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The impact of cyber scams on **trust in digital payments**

Insights from a global survey



Foreword by Sean Ringsted

The global digital payments landscape continues to be transformed, driven by rapid technological advancements and evolving consumer attitudes, preferences and behaviors. Globally, the projected transaction value of digital payments reached an astounding \$11.6 trillion in 2024 and is expected to grow to \$16.6 trillion by 2028, underscoring the magnitude of this seismic shift.¹

And some regions are developing faster than others. Nowhere is the digital transformation happening more quickly than in Southeast Asia, which continues to witness rapid growth in digital payments, driven by factors such as increasing smartphone penetration and the rise of e-commerce. According to a report by Google, Temasek and Bain & Company, digital payments in Southeast Asia are expected to reach \$1.5 trillion in gross transaction value by 2025.² Looking further north in the Asia-Pacific region, mobile payments are now nearly ubiquitous in China, with Alipay and WeChat Pay dominating the market. In 2023, mobile payments accounted for over 80% of all online payment transactions in China, according to CTMfile.³ In the US, the number of noncash payments, excluding checks, has increased more than 500% between 2000 and 2021, according to the Federal Reserve System, while the number of checks written has decreased by nearly 75% in the same period.⁴

As a result of this changing landscape in all regions globally, the convenience, speed and accessibility of digital payments have made them an integral part of our daily lives, revolutionizing the way we transact and interact with businesses, and each other, worldwide. By 2027, the “frictionless advantage” of digital wallets are projected to help account for more than \$25 trillion in global transaction value, or 49% of all sales online and at POS combined.⁵ Digital payments can also play a crucial role in increasing financial inclusion by providing accessible and affordable financial services to individuals and businesses that are underserved or excluded from the traditional banking system. According to the World Bank’s Global Findex database, the global share of adults with a bank account has increased substantially, with digital payments playing a significant role in this growth.⁶

1. Statista Market Insights, 2024
2. Google, Temasek, and Bain & Company, 2023
3. CTMfile, 2023
4. The Federal Reserve Payments Study, 2022
5. Worldpay Global Payments Report, 2023
6. The Global Findex Database, 2021

However, as the digital payments ecosystem expands, so do the associated risks. Cyber criminals are becoming increasingly sophisticated, exploiting vulnerabilities in the system to perpetrate scams and fraudulent activities. The financial losses incurred by individuals and businesses due to these malicious acts are substantial and continue to rise. This Chubb report and its survey findings highlight the pervasive nature of cyber scams, with nearly two-thirds of respondents stating that they either have been or know a scam victim. The impact of these scams extends beyond financial losses, eroding trust in digital payment platforms and hindering their wider adoption.

In this dynamic environment, insurance plays a pivotal role in fostering trust and enabling the continued growth of the digital payments ecosystem. By providing protection against financial losses resulting from cyber scams, technology malfunctions and data breaches, insurance empowers individuals and businesses to embrace digital payments with confidence. The survey results clearly demonstrate the positive impact of insurance on trust, with three-quarters of consumers indicating that insurance protection would significantly boost their confidence in digital payment technologies.

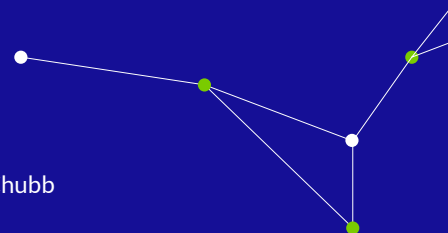
At Chubb, we recognize the critical importance of insurance in supporting the digital payments transformation. We are committed to developing innovative insurance solutions that address the changing risks faced by individuals and businesses in the digital realm. Our goal is to provide comprehensive protection that enables our customers to transact securely and confidently in the digital age.

As the digital payments landscape continues to develop and adapt, collaboration among all stakeholders is essential. Financial institutions, merchants, insurance companies and government regulators must work together to create a secure and trustworthy environment for digital transactions. By fostering a mindset focused on awareness, vigilance and protection, we can ensure that the benefits of digital payments are accessible to all while mitigating the associated risks.

The future of digital payments is bright, and insurance will help play a crucial role in shaping its trajectory. At Chubb, we are proud to be at the forefront of this transformation, providing the protection and peace of mind needed to navigate the complexities of the digital world.

A stylized, handwritten signature of Sean Ringsted in white ink.

