



Preparing for the AI fraud era: building trust in the age of AI

IDENTITY AND FRAUD INSIGHTS FOR FINTECHS IN 2026



Fintechs are among the most digitally sophisticated financial services organizations, yet in our 2026 U.S. Identity and Fraud Report, they reported the highest level of fraud concern and increased exposure to emerging fraud threats. As fraud becomes more sophisticated and difficult to detect, the results show that fintechs are placing more emphasis on enabling AI-powered defenses while prioritizing friction-free customer experiences to stay ahead.

AI disruption

As AI advances, it enables fraudsters to quickly exploit digital channels at scale. Synthetic identities are created with the click of a button, scams are increasing in sophistication and account takeover tactics have become harder to detect. On the other end of the spectrum, organizations also realize that AI-enabled fraud solutions are becoming critical to keep pace. AI has become both a fraud threat and a fraud defense, and navigating this dichotomy will be critical moving forward.

Increasing consumer expectations

Consumers’ digital interactions and comfort with AI continue to increase, but their expectations of trust, security, and instant and seamless digital experiences stay the same. As consumers become more aware of fraud schemes and threats, especially around GenAI forgery, scams and more, they expect organizations to bear the burden of protecting their sensitive information. Trust is now the center point to consumer engagement, acquisition and retention.

In this report, we’ll cover how fintechs can prioritize the right fraud investments, enable the right balance of protection and customer experience, and prepare for new AI-era threats while continuing to provide the best customer experience.

ABOUT THE DATA

Unless attributed otherwise, data in this report comes from Experian’s 2026 U.S. Identity and Fraud survey, which includes responses from 2,075 U.S. consumers and 311 businesses (including 37 fintechs).

For an industry-agnostic breakdown of this year’s findings, see [Experian’s 2026 U.S. Identity and Fraud Report](#).



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CONSUMER DIGITAL BEHAVIOR IS EXPLODING

Consumers continue to shift their financial activities into digital ecosystems, creating a path for fraud to follow. Core online activities such as media consumption, email usage, bill payment and entertainment viewing have become near-universal behaviors, reinforcing how deeply digital channels are integrated into daily life. When asked which activities consumers typically conduct online, 68% responded that they use a peer-to-peer payment app, making it one of the top 5 uses across all online activities listed. In addition, 74% of consumers have used mobile wallets over the last year in response to their usage of online banking, lending and payment methods.

