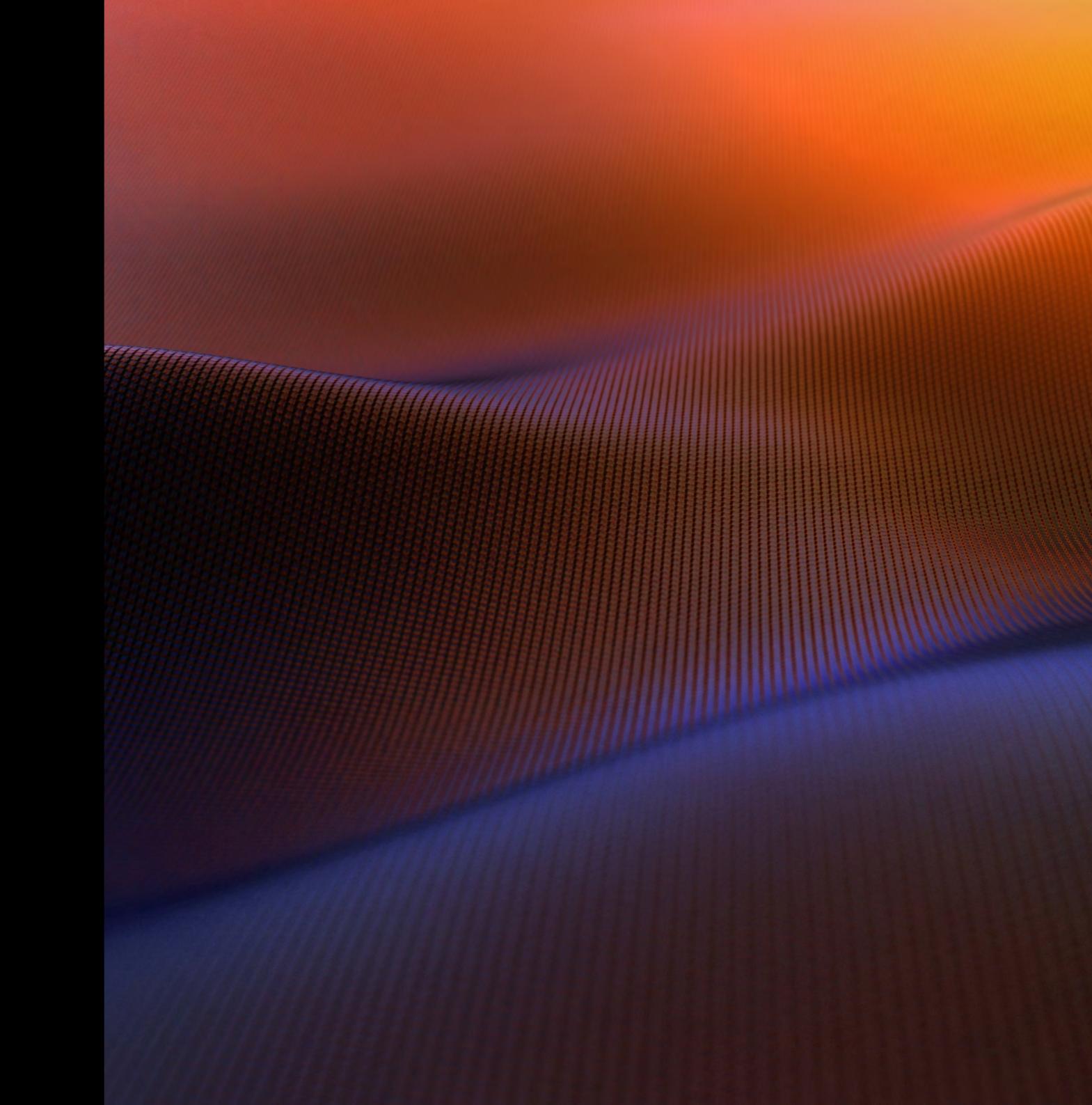
# EVINV

How do fraudsters make money?

The business model of fraud





The Business Model of Fraud: How fraudsters monetize on illegitimate mobile transactions

This document explains how fraudsters are able to monetize mobile transactions.

We will go through how a legitimate and healthy mobile transaction would take place. The transaction only involves legitimate market players and a user that is willing to purchase a product or subscribe to a service.

The second mobile transaction illustrates an illegitimate act where fraudulent players are introduced with the sole purpose to steal money from the user.

# The Market Players

The User



All mobile purchases are done from the user's phone by the user, whose purchases are the cornerstone of the entire mobile monetization ecosystem.

The Publisher



The publisher hosts the merchant's ad on his website and makes money when users (potential customers) click on the ad and are redirected to the merchant's website.

