



How Fraudsters Misuse and Abuse Marketplaces

Digital Trust & Safety

Brittany Allen

July 22nd, 2021





sift
Etsy
Istdibs



letgo



Alan Moss

*Managing Director, Western Europe
Newland Payment Technology*



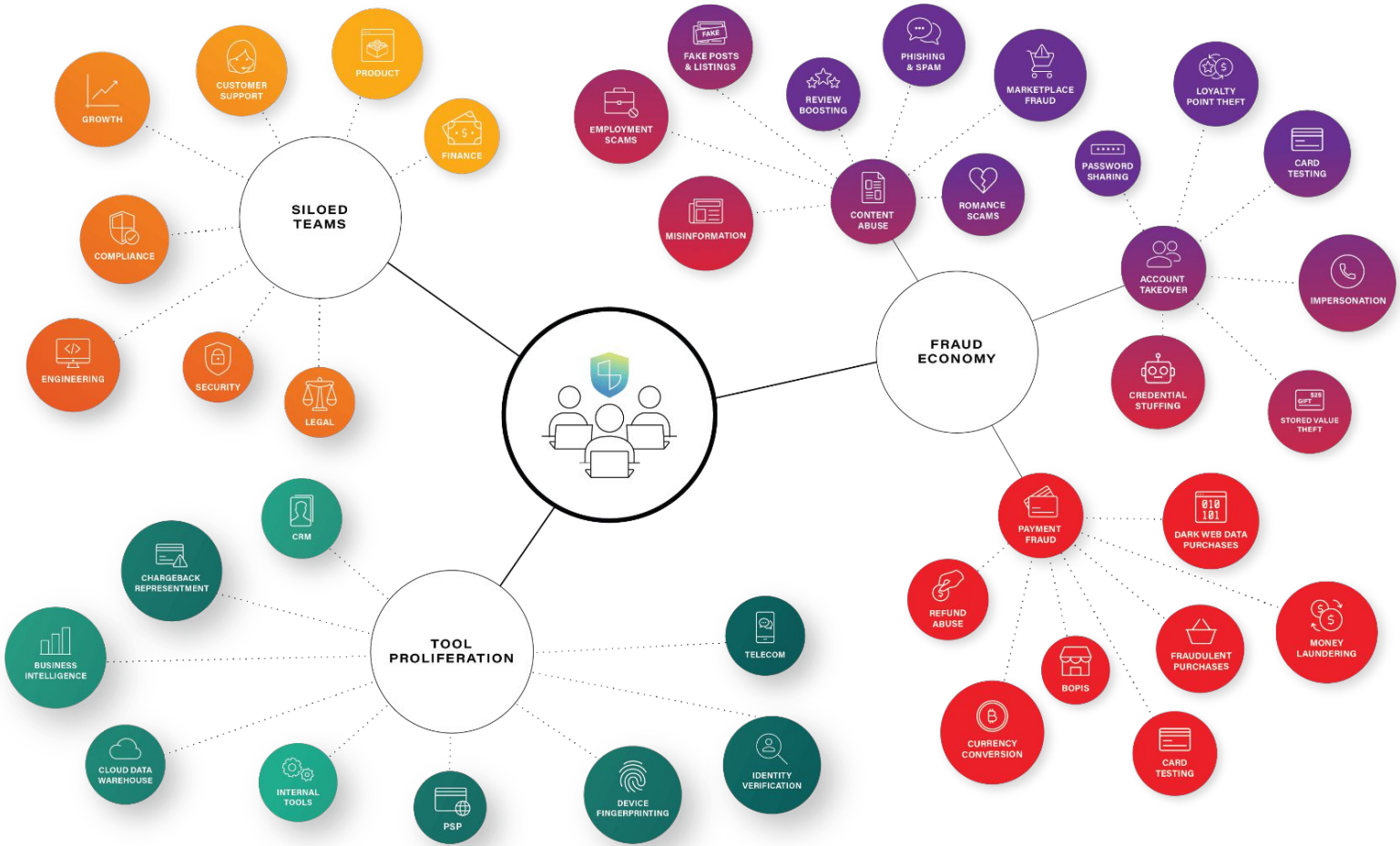
Brittany Allen

Trust and Safety Architect, Sift

Network Learning - Global Network Effect

Benefit from the global collective intelligence of 34,000+ sites in Sift Network of Trust