Consumer awareness of fraud tactics is increasing

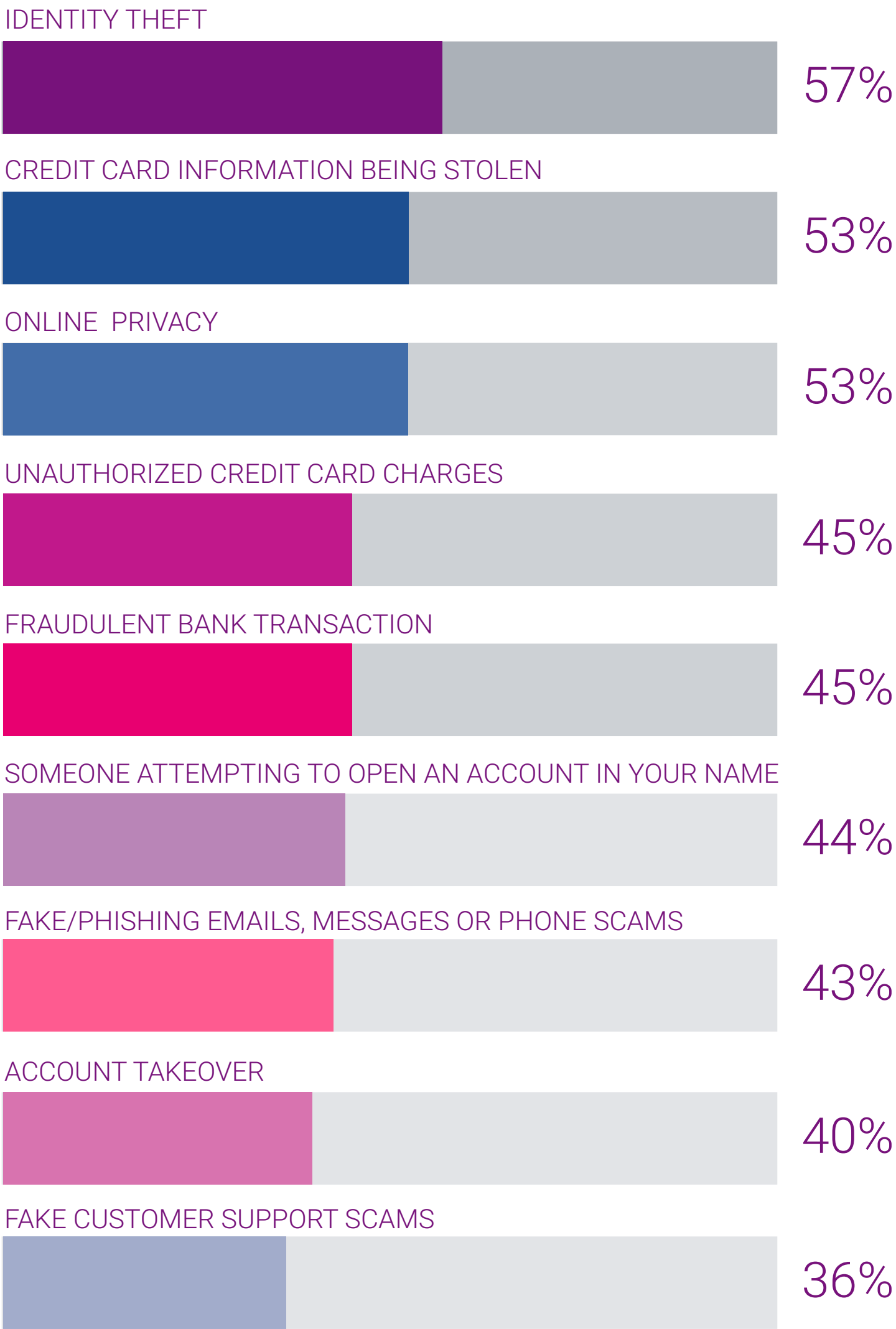
With increased digital interactions, specifically around banking activities, come rising concerns over security and protection of sensitive information. The top fraud concern consumers cited in the study was identity theft (57%), but in real-life situations, the most encountered fraud threat was phishing emails, texts or calls (26%). While identity theft continues to be the top concern, awareness of emerging fraud threats is also expanding.

Consumers are learning to navigate digital risk rather than avoid it. Despite ongoing concerns around fraud, scams and misuse of information, consumers continue engaging digitally by developing personal comfort thresholds and behavioral coping mechanisms.

Consumers are expecting seamless and secure experiences more than ever before

Even with the increased awareness of fraud and how difficult it can be to detect, consumers are expecting seamless and secure experiences more than ever before. 71% of consumers still believe it's important for businesses to accurately identify them online. However, this applies mostly to their first interaction with the institution. 46% of consumers become extremely or very trusting of a business when they're recognized without repeated authentication. Building consumer trust in our ever-increasing digital world will rely on organizations' ability to continuously identify consumers in a low-friction way.

Table 01: Currently, what are your specific concerns about conducting online activities?



THE TOP FRAUD THREATS FOR FINTECHS

Everyone can agree that fraud is rising. However, fintechs reported the highest levels of concern over fraud compared to every other industry surveyed. In addition, the survey also showed that fraud isn't slowing down, with 59% of fintechs reporting that fraud losses have changed significantly to somewhat more than the previous year.