The Merchant



The merchant sells goods or services to users, whom he attracts by displaying ads on the publisher's websites.

The Payment Gateway

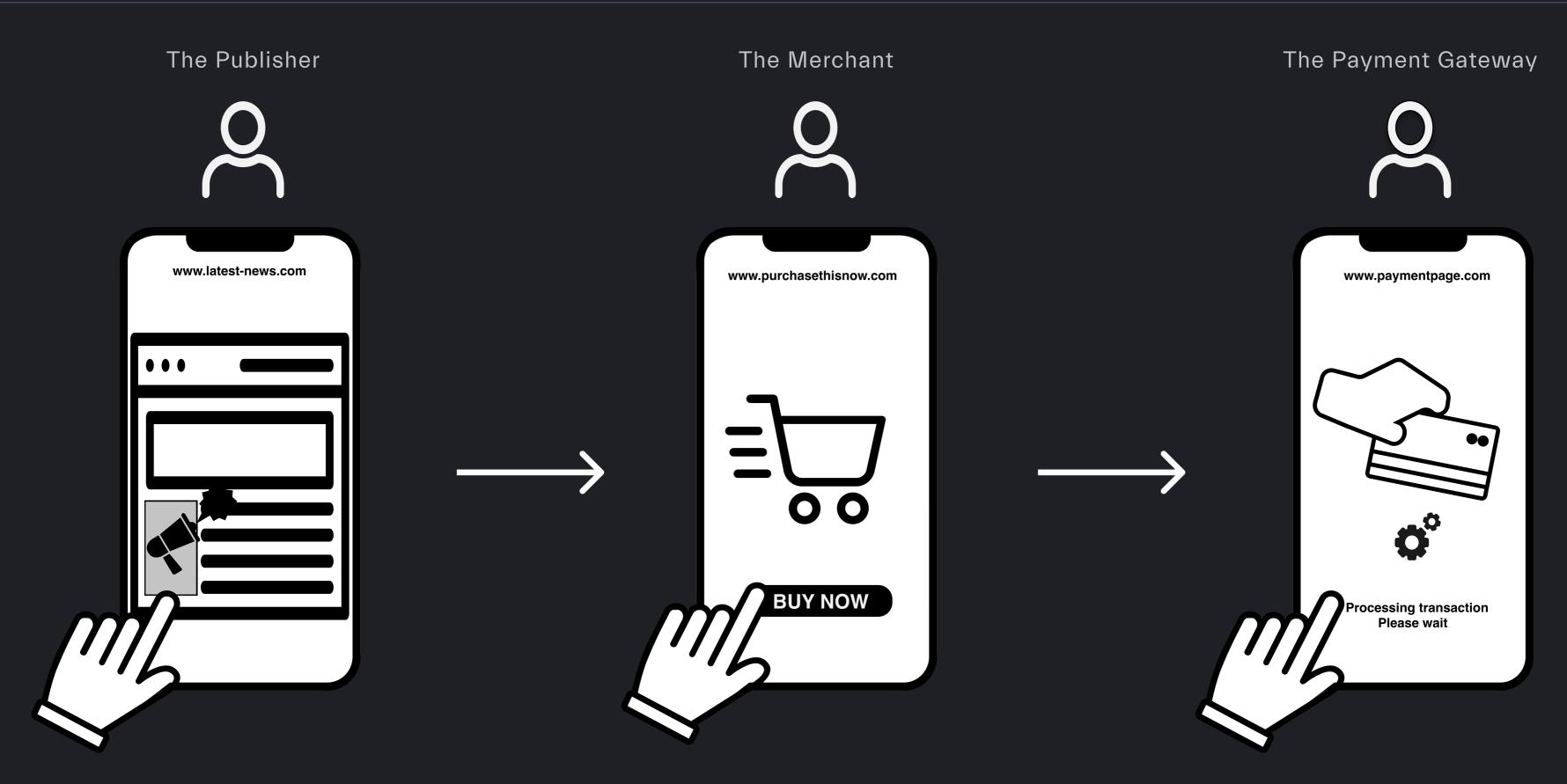


The payment gateway is a technical intermediate that receives money from the user after a purchase and immediatly gives it back to the merchant.

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# The Legitimate Customer Journey



The user sees an advertisement on a website that he likes and decides to click on it. The link redirects the user to the merchant's website.

Once on the merchant's website, the user clicks on the subscription button to subscribe to a service or purchase a product. The user is sent to the payment page.

The payment gateway collects money from the user, before sending it to the merchant, thus validating the purchase. For the user, the transaction is complete.