Agenda

Two-Sided Fraud

Marketplace Metrics

Reactive v. Proactive Approaches

One-Sided v. Two-Sided

Merchant

A one-sided model that only supports “buyers”

- Traditional Retail

Marketplace

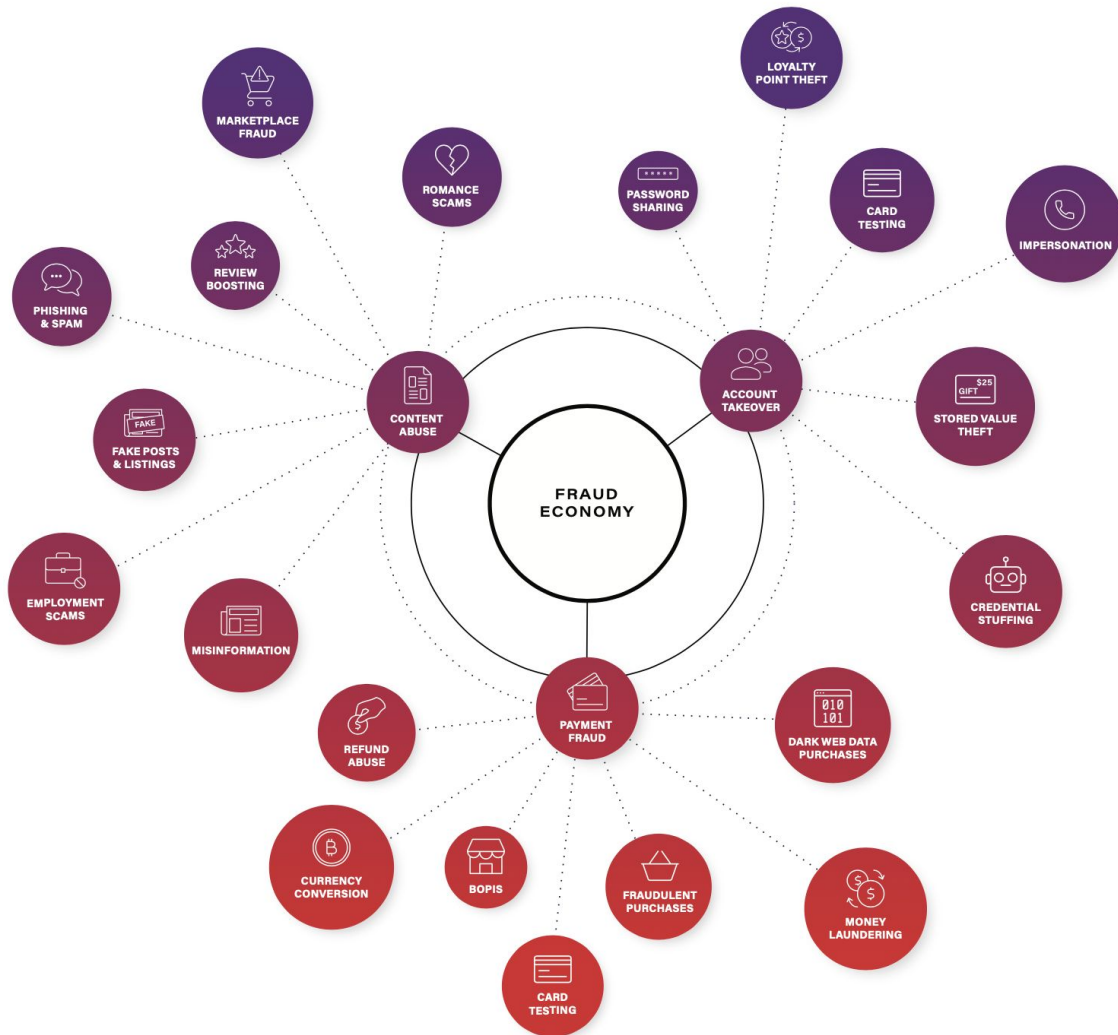
A two-sided model with both “buyers” and “sellers”

- Etsy / eBay

Hybrid

A one-sided model with a additional two-sided model.