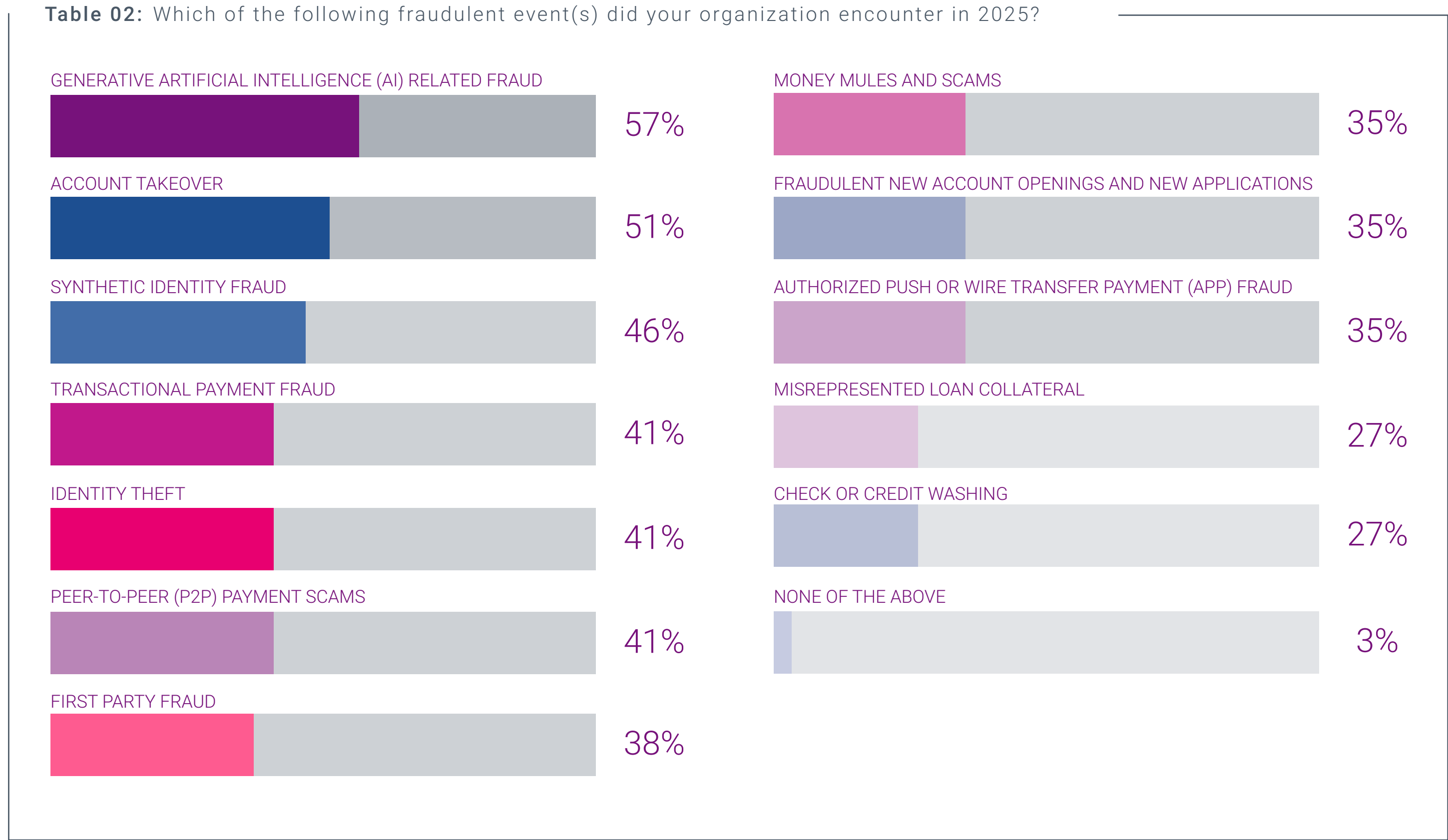
62%

of fintechs responded that they have a high level of concern over fraud.

Growing pressure on operational fraud systems

The top three operational challenges putting increased stress on fintechs are maintaining fraud-detection accuracy as AI models drift or degrade over time (51%), detecting and preventing GenAI fraud and/or deepfakes (38%), and detecting and preventing new account opening fraud (38%). As complexity and operational pressure continue to intensify over the next several years, staying one step ahead of these threats is critical.

Mitigating and staying ahead of fraud threats will always be a challenge, but minimizing costs is another top priority. 51% of fintechs reported that the cost of false declines over the past year has increased, and 32% reported that a legitimate transaction that's falsely declined is most costly to their business. Fintechs need a holistic solution in place that can properly identify consumers in digital channels. This ensures increased security and improves the customer experience while saving costs in a time when every dollar counts.