# How The Money Flows

The User







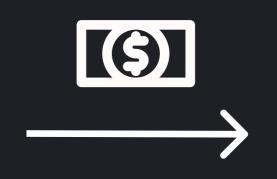
The Payment Gateway

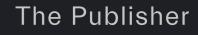






The Merchant







The user sends money through a payment gateway as he purchases a product or service from a merchant's website.

The payment gateway receives the money from the user as soon as the user clicks on the purchase button on the merchant's website. The payment gateway receives a commission on the purchase.

The merchant receives money from the payment gateway who has processed it on behalf of the merchant after the customer's purchase.

The publisher receives a percentage of the user's money from the merchant for sending him over a customer.

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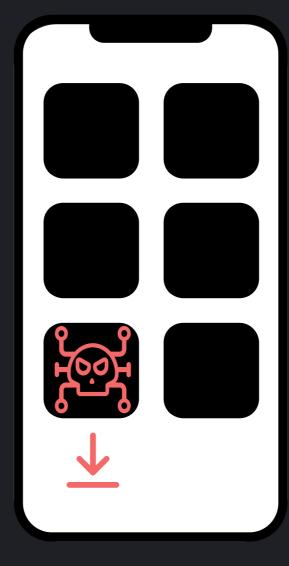
#### Who Are The Fraudsters

Fraudsters take control of a user's device in order to make purchases on behalf of the user.

They make money by earning a commission on the fraudulent transactions done using the user's money.

The Fraudster's Fraudulent App

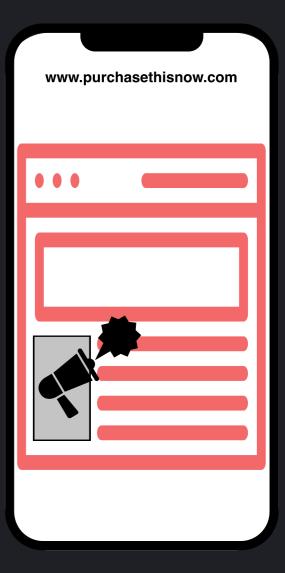




An app was innocently downloaded by the user who thought that it was a legitimate app such as a video game. However, malware has been hidden inside the app, which will click on ads and make purchases on the user's behalf.