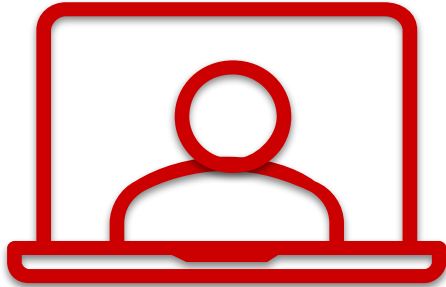
- Amazon



Two-Sided Fraud



Scenario 1 - Fraudulent Buyer



Scenario 1 - Fraudulent Buyer



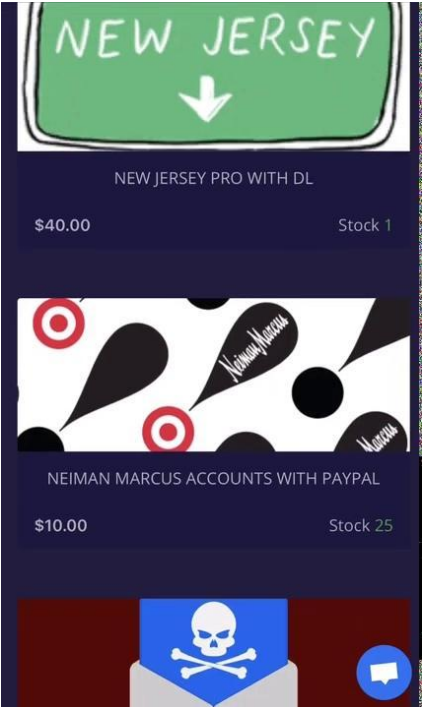
New Account Fraud

Account Takeover

Merchant Impersonation

Scenario 1 - Fraudulent Buyer

Account Takeover



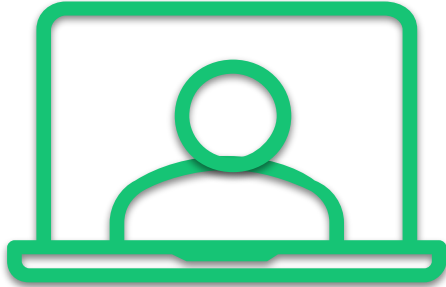
Shop	Balance	Points	Name	Type	Country	CC	Bank	Info	Last order	Mail domain	Uploaded	Seller	SPrice
aa.com	0.00	325447.00	Member	Member	USA	USA	USA	Fresh Points = Miles. Use your miles for travel on American Airlines, American Eagle®, oneworld® airlines. Rent a car, book a hotel or plan a vacation. Products, services and donations Award miles	NA	NA	16 Apr 2020	Cr4sh	160
aa.com	0.00	90879.00	Gold	Gold	USA	USA	USA	Fresh Points = Miles. Use your miles for travel on American Airlines, American Eagle®, oneworld® airlines. Rent a car, book a hotel or plan a vacation. Products, services and donations Award miles	NA	NA	16 Apr 2020	Cr4sh	45
aa.com	0.00	268790.00	Member	Member	USA	USA	USA	Fresh Points = Miles. Use your miles for travel on American Airlines, American Eagle®, oneworld® airlines. Rent a car, book a hotel or plan a vacation. Products, services and donations Award miles	NA	NA	15 Apr 2020	Cr4sh	134
aa.com	0.00	108065.00	Member	Member	USA	USA	USA	Fresh Points = Miles. Use your miles for travel on American Airlines, American Eagle®, oneworld® airlines. Rent a car, book a hotel or plan a vacation. Products, services and donations Award miles	NA	NA	15 Apr 2020	Cr4sh	50
aa.com	0.00	1366394.00	Executive Platin	Executive Platin	USA	USA	USA	Fresh Points = Miles. Use your miles for travel on American Airlines, American Eagle®, oneworld® airlines. Rent a car, book a hotel or plan a vacation. Products, services and donations Award miles	NA	NA	15 Apr 2020	Cr4sh	650
aa.com	0.00	31600.00	PlatinumPro	PlatinumPro	USA	USA	USA	Fresh Points = Miles. Use your miles for travel on American Airlines, American Eagle®, oneworld® airlines. Rent a car, book a hotel or plan a vacation. Products, services and donations Award miles	NA	NA	14 Apr 2020	Cr4sh	15
aa.com	0.00	238713.00	Platinum	Platinum	USA	USA	USA	Fresh Points = Miles. Use your miles for travel on American Airlines, American Eagle®, oneworld® airlines. Rent a car, book a hotel or plan a vacation. Products, services and donations Award miles	NA	NA	14 Apr 2020	Cr4sh	119
aa.com	0.00	226676.00	Member	Member	USA	USA	USA	Fresh Points = Miles. Use your miles for travel on American Airlines, American Eagle®, oneworld® airlines. Rent a car, book a hotel or plan a vacation. Products, services and	NA	NA	14 Apr 2020	Cr4sh	113