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THE IMPACTS OF RAPIDLY EXPANDING AI THREATS

Businesses and consumers recognize that AI-enabled fraud, deepfakes, impersonation, and automated deception are becoming increasingly realistic and difficult to detect.

How are consumers interacting with AI?

Consumer digital behavior is continuing to evolve, with more consumers becoming comfortable adopting AI over time. When asked what typical activities they conduct online, 48% responded they use an AI chatbot. AI-assisted purchasing adoption is strongest among higher-income (\$100,000+) and younger middle-aged consumers (25–54), while older consumers (55–69) remain the most resistant. However, when financial stakes increase, trust drops significantly. Consumers show openness toward newer digital tools and AI-enabled experiences when they deliver clear utility, but their enthusiasm remains tempered by concerns around accuracy, privacy and misuse.

40%

of consumers stated that human oversight would increase their comfort over businesses using AI to make decisions.



What concerns do consumers have around AI?

As consumer adoption of AI increases, they also express meaningful concerns across a growing range of online threats, including deepfakes, fake job scams, package delivery scams and AI-enabled fraud.

56% of consumers are extremely or very concerned about AI scams, with 60% reporting their highest awareness and concern is around AI-generated fake images/video, more than likely due to the growing amount of AI-generated content produced on social media. Concern patterns vary by demographic, but the breadth of issues cited suggests fraud awareness is expanding beyond traditional financial scams alone.

However, even with rising concerns, the top factor that would increase consumer comfort over businesses using AI to make decisions is human oversight, showing that the human element is still a valuable piece to the puzzle.

31%

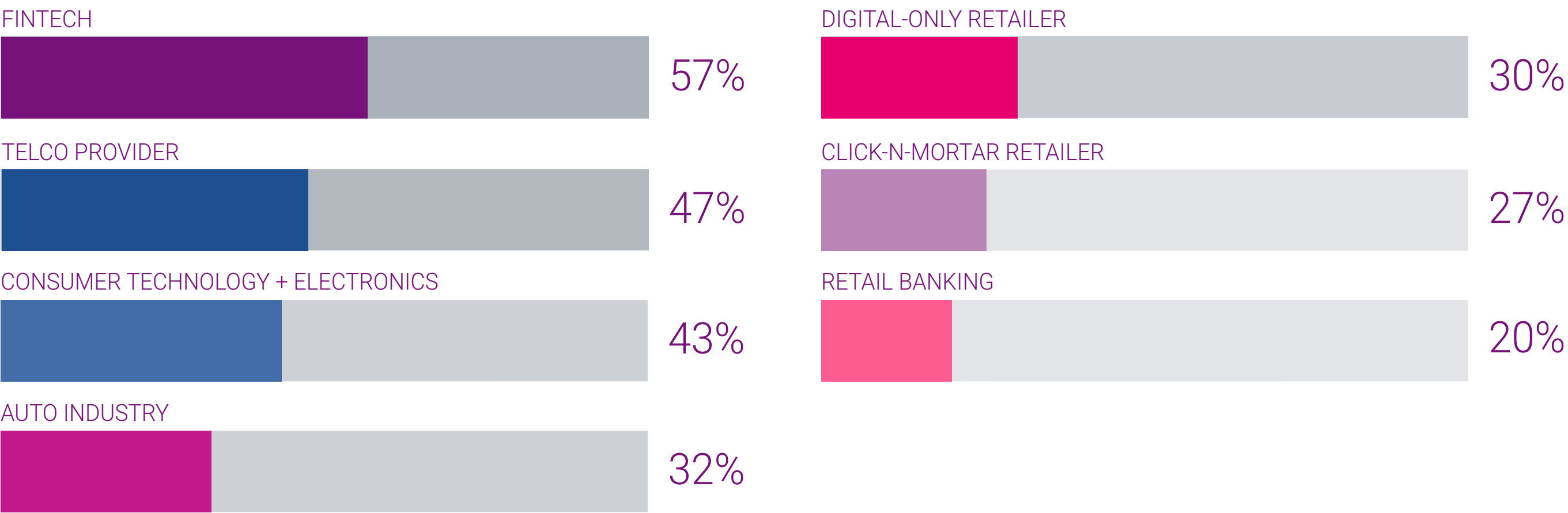
of consumers would allow an AI tool to complete a routine/repeat purchase on their behalf, but that number drops to

17%

for financial services purchases.



