that can't be traced back to them. Look for red flags such as shipping to a freight forwarder, a shipping company, a P.O. box, a hotel, or a vacant property. Go online and search for the shipping address. A few things to look for:

- **Freight forwarders**
Third-party shipping services re-ship merchandise to another location (typically abroad) for a fee. To see where your package is being sent to, simply enter the shipping address into a search engine. If the search results show the name of shipping company, be cautious.
- **Shipping companies or P.O. boxes**
Fraudsters like the anonymity that shipping companies and P.O. boxes provide. However, there are also many legitimate reasons for using a shipping company or a P.O. box. You just need to be more cautious, since shipping to P.O. boxes and shipping companies can be more risky than shipping to residential addresses.
- **Money mules**
Fraudsters sometimes pay people to receive orders at their address. The money mule receives the package, then reships it to the fraudster's address. Be careful if several orders from different customers list the same shipping address.
- **Vacant properties**
To identify vacant properties, enter the shipping address into a search engine. If the property is currently listed as for rent or for sale, it could be vacant.

Verify the phone number

Use a reverse phone look-up or third party data supplier to verify the customer's name and address. You can also call the customer's phone number. Don't rely on caller ID, since customers can use spoofing services to disguise their real phone number. Reverse phone books are also available online.

Delay shipping high-risk orders

Account holders often notice fraudulent transactions and report the problem pretty quickly. If possible, delay shipment for 24-48 hours for customers who place unusually large orders or buy items that are expensive and in demand – especially international orders. Don't ship overnight unless you're confident that the order is legitimate, or you feel comfortable taking the risk.

Contact the customer to confirm the order information

If an order seems suspicious, contact the customer by phone or email. Ask a few questions to see if everything checks out. If the phone number is disconnected or the email bounces back, proceed with caution.



Points to remember.

You're responsible for fraud losses that aren't covered by Seller Protection. Opportunistic fraudsters take advantage of businesses that aren't aware of fraud risks. Nobody knows your business as well as you. You know your biggest customers and are familiar with their buying patterns. No payment processor will ever know these things as well as you, so your involvement in risk management is essential.