Scenario 1 - Fraudulent Buyer

Merchant Impersonation

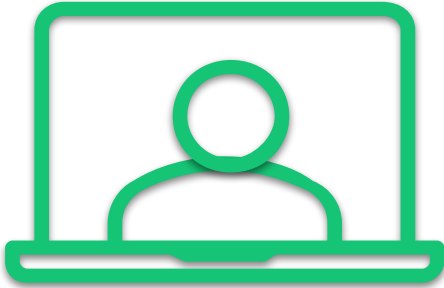
amazonsupport.nyc	1 year ▾	\$ 31.88	\$ 13.88 56.46% off	Select SALE
amazonsupport.io	1 year ▾		\$ 40.88	Select
amazonsupport.space	1 year ▾	\$ 24.88	\$ 0.88 96.46% off	Select SALE
amazonsupport.us.com	1 year ▾		\$ 23.88	Select
allamazonsupport.com	1 year ▾		\$ 9.88	Select
newyorkamazonsupport.com	1 year ▾		\$ 9.88	Select

Scenario 2 - Fraudulent Seller



61% of consumer respondents say the #1 giveaway that something is a scam is an offer that appears "too good to be true."

Scenario 2 - Fraudulent Seller




Merchant Fraud

Misrepresented Merchandise

Closed Loop Fraud

Scenario 2 - Fraudulent Seller

Merchant Fraud



Central Cannes Luxury Villa 7 Bdr
Apartment - Entire home/flat

£375

Book It

Contact Host

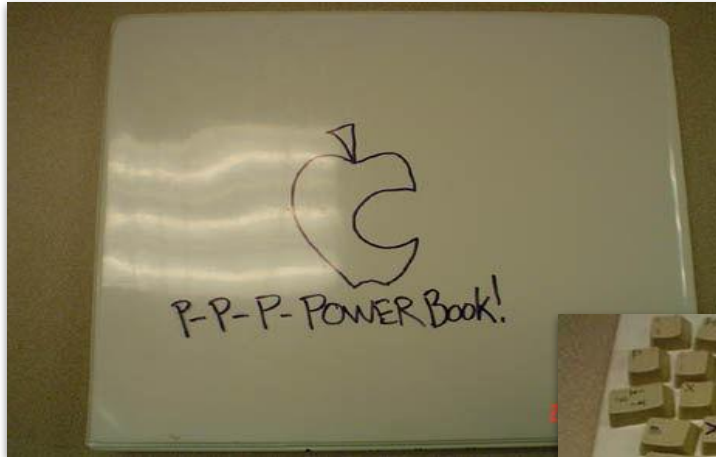
The image shows a high-end real estate listing. At the top is a large photograph of a modern, white, multi-story villa with a prominent overhanging roof and a swimming pool. Below the photo is a white banner with the text 'Central Cannes Luxury Villa 7 Bdr' and 'Apartment - Entire home/flat'. To the right of this banner is a dark grey box containing the price '£375'. Below the banner are two buttons: a red 'Book It' button and a white 'Contact Host' button.

Scenario 2 - Fraudulent Seller

Misrepresented Merchandise



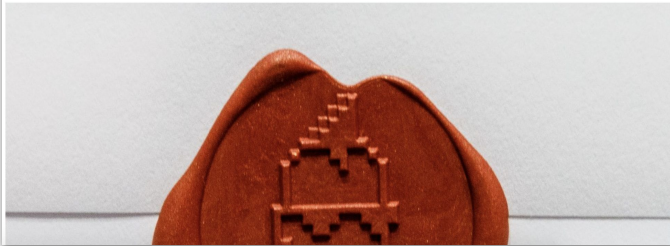
We Now Interrupt Scenario 2 for a Brief Digression



Scenario 2 - Fraudulent Seller (and Buyer?)