Table 03: Encountered GenAI related fraud in 2025



How is AI impacting fintechs?

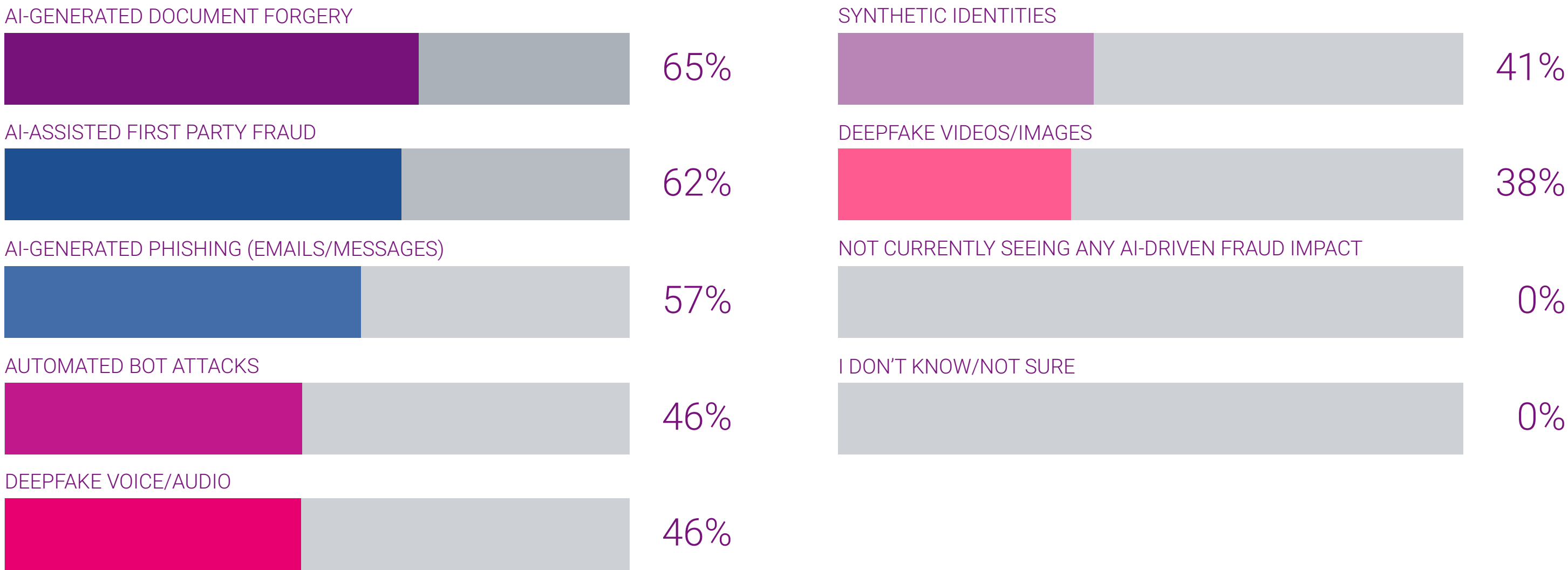
Fintechs are showing the highest level of concern over GenAI-related fraud compared to other industries, with many reporting some of the broadest exposure to advanced AI-driven threats.

57% of fintechs stated that GenAI-related fraud has impacted their business over the last year, compared to 34% across all other verticals.

When asked which AI threats were most common in 2025, the top responses from fintechs were AI-generated document forgery (65%), AI-assisted first-party fraud (62%), and AI-generated phishing emails and messages (57%).

From these results, it's clear: Fintechs are being hit by AI fraud threats more than other industries surveyed. How can they respond to mitigate these threats?

Table 04: Where's your organization seeing the greatest AI-enabled or AI-assisted fraud risk?



