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Rippleshot Monthly Fraud Intelligence Report

Derived from Rippleshot’s Consortium Data

5,000+ Contributing Financial Institutions, 50M+ Daily Transactions

November 2025

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Introduction

Fraud reports typically spike during seasonal periods, and the past months have been no exception. As consumer spending patterns shifted in October, fraud activities moved with them, and attackers are doubling down on new loopholes. November's analysis report reveals where fraudsters concentrated their efforts, as the sectors that demand more attention.

For the November Report, three categories stand out as key seasonal risks:

- Telecom services (MCC 4814): Large increase standing at +42.54%
- Bicycle shops (MCC 5940): Massive spike at +108.48%
- Wholesale clubs (MCC 5300): Rising fraud rates at +23.26%

These categories show how fraudsters are adapting and finding creative avenues for exploitation, reinforcing the need for proactive detection and early intervention.

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Key overall insights

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Key insights

Telecom services are becoming the next prime fraud targets

There was a significant increase in fraud for the telecom sector (at +42.54%) despite flat spend. This pushed the fraud rate to 4.61 bps, suggesting that targeted attacks are becoming more common on prepaid and recurring telecom purchases, as channels that fraudtsers favor because they often bypass stricter merchant level controls.

Bicycle Shops fraud peaked at an unprecedented rate

Fraud in bicycle retail surged by 108.48%, even as spend declined nearly 5%. With a fraud rate of 26.69 bps, this category now ranks among the highest-risk concentrations in the dataset. The divergence between falling spend and rising fraud is characteristic of targeted campaigns focused on high-value, easily resold goods. This aligns with seasonal spikes in fraudulent card-not-present purchases of bicycles, e-bikes, and accessories during holiday demand.

Wholesale clubs are rising in bulk fraud attempts

Wholesale clubs saw a 23.26% rise in fraud, driven by higher transaction volumes and increased fraud attempts masked within bulk purchases. Fraud rate growth to 2.55 bps suggests attackers are exploiting the perception of these merchants as “safe,” using them for large gift card purchases, and bulk items that allow fraud to blend into normal spending behavior. This reinforces the need for merchant-specific monitoring during peak shopping periods.

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Rippleshot proprietary data

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