With \$2.4 Billion in Transactions, NFT Market Defies Expectations in Second Quarter of 2021

BY SHANTI ESCALANTE-DE MATTEI July 21, 2021 10:56am



DraftKings shares plans for launch of NFT collectibles marketplace

Lucas Matney @lucasmtny / 4:23 PM EDT • July 21, 2021



NFTs may outlast physical art galleries, says famed British artist Damien Hirst

PUBLISHED WED, JUL 21 2021-9:44 AM EDT | UPDATED WED, JUL 21 2021-12:21 PM EDT



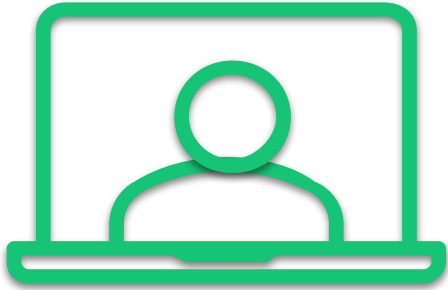
KEY POINTS

- "You look at what's happening in NFTs, and you can kind of see the galleries disappearing before you see the NFTs disappearing," famed contemporary artist Damien Hirst told CNBC.
- Hirst appeared on "Squawk Box" to discuss his NFT collection called "The Currency."
- "I just think anything that looks good and feels good, and makes you feel good, you know, it's good art," Hirst said. "It doesn't have to be in a gallery."