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THE SHIFT FROM REACTIVE TO PROACTIVE FRAUD PREVENTION

81%

of fintechs are planning to increase their fraud management budgets in 2026

Fintechs are actively responding to these emerging threats, with 81% planning to increase their fraud management budgets in 2026. They also realize that AI is simultaneously a fraud threat and fraud defense; it enables fraudsters to move faster and at scale but can also increase the speed at which fraud can be detected. As AI fraud threats advance, manual processes can no longer handle the pace of fraud, making automation and early detection crucial.

Fintechs are accelerating AI adoption for fraud prevention, with 81% leveraging advanced AI in their current fraud management approach. The key solutions used include machine learning and limited GenAI experimentation (62%), AI-powered document forgery/deepfake detection solutions (35%), and production use of GenAI in fraud detection (32%). In addition, 89% are preparing proactively for risks posed by autonomous AI agents.

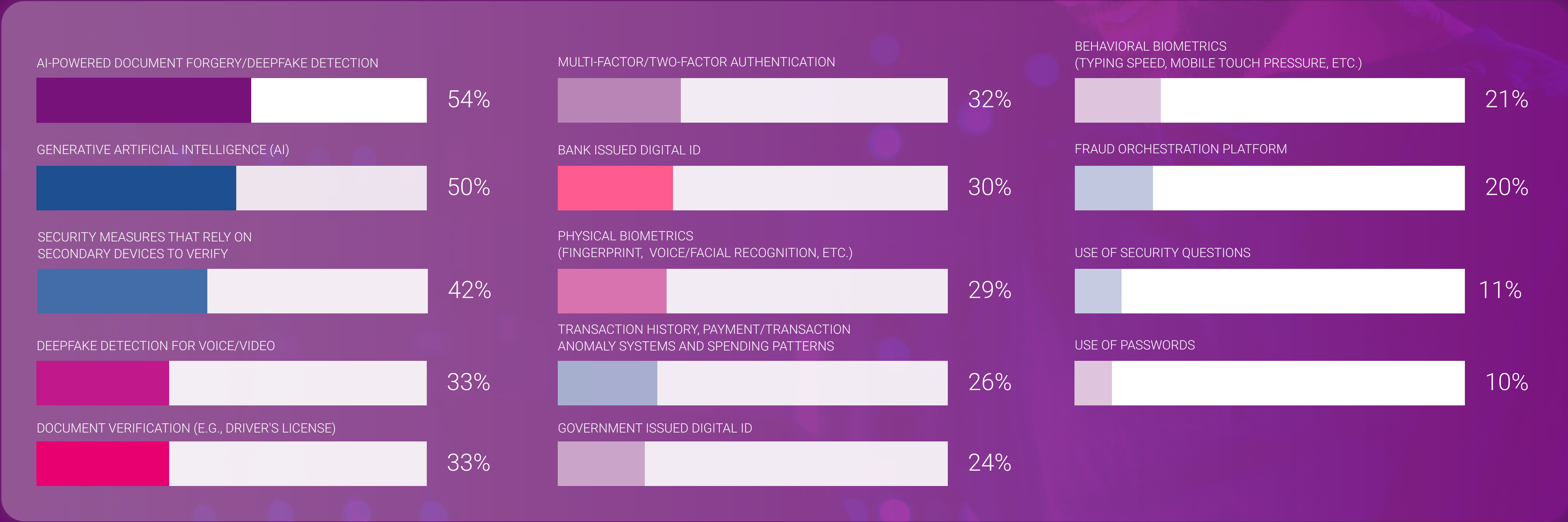
Key investments for fraud mitigation

Fintechs are at the forefront of investing in solutions that prevent AI-enabled fraud and deepfakes, giving them the upper hand in preventing fraud.

These key investments include GenAI intelligence (50%) and AI-powered document forgery and deepfake detection (54%), aligning with their main fraud concerns for 2026 and beyond.

As we look to the future, investing in solutions that prevent these hard-to-detect fraud threats is critical – and fintechs are leading the way.

Table 05: What solutions, if any, do you plan to add for detection and protection against fraud?



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THE BALANCING ACT OF PROTECTION VERSUS CUSTOMER EXPERIENCE

Delivering strong protection without making security feel heavier

As this new age of fraud emerges, it's important to recognize that overly restrictive controls can negatively affect customer engagement, conversion, loyalty and overall trust. Simultaneously, stronger fraud prevention is key to protecting customers' sensitive information and meeting revenue priorities. It's a consistent balancing act of security and customer experience that's critical to get right.