Sean Ringsted
Chief Digital Business Officer, Chubb

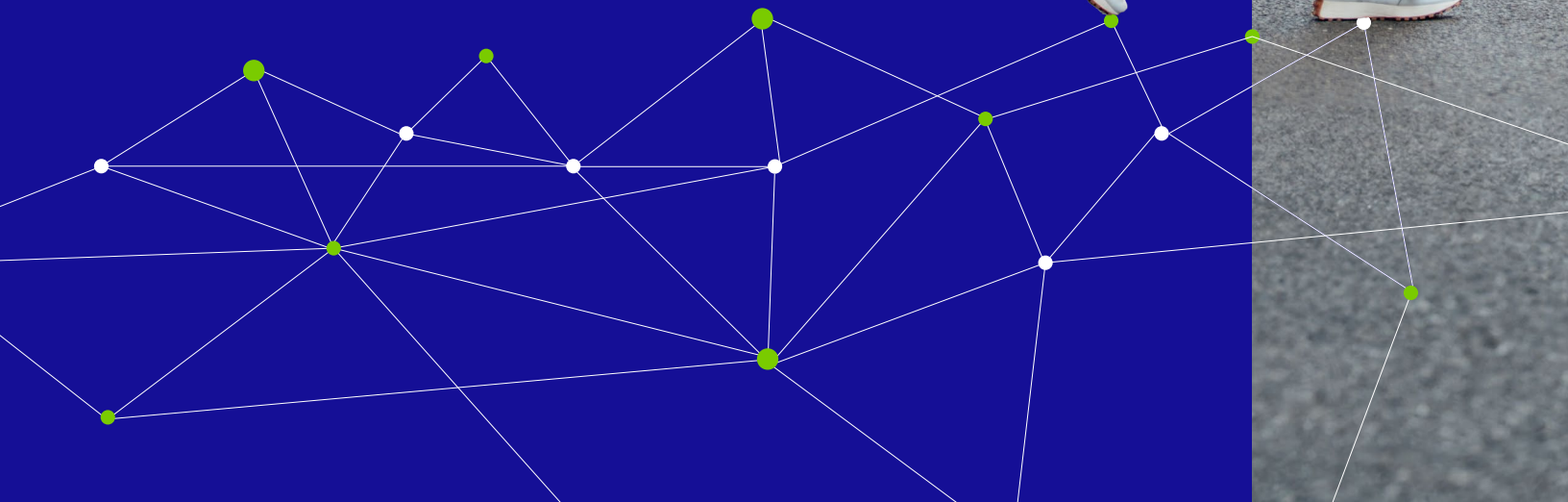


Introduction

In an era when digital transactions are becoming a cornerstone of global commerce, trust in digital payment systems is crucial.

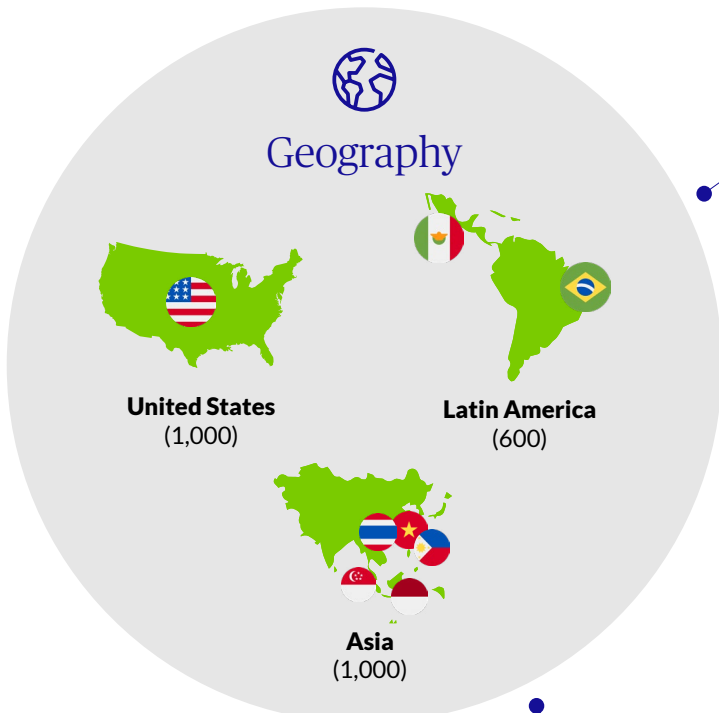
Chubb's latest survey report finds that the landscape of digital payments is fraught with trust issues—such as those arising from cyber scams—that significantly impact their usage.

The report points to the importance of an ecosystem-based approach to risk mitigation, including the offering of insurance protection, for alleviating these concerns and driving greater adoption.

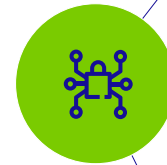


About the survey

Chubb commissioned Opinium, a global research and strategic insights agency, to administer a global survey of digital payment users.



Types of cyber scams tested



Phishing / Vishing

Scammers pretend to be a trustworthy entity, such as a bank or payment platform, to trick you into revealing sensitive information like your passwords and account details.

Fake apps

Scammers create fake peer-to-peer payment apps that are then uploaded to app stores or directly distributed to users.

Deepfake scams

Scammers use a digitally recreated image or video of a person to convince someone to send them money.

'Accidental' transfers

Someone claims to have mistakenly sent money to your payment account and asks you to return it.

Impersonation scams

Scammers trick you into believing you're dealing with a trusted entity, like your bank or a P2P platform. They'll instruct you to send money, often to "verify" your account or "reverse" a transaction.

Fake product or services purchases

Scammers pose as legitimate sellers and request payment via a P2P app and then vanish, leaving you without the item or service you paid for.

Work-from-home scams

Your new "employer" instructs you to send money to someone else via a P2P service.

'Hi mom' scams

For example, a scammer poses as a family member requesting an urgent payment to be made.

Gift card scams

For example, a scammer impersonates one of your email or phone contacts to ask you to buy a gift card for them as a favor.



Key findings at a glance

Payment providers must close a trust gap

The survey finds that while global users generally trust digital payment technologies, nearly two-thirds do not *fully* trust them. Substantial percentages of respondents did not express trust in digital payments in terms of the adequacy of customer support (36%), security (32%) and confidentiality (29%).