Closed Loop Fraud

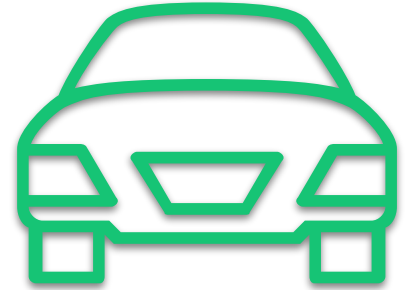
Scenario 3 - Everyone is a Trusted User



Fake Website



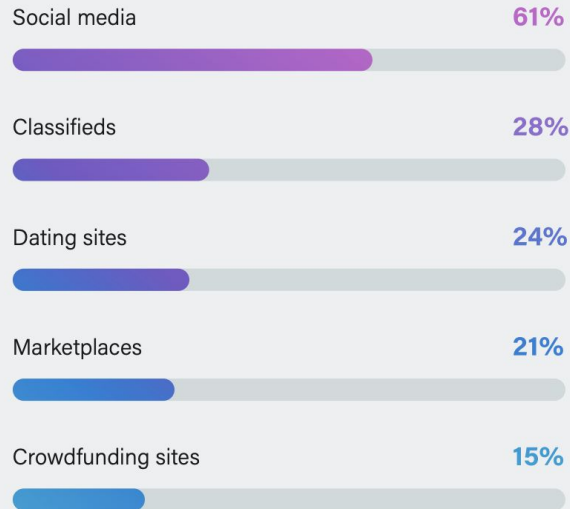
Phishing Scam



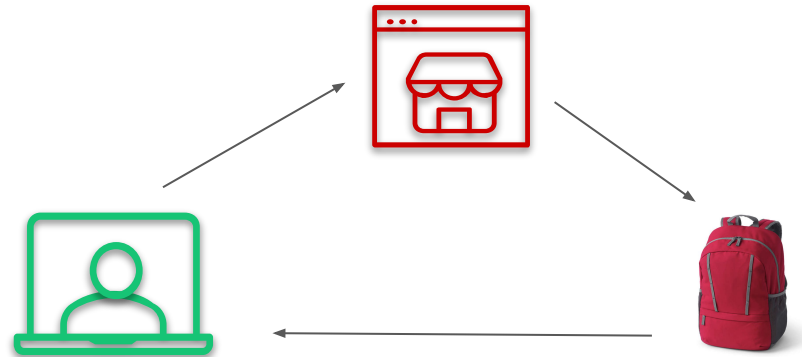
Employment Scam

Scenario 3 - Everyone is a Trusted User

Survey Says: Consumers flag the top 5 spammiest and scammiest places online



Triangulation Fraud



Marketplace Metrics



Impact on Trusted Users

Good

Number of scam listings removed and/ or spam messages hidden

Better

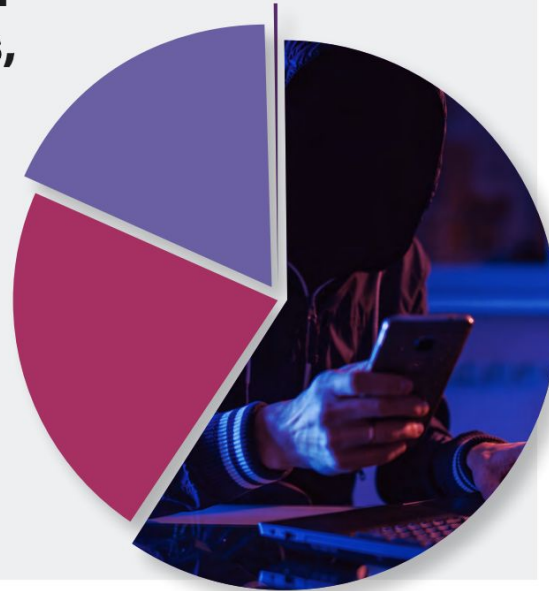
Reduce the views/ impressions of scam listings and/ or spam messages

Impact on Trusted Users

Fraud Encounters: Phishing attempts, scams, and spam



**See footnote*



Impact on Trusted Users

Good

Reduce number of spam messages successfully sent

Better

Reduce the amount of spam received by most active users

Impact on Trusted Users

Consumers Prioritize Trust Over Trademarks



56%

Stop using the site or service if they encounter fake/misleading content



54%

Stop using the site or service if they were successfully scammed into sharing personal info

Impact on Trusted Users

Good

Collect and improve NPS score that gauges trust in marketplace

Better

Making experiencing fraud the BEST NPS score in the entire company

Reactive v. Proactive Approaches



Proactive Approaches

Phishing Attack

Account Takeover

Closed Loop Fraud



What does a holistic solution look like?



Reporting



Analyst Tools and Feedback



Workflow and Rules Automation



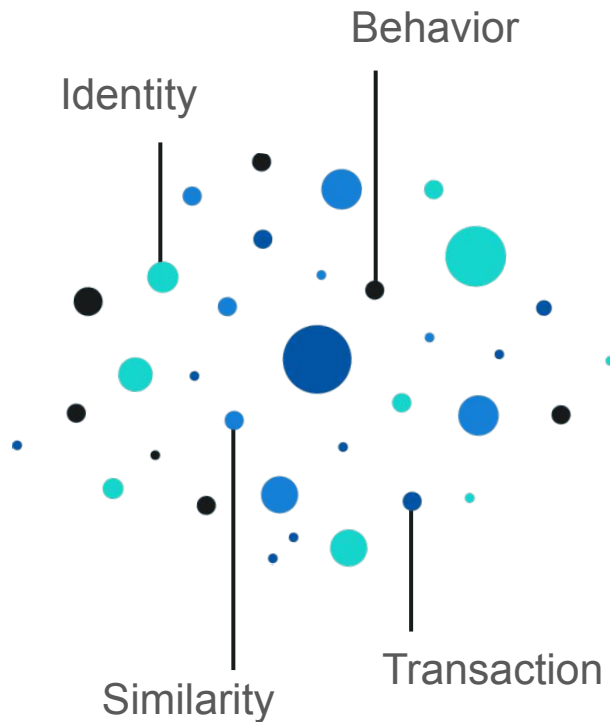
Machine Learning



High-Volume Digestible Data Ingestion



Machine Learning



[Forgot your password?](#)