Consumers expect security to operate invisibly in the background, and across the consumer survey findings, seamlessness, speed and reduced friction are increasingly viewed as baseline expectations rather than differentiators.

Fintechs know that fraud prevention can't create friction that damages the customer experience, and it shows in this year's survey results. 95% of fintechs place either an extremely important or very important emphasis on reducing customer friction, and 92% place extraordinary importance on customer trust and security.

Seamless recognition, low-friction verification, and trusted digital interactions are central to long-term customer engagement. As fintech leaders move forward in stopping sophisticated fraud attacks, they must remember that reducing friction for their customers is becoming just as important as strengthening security.

92%

of fintechs place extraordinary importance on customer trust and security.



THE ACTION PLAN FOR FINTECH LEADERS

Businesses are rapidly transitioning toward more intelligence-driven and AI-enabled fraud ecosystems. AI, orchestration, behavioral analytics, network intelligence and layered fraud environments are increasingly replacing standalone and reactive fraud management approaches. Staying ahead will require the right combination of investments, prioritization and perseverance to succeed.

Modernize identity verification

When asked how much importance fintechs place on being able to recognize customers digitally, 30% answered extremely important and 59% responded very important. Consumers consistently signal that identity verification should feel fast, intuitive and minimally disruptive while still providing meaningful protection against fraud and misuse. Advanced authentication methods are gaining traction, with 83% of consumers feeling the most secure when encountering behavioral biometrics — ahead of physical biometrics (75%) and well ahead of passwords (63%). Digital customer recognition is a critical capability for secure and seamless customer engagement, and adding modern tools allows fintechs to recognize more consumers digitally and minimize risk from traditional and emerging fraud threats.

We're the industry's source of truth for identity verification. Our approach combines the most comprehensive data, identity element matching, identity risk scoring, email, phone and device intelligence, along with document verification to seamlessly identify customers in a low-friction way, while thwarting sophisticated fraud threats.

Create continuous, low-friction identity assurance

Organizations increasingly expect authentication and identity systems to operate intelligently in the background while balancing security, convenience and customer confidence. Customers are also expecting organizations to play a leading role in protecting them online. To combat these emerging threats while meeting customer expectations, fintechs need layered authentication strategies that combine traditional controls with AI-enabled capabilities.

Our comprehensive, multilayered solution works behind the scenes to continuously authenticate customers across the lifecycle, protecting the customer experience and minimizing risk to the organization. Our capabilities are brought together through a single API to protect against all types of fraud, reduce false positives, minimize manual reviews and more. Through our flexible platform, we intelligently combine our holistic set of capabilities to better recognize suspicious behaviors, uncover emerging fraud patterns and detect identity misuse for continuous identity assurance.

Prepare and invest for agentic AI and deepfake threats

Consumers are highly aware of online threats and fraud risks, yet many still feel vulnerable in digital environments where scams and attacks are perceived as increasingly sophisticated and difficult to detect. Results show that fintechs are being hit the hardest by GenAI fraud, with impacts already being felt across the board. To increase customer confidence and protect your business from these emerging threats, it's critical to have the right solutions in place.

Addressing and mitigating GenAI fraud requires more than traditional identity checks. It requires a comprehensive and cohesive framework that can effectively identify these difficult-to-detect threats while keeping the customer experience intact. Through our layered identity verification, comprehensive fraud detection, risk analytics and continuous monitoring, we can detect more deepfakes, synthetic identities and other threats to ensure only real users are verified, while keeping the customer experience seamless.

_THE FUTURE OF DIGITAL TRUST

The challenge moving forward will be delivering stronger protection without making security feel heavier. Both studies suggest the future of digital trust depends on businesses' ability to make security more intelligent, adaptive and minimally disruptive. The fintechs that win in the next decade won't be those that stop the most fraud. They'll be the ones that create the highest-confidence digital identity ecosystem.

To find out more about how we can help you stay ahead of these emerging threats, please visit us [here](#).

To access Experian's 2026 U.S. Identity and Fraud Report, click [here](#).