

# Solution Brief: Make Gaming and Gambling Safer by Improving Fraud Prevention and Regulatory Compliance

## Business Benefits

- **Reduce operational risk** by detecting and preventing fraud and tackling bonus abuse
- **Improve customer experience** for trusted users by employing an orchestrated risk-based approach to player onboarding, helping to reduce drop-outs
- **Keep customers safe** through instant affordability checks that enable a deeper understanding of a player's risk level
- **Enhance customer onboarding due diligence** with faster and more convenient identity, age and document verification
- **Gain visibility** of players' legitimacy in near real time, enabling operators and regulators with the tools necessary to ensure robust player protection
- **Monitor gaming and gambling behavior** to encourage safe transactions and identify early signs of potential player vulnerability
- **Seamlessly connect** to leading data sources and technologies to verify bank accounts and monitor transactions using our orchestration technology
- **Harness the power of global shared intelligence** through LexisNexis® Digital Identity Network® and access data from billions of annual transactions across diverse industries



## Business Challenges

### Increased Competition

The global gambling industry is growing and it is expected to reach \$674.7 billion in 2025.<sup>1</sup> In a competitive market where customers have an increasingly varied array of options, gaming and gambling operators need to streamline their onboarding processes to speed up customer acquisition. More confident risk decisions can be made by embracing identity verification technology that leverages advanced data and behavioral biometrics.

### Regulatory Compliance in New Markets

Worldwide, more countries are taking steps to legalize and regulate online gambling.<sup>2</sup> Operators looking to expand and acquire customers in new markets need to implement robust identity verification processes and monitor the implementation of regulated rules—all without unnecessarily disrupting the onboarding process for legitimate customers.

### Customer Loyalty

Almost two in three customers across the globe are likely to switch companies for a better digital experience.<sup>3</sup> To offer customers the positive, enjoyable experience they expect, gaming and gambling operators need to streamline the customer journey, from validating identities quickly and efficiently at login to ensuring transactions are as convenient as possible and that trusted customers can withdraw their funds smoothly and safely.

### New Payment Method Trends

Rapid adoption of digital channels, mobile apps and alternative payment methods is increasing among customers.<sup>4</sup> Operators facilitating cryptocurrency payments and making alternative payment options, such as digital wallets and QR codes, available to their players need to assess the fraud risks associated with each payment type.

## Fraud Patterns in the Gaming and Gambling Industry

Fraud can have serious consequences for gaming and gambling operators that go beyond financial losses, including loss of customers, legal issues due to compliance violations and reputational damage. Common types of fraud attacks targeting the gaming and gambling industry include:



### Account Takeover

Fraudsters know players might leave funds in their accounts for future bets. If an account takeover attempt is successful, fraudsters can withdraw the victim's money to their preferred account, make unauthorized bets, attempt to breach other accounts or sell the compromised details.



### Bonus Abuse

Promotional schemes offering bonuses, risk-free bets or free tokens designed to acquire customers are also targeted by fraudsters. Fraudsters aim to take advantage of these promotions by creating multiple accounts with fake or stolen identities to claim the offer.



### Payment Fraud

Fraudsters can also attempt to use stolen cards or payment credentials for money laundering and illegal activities via gaming and gambling companies. They make unauthorized payments to place bets or top up money to play online games by leveraging stolen payment details. The abuse of cryptocurrency by fraudsters is also increasing, adding another fraud challenge in the payment space.



### Multi-accounting

Creating multiple accounts is a means for the opportunistic to place multiple bets with the same company under different identities. Customers who have previously been blocked sometimes attempt to reengage in play by opening new accounts with stolen, spoofed or borrowed credentials.

Human-initiated attacks targeting gaming and gambling operators via desktop have risen significantly, with rates increasing by 51% in 2022 vs 2021.<sup>5</sup>



## Detect and Mitigate Gaming and Gambling Fraud while Prioritizing Positive Customer Experiences

LexisNexis® Risk Solutions supports customers prioritizing responsible gaming and gambling requirements with a range of risk-based and strong customer authentication strategies that enable global gaming businesses to:



Monitor player behavior and transactions to identify if intervention is required



Store and collate activity and decisions made into a single audit trail for regulatory purposes



Automate document requests and use affordability assessments to gain insight into a player's ability to afford their bets



Gain a single view of a player across brands within a group-wide consortium

## Leverage Robust Fraud Prevention Capabilities



## LexisNexis® Risk Solutions Offers Award Winning Solutions



For more information on our award-winning fraud and identity solutions visit: [risk.lexisnexis.com](https://risk.lexisnexis.com)



### About LexisNexis Risk Solutions

LexisNexis® Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare, and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit [www.risk.lexisnexis.com](https://www.risk.lexisnexis.com) and [www.relx.com](https://www.relx.com).

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<sup>1</sup> [www.prnewswire.com/news-releases/global-gambling-market-report-2021-market-to-grow-from-465-76-billion-in-2020-to-516-03-billion-in-2021---forecast-to-2030--301224701.html](https://www.prnewswire.com/news-releases/global-gambling-market-report-2021-market-to-grow-from-465-76-billion-in-2020-to-516-03-billion-in-2021---forecast-to-2030--301224701.html)

<sup>2</sup> [igamingbusiness.com/company-news/slotegrator-reviews-the-worldwide-trend-of-gambling-legislation](https://igamingbusiness.com/company-news/slotegrator-reviews-the-worldwide-trend-of-gambling-legislation)

<sup>3</sup> TransUnion's 2022 Global Digital Fraud Trends Report pg. 7

<sup>4</sup> LexisNexis® Risk Solutions 2022 Global State of Fraud and Identity Report

<sup>5</sup> Data from the LexisNexis® Digital Identity Network®