Log in

OR



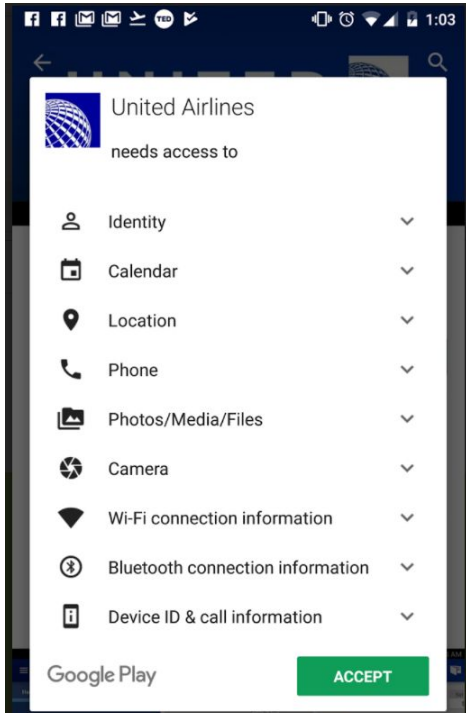
Continue with Facebook



Continue with Google

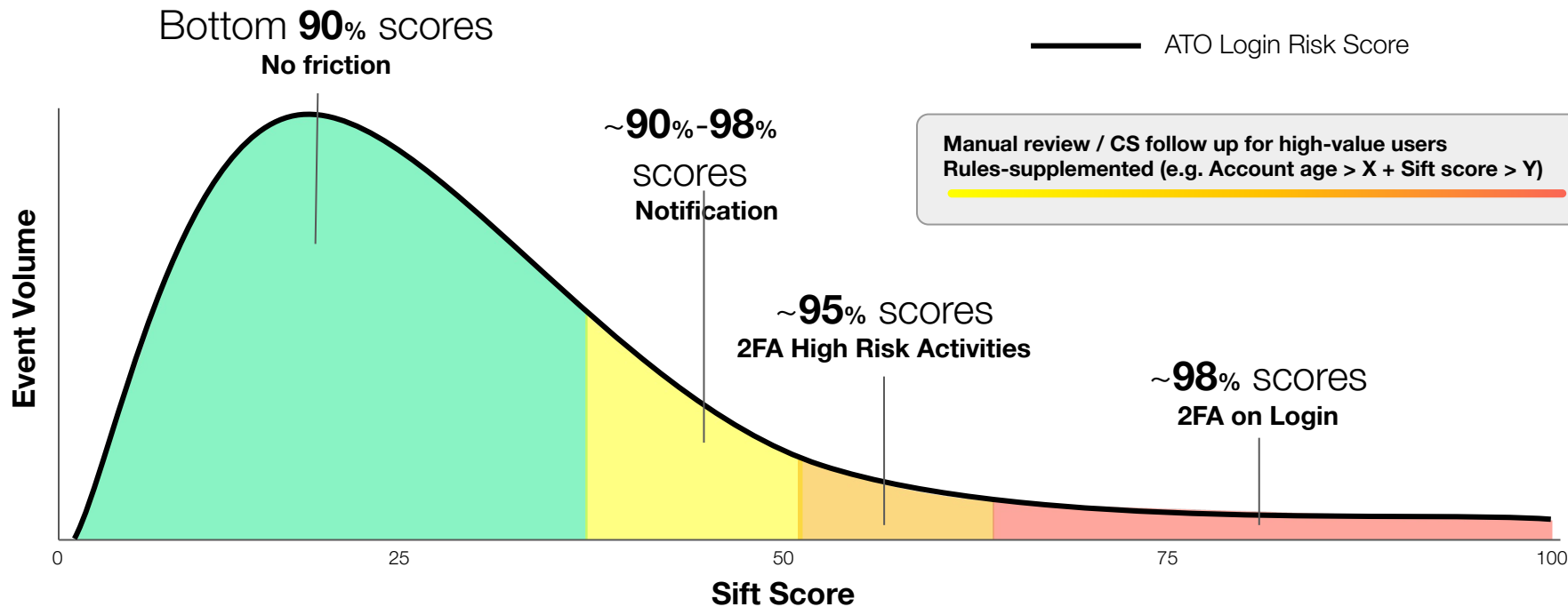


High-Volume Digestible Data Ingestion



- name
- address
- phone number
- email address
- date of birth
- identification information
- personal preferences
- payment card information
- purchase and ordering information
- demographic information
- location information
- navigational information
- transactional information
- device information
- audio and video information
- cookies
- web beacons

Dynamic Friction





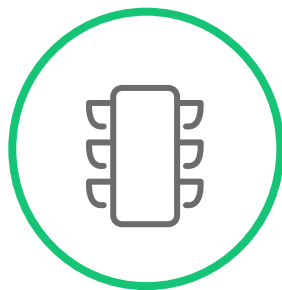
Analyst Tools and Feedback



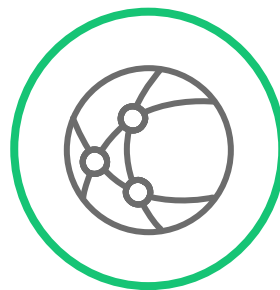
User Story
(session
history)



Single
Dashboard



Signals
(positive,
negative,
neutral)



Network
View
(shared
variables)



Ability to
Take Action

How to Win at Scale



Reporting



Analyst Tools and Feedback



Workflow and Rules Automation



Machine Learning



High-Volume Digestible Data Ingestion



ESTÉE LAUDER



Questions?



The RealReal



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ChristianDior