Everyone is vulnerable to cyber scams

According to the survey, cyber scams are a major driver of security concerns. Nearly two-thirds of respondents have been or know a scam victim. Phishing, impersonation and fake products or services are the most prevalent scams. Nobody is immune—education, income and employment, for example, do not matter.

Concerns about cyber scams affect usage

Across the globe, more than 60% of respondents indicate that they have altered their behavior or reduced their usage of digital payment platforms due to concerns about cyber scams or fraudulent activities.

Insurance could promote greater trust and adoption

Holding transaction insurance would significantly boost trust for three-quarters of consumers, especially when offered by providers with strong reputations. The highest proportion of consumers are willing to pay 6% or more of the transaction amount for insurance. Many respondents also see AI-driven technology solutions as a means to enhance payment security.



All participants in the digital payments ecosystem—including financial institutions, merchants, insurance companies and government regulators – should collaborate to close the trust gap. Although the challenges are fundamentally similar across the globe, participants must co-create solutions that address the unique pain points and value propositions in each region. A data-driven understanding of consumer segments is essential to inform these efforts.

Gabriel Lazaro
Head of Digital Business, Chubb Overseas General

The value and risks of digital payments are growing

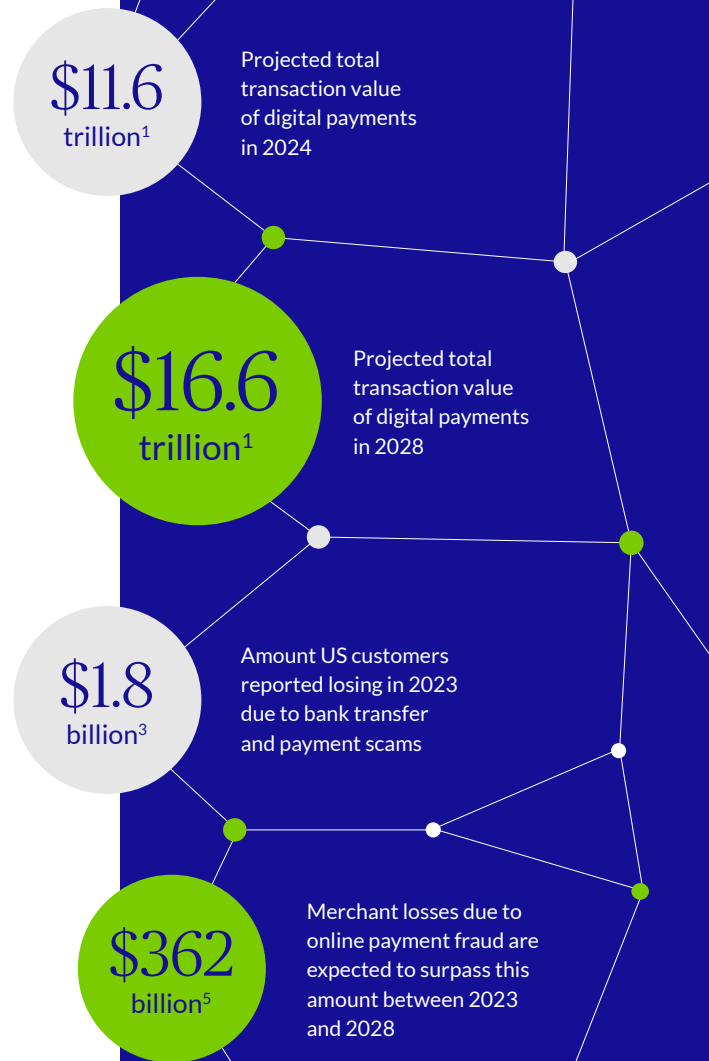
For many people, digital payments have become an integral part of daily life, enabling seamless transactions across the globe.

The total transaction value of digital payments is projected to be **\$11.6 trillion in 2024**. Continued transaction value growth is expected at a compound annual rate of 9.5% from 2024 through 2028, reaching **\$16.6 trillion**.¹

However, as reliance on these technologies grows, so does the prevalence of security breaches. For instance, data compromise incidents involving financial institutions increased by more than **330%** from 2019 to 2023.² In 2023, US consumers reported losing **\$1.8 billion** due to scams involving bank transfers and payments.³

In the US, the Electronic Fund Transfer Act requires banks to reimburse consumers for unauthorized transactions (for example, if an account is hacked) but not for authorized transactions (for example, if a scammer tricks the user into sending money). As a result, scam victims are often not reimbursed. The three largest banks that offer the Zelle payment network rejected scam disputes worth a total of approximately \$560 million from 2021 to 2023, according to an analysis by the US Senate Subcommittee on Investigations.⁴

Businesses are also feeling the financial pain. Juniper Research predicts that merchant losses due to online payment fraud will surpass **\$362 billion** globally between 2023 and 2028, with **\$91 billion** in losses anticipated in 2028 alone.⁵



1. Statista Market Insights, 2024
 2. Statista Market Insights, 2024
 3. Federal Trade Commission, 2024
 4. US Senate, Permanent Subcommittee on Investigations: "A Fast and Easy Way to Lose Money: Insufficient Consumer Protection on the Zelle Network," 2024.
 5. Juniper Research, 2023