The Fraudster's Fraudulent Publisher Website

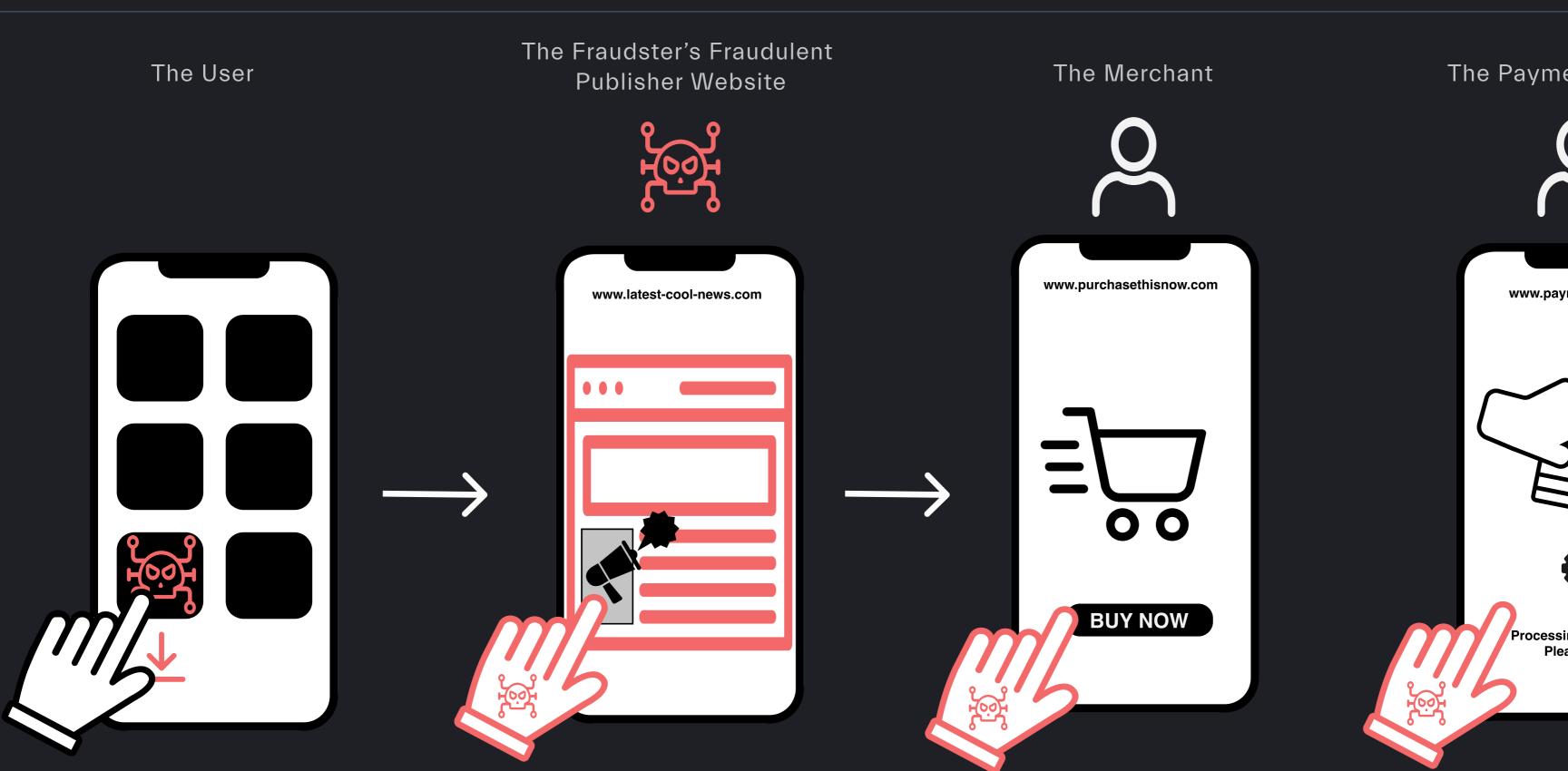




The fraudster sets up a website that will display legitimate ads for real products in order to receive commissions on these purchases.



# The Fraudulent Customer Journey

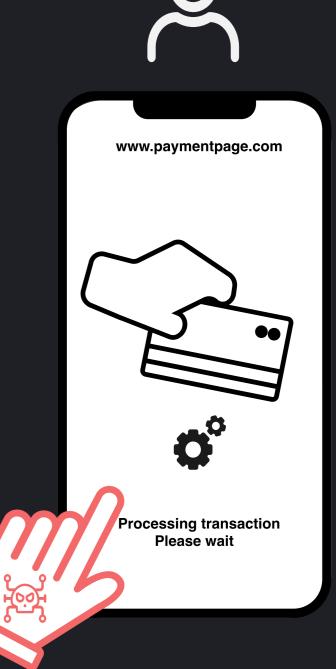


The user downloads an app believing it is a legitimate app, however, a fraudster has hidden malware that takes control of the user's device.

With complete control over the user's consent and device, the fraudster goes on a fraudulent publisher's website and clicks on an ad displaying a real product.

The ad redirects the fraudster to a real merchant's website where he purchases a product or service with the user's money, but without the user's consent.

The Payment Gateway



The fraudster completes the purchase transaction by sending the user's money through a payment gateway.

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# How The Money Flows... To The Fraudster

The User

The Payment Gateway



The Merchant



The Fraudster's Fraudulent Publisher Website



The user's money is sent, without his consent, to the payment gateway. The user has been robbed.

The payment gateway sends the user's money to the merchant, thinking he has just processed a legitimate transaction. The payment gateway receives a commission on the purchase.

The merchant, who also believes that he is dealing with a legitimate transaction, pays the publisher who has sent him a customer through his ad space.

The fraudster earns a commission on the transaction amount via the fraudulent publisher website.



# How Everybody Suffers The Consequences

The user



The user gets his money stolen and complains to the merchant and the payment gateway to get his money back. This process isn't simple, it takes time. In some cases, the user doesn't even realize he has been robbed, and other times he is not reimbursed.

The Payment Gateway



The payment gateway needs to reimburse the user, and in this process his brand image can get damaged.

In addition, complaint management has a great cost for the payment gateway.

The Merchant



The merchant loses
money for having payed a
commission to the
fraudulent publisher. The
merchant has to
reimburse the user and
his brand image takes a
hard hit.

# Learn more about how you can fight fraud and grow your business

FRAUD REPORTS	CASE STUDIES	GET IN TOUCH
Learn more about the worldwide state of fraud in mobile payments, through our fraud reports for:  • Poland  • South Africa  • Ivory Coast  • etc.	Discover how we help players boost their business growth by decreasing fraud, in our case studies:  • Bouygues Telecom  • Proximus  • Digital Virgo  • etc.	To discuss how Evina can support your business growth, get in touch with Evina's team.
ACCESS ALL FRAUD REPORTS	ACCESS ALL CASE STUDIES	CONTACT US



Evina offers the most advanced cybersecurity for mobile payment, for MNOs, merchants and payment gateways to fend off fraud and conquer new markets. Evina's anti-fraud solutions secure over +16 million transactions in more than 70 countries each day, decrease complaint rates, maximize the number of legitimate transactions, and increase revenues.