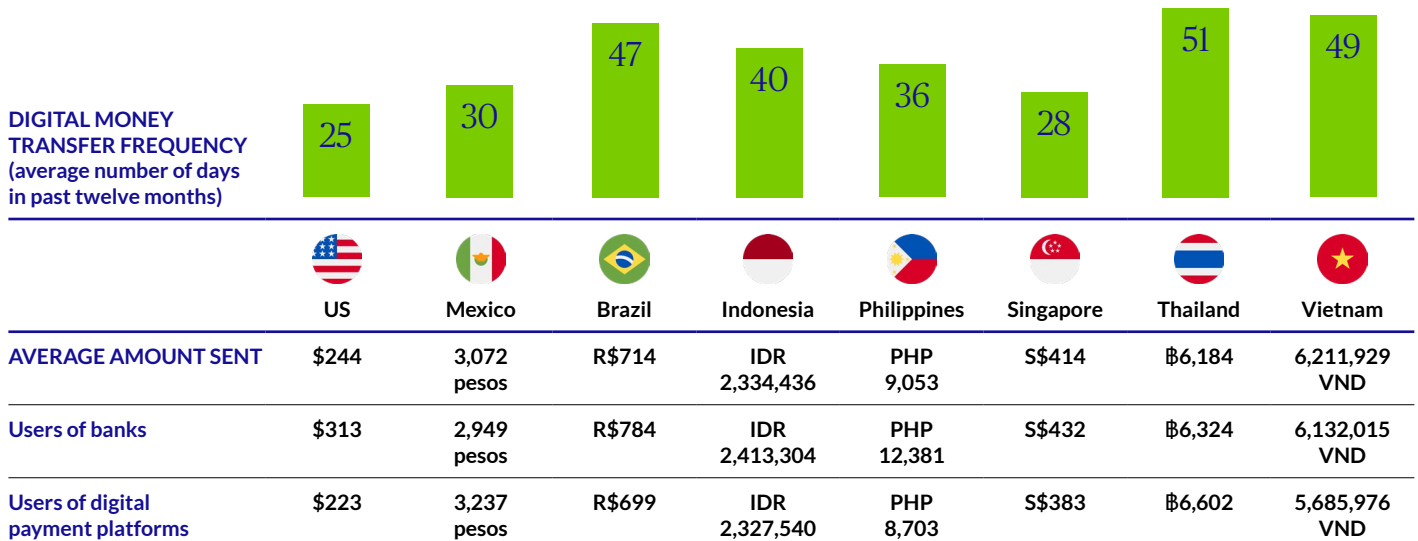
Digital payment behaviors vary by region

The survey found that in-country transfers are almost universal but that only a quarter of respondents have transferred money internationally. On average, global users send money digitally around three times per month.

Brazil, Thailand and Vietnam lead in the frequency of transfers, while the US, Mexico and Singapore trail. The amount of money sent is higher for bank transfer users (versus digital payment app users) across all markets, except for Mexico and Thailand.

Payment methods and providers are diverse

According to the survey responses, digital bank transfers are the most widely used payment method in Latin America and Asia. Mobile apps and wallets are the most popular transfer methods in the US; in Asia, however, QR codes are used by more than four-fifths (83%) and are nearly as popular as digital bank transfers in the region (84%). The most commonly used payment providers vary by region—for example, PayPal has the biggest usage share in the US and Mexico.

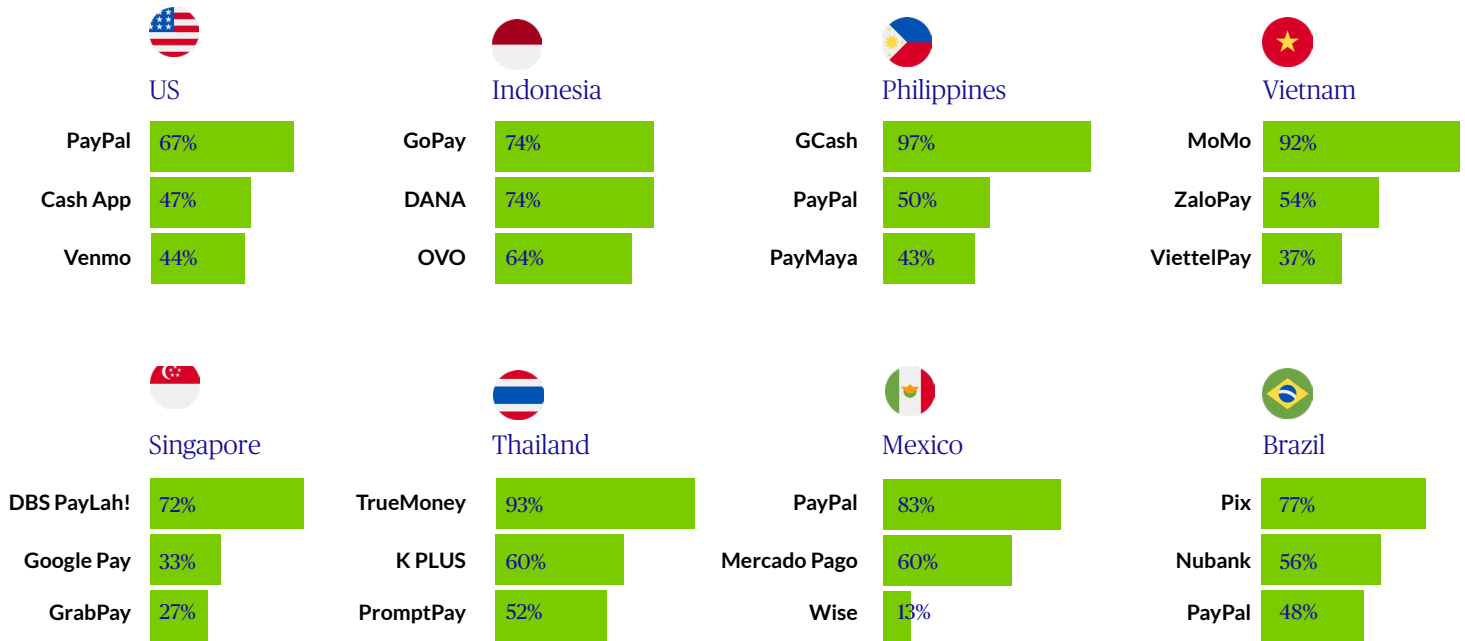


From the US perspective, the survey results suggest that some consumers have been lulled into a false sense of security around digital payments. To protect all consumers, key ecosystem participants—including financial institutions, merchants and insurers—should educate users about potential risks, including the diverse range of cyber scams, and emphasize protective measures, such as adopting secure digital practices, raising awareness of common pitfalls and utilizing various forms of available risk transfer products—like insurance. While no approach is foolproof, layering these measures will improve consumers’ risk profiles, ultimately benefiting financial institutions, merchants and insurers alike.

Robert Polisen
President, North America Digital Insurance, Chubb

Digital payment behaviors vary by region (cont.)

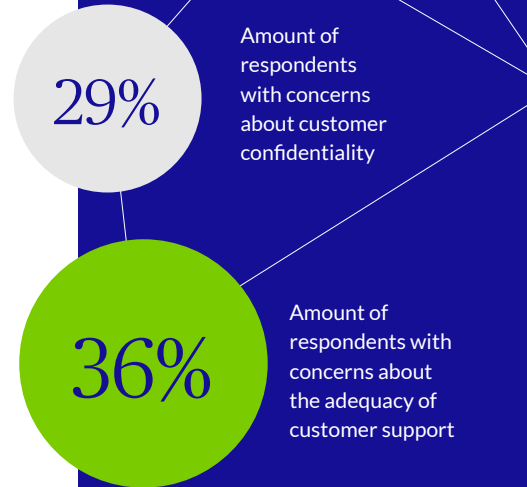
Top three digital payment platforms used by survey respondents to transfer money in the past 12 months



The paradox of use versus trust

Despite the widespread adoption of digital payment technologies, trust remains a significant hurdle. The survey reveals that while global users generally trust digital payment technologies, only one in three *fully* trusts them.

Although most respondents trust providers to ensure confidentiality and protection, many have doubts. Nearly one-third of respondents globally—and more than a third in the US and Latin America—lack confidence in providers’ security measures. Concerns about the adequacy of customer support (36%) and confidentiality (29%) are also among the main impediments to full trust.

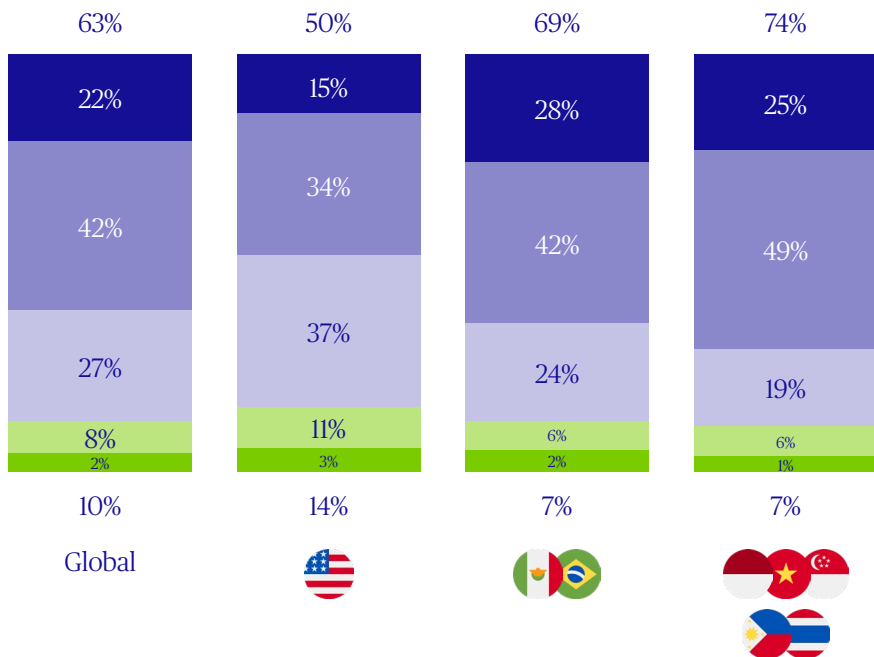


A data-driven understanding of consumer segments is essential to building trust and driving adoption of digital payments in Latin America. By recognizing the diverse needs and preferences of our users, we can develop targeted solutions that foster confidence and promote financial inclusion.

Rodrigo Valiente
Regional Vice President,
Head of Digital, Chubb
Latin America



Cyber scam concern levels when using digital technology to transfer money



Very to not concerned ● Very ● Quite ● A little ● Not particularly ● Not at all




The paradox of use versus trust (cont.)

To understand regional differences in trust, it is important to consider the evolution of payment systems. Many Asian markets, for example, leaptfrogged from cash to digital payments, skipping over the widespread adoption of credit and debit cards. Each market’s maturity with respect to economic development and regulations is also an important consideration. For instance, Singapore stands out among Asian markets for its maturity.

A leading barrier to fully trusting digital payment technologies is the possibility of being scammed. This is the number one barrier to trust for respondents in Latin America—cited by 54%, versus 44% in Asia and 43% in the US.

Recouping funds is also a concern. Globally, 39% of respondents do not agree that they would know what recourse to pursue if a payment fails to go through. This figure is higher than average for Latin American respondents (44%) and women globally (44%).

Biggest barriers against completely trusting digital payment technologies

	Global Data	 US	 LatAm	 Asia
The possibility of account being hacked	53%	55%	51%	51%
The possibility of a data breach	48%	50%	44%	47%
The possibility of being scammed*	46%	43%	54%	44%
If scammed, no way to get money back	37%	37%	33%	40%
If scammed, a lot of time/effort to get money back	37%	31%	36%	42%
Minor mistakes leading to sending money to the wrong person	36%	32%	31%	43%

* This is by far the top barrier (70%) among those who are permanent residents abroad without citizenship, though sample size is quite low (n=23)



It is crucial to ensure that cyber scams do not discourage Asian consumers from using digital payments. While traditional payment methods may seem safer, they often come with significant inconvenience and security risks. Access to digital payments is also essential for advancing financial inclusion in Asia, as well as promoting the region’s economic efficiency, competitiveness and growth.

Om A. Bhatia
Asia-Pacific Head, Digital Business, Chubb

A closer look at digital payment scams

Concerns about cyber scams are generally high across all regions, particularly in Asia. Concern is significantly higher in the Philippines, Singapore, Brazil and Indonesia than in other countries.

It is also higher among international transferers, weekly transferers, those who distrust digital payment technologies, those who conduct research when considering new digital payment providers, those who have altered their behavior due to cyber scam concerns and scam victims.

Crucially, the anxiety about scams is having a detrimental impact on the usage of digital payment platforms. Most respondents concerned about cyber scams indicate that they have altered their behavior or reduced their usage of certain platforms: 61% globally, 60% in the US, 56% in Latin America and 65% in Asia. Young people (67%), women (63%), international transferers (68%) and weekly transferers (63%) are more likely than average to alter their behavior.

Awareness of digital payment scams is relatively high. These scams are also among respondents' top concerns:



A closer look at digital payment scams (cont.)

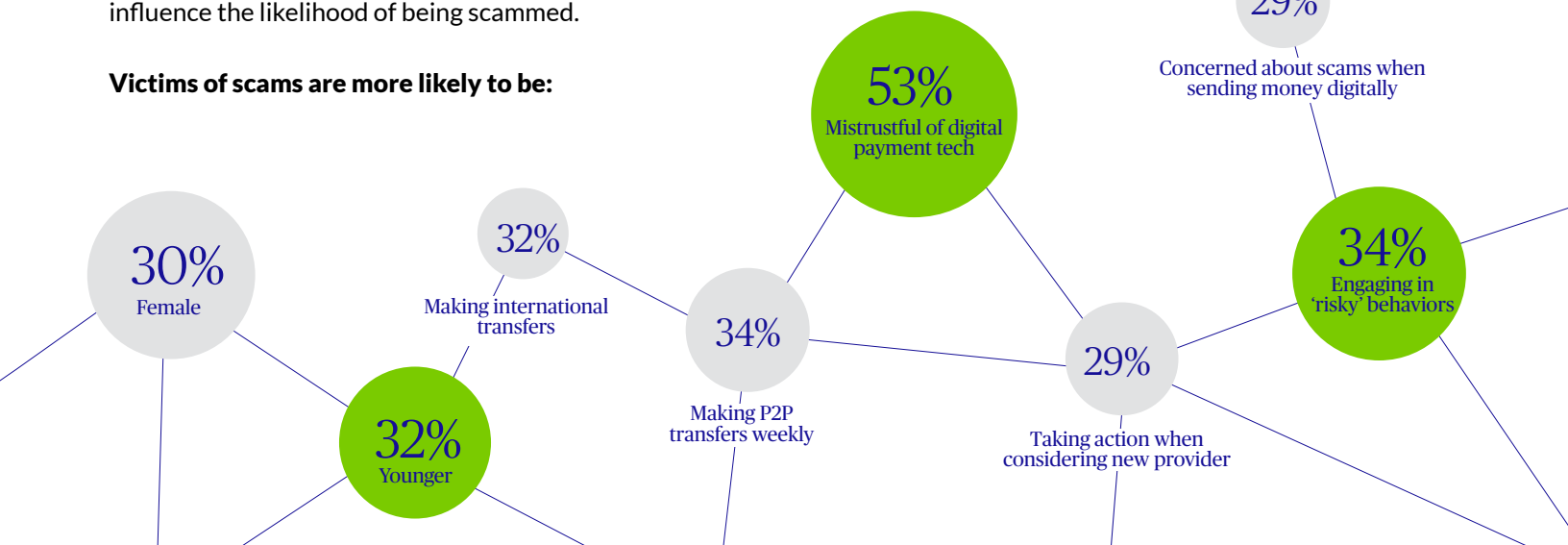
Awareness and concern in digital payment scams



The high levels of awareness and concern for phishing are justified: 29% of respondents report having been a victim or knowing a victim of phishing. This is followed by fake products or services (24%), impersonations (22%) and “Hi mom” scams (22%). Overall, 63% of respondents have been or know a scam victim.

Younger people, women and those making weekly or international transfers are the most susceptible to scams. Perhaps surprisingly, factors like education, income, citizenship, employment and relationship status do not significantly influence the likelihood of being scammed.

Victims of scams are more likely to be:



Spotlight on young and frequent users

Young people and international or weekly users are crucial consumers of digital payment platforms. Yet providers should not take them for granted. The survey findings point to potential risks—as well as opportunities—relating to these essential groups.

Younger people (age 18-34)

The younger people in our survey are major users of digital payments. They are more likely than average to have used platforms (89% versus 85%) and banks (78% versus 75%) for digital payments during the past 12 months. They also made digital transfers more often than average during this period (45 versus 34 times).

However, providers should not assume that this young cohort is irrevocably tethered to digital payment technology. More than two-thirds of younger people indicated they have altered their behavior or reduced their usage of digital payment platforms due to cyber scam concerns.

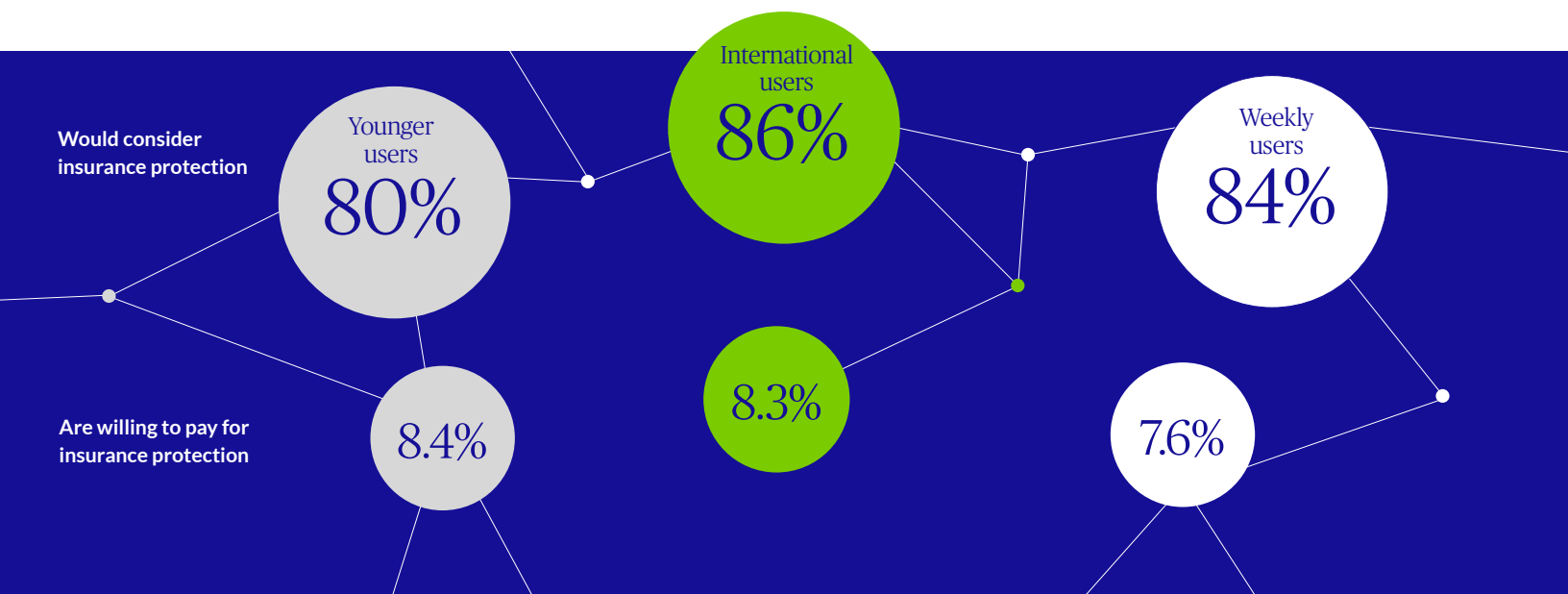
On the bright side, younger people are highly receptive to the idea of insurance.

International or weekly users

Respondents making international or weekly transfers are **highly likely to trust digital payment technologies (96% and 94%, respectively)**.

However, users in both groups are more concerned than average about being cyber scam victims when transferring money digitally. Their looming concern is validated by the fact that these two groups are among the likeliest to be susceptible to cyber scams—approximately one-third of respondents in each group have been victims.

At the same time, these groups are open to considering insurance to ease their concerns. In each group, approximately 80% of respondents would consider insurance protection. The willingness to pay for insurance among these groups (approximately 8.4% for international and 7.7% for weekly) is also higher than the overall average among respondents.



Insurance has a role

A significant portion of users believe – often mistakenly – that they are protected against losses in various scenarios, such as technology malfunctions or data breaches.

Younger respondents, frequent users and risky-behavior users could be more at risk of incorrectly believing they are automatically protected.

However, their actual usage of insurance is relatively low. It is less common as personal cyber scam or cyber fraud insurance (16% globally) than as payment protection insurance (23% globally). In Asia, usage is above average for both types of insurance (21% and 30%).

Is my money protected if it doesn't go through?
Comparing the confidence levels of different user groups in different scenarios

	Global total	Trust payment technologies	Heavy users of P2P transfers (weekly)	Engaged in risky behavior (e.g., rushed to make a purchase)	Been a victim of a scam	Age 18-34
If there is technology malfunction	64%	65%	65%	65%	66%	64%
If there is a data breach	56%	56%	55%	59%	58%	56%
If you are a victim of cyber scam or cyber fraud	46%	46%	49%	50%	52%	49%
If there is a user error (e.g. you send it to the wrong person)	45%	45%	52%	48%	49%	49%
Never	5%	4%	4%	4%	4%	4%
Don't know	11%	10%	7%	8%	7%	8%

Insurance has a role (cont.)

Even so, respondents would consider using both types of insurance.

Consideration is higher among international transferers, weekly transferers, those who conduct research when considering new digital payment providers, those who have altered their behavior due to cyber scam concerns, scam victims, those engaging in risky behavior and younger respondents.

The highest proportion of consumers are willing to pay 6% or more of the transaction amount for insurance. The average across all respondents is 7%. Respondents pointed to price, overall reputation and claims reputation as the most differentiating and essential features when purchasing insurance. The strength of claims reputation is particularly important in Asia.

The presence of transaction insurance plays a critical role in increasing users' trust in digital payment technologies. The survey found that holding transaction insurance significantly boosts trust for three-quarters of consumers. Given the low insurance usage figures (16% globally for personal cyber scam or cyber fraud insurance, 23% for payment protection), this gap suggests that a significant proportion of consumers without insurance would find it useful in addressing their digital payment distrust.



The well-designed integration of insurance offers into payment platforms is essential for success. Offers must be displayed in a way that is easy for consumers to understand and pay for. Simplifying the claims process is also critical.

Gabriel Lazaro

Head of Digital Business,
Chubb Overseas General

80%+

Transactional insurance has the greatest impact in Latin America, boosting trust for over 80% of respondents.



Recommendations

Participants in the digital payments ecosystem can take several actions to build trust and help consumers safeguard their transactions:



Offer protection

Educate consumers about the available options for protecting themselves from the consequences of scams, technology malfunctions, data breaches and other risks. Because many users mistakenly believe they are protected, the actual use of personal cyber scam or cyber fraud insurance is relatively low. The opportunity is significant, as the presence of transaction insurance significantly increases trust in digital payment technologies for many users.



Encourage caution

Remind consumers to only share personal information and disburse payments if they are sure that a request is legitimate. Encourage safe online practices and password security, and emphasize the importance of regularly updating software and anti-malware programs. Maintaining this cautious approach and staying vigilant is essential to avoid being victimized by cyber scams. Consumers need to be skeptical of unsolicited offers or requests.



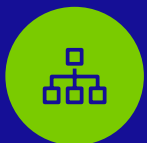
Raise awareness

Inform consumers about the latest types of scams and the common techniques employed by cyber criminals. For example, cyber criminals can skillfully gather information from social media profiles to conduct phishing attacks. Awareness goes a long way when trying to avoid potential threats.



Strengthen security

Adopt robust security measures, such as encryption, two-factor authentication and fraud detection systems to safeguard customer data. Regular security audits and updates to systems can also help ensure ongoing protection.



Share information

Collaborate and share information about emerging scams, known fraudsters and best practices in cybersecurity. This cooperation can help all parties stay ahead of increasingly sophisticated scamming techniques.



In the fight against cyber scams, personal cyber insurance and education serve as essential lines of defense for consumers transacting digitally. Heightened awareness of threats and scam types, combined with insurance protection for the unexpected, boost consumers' trust and confidence and enhance their financial resilience in the digital realm.

Camila Serna

EVP, Global Head of Digital Acceleration, Chubb

Conclusion

The use of digital payments continues to grow rapidly, becoming an integral part of everyday transactions across the globe.

The efficiency and convenience they offer have the potential to transform economies and drive financial inclusion. However, along with this rapid expansion and increasing importance comes the imperative to ensure that digital payment systems are trustworthy and secure.

Closing the gap to fully achieve trustworthy digital payments requires collaboration among all participants in the ecosystem, including financial institutions, merchants, insurance companies and government regulators. Promoting protection, caution, awareness, security and information-sharing will be crucial to staying ahead of emerging threats and maintaining consumer confidence. Through these collective efforts, ecosystem participants can foster a thriving digital payments landscape while safeguarding the interests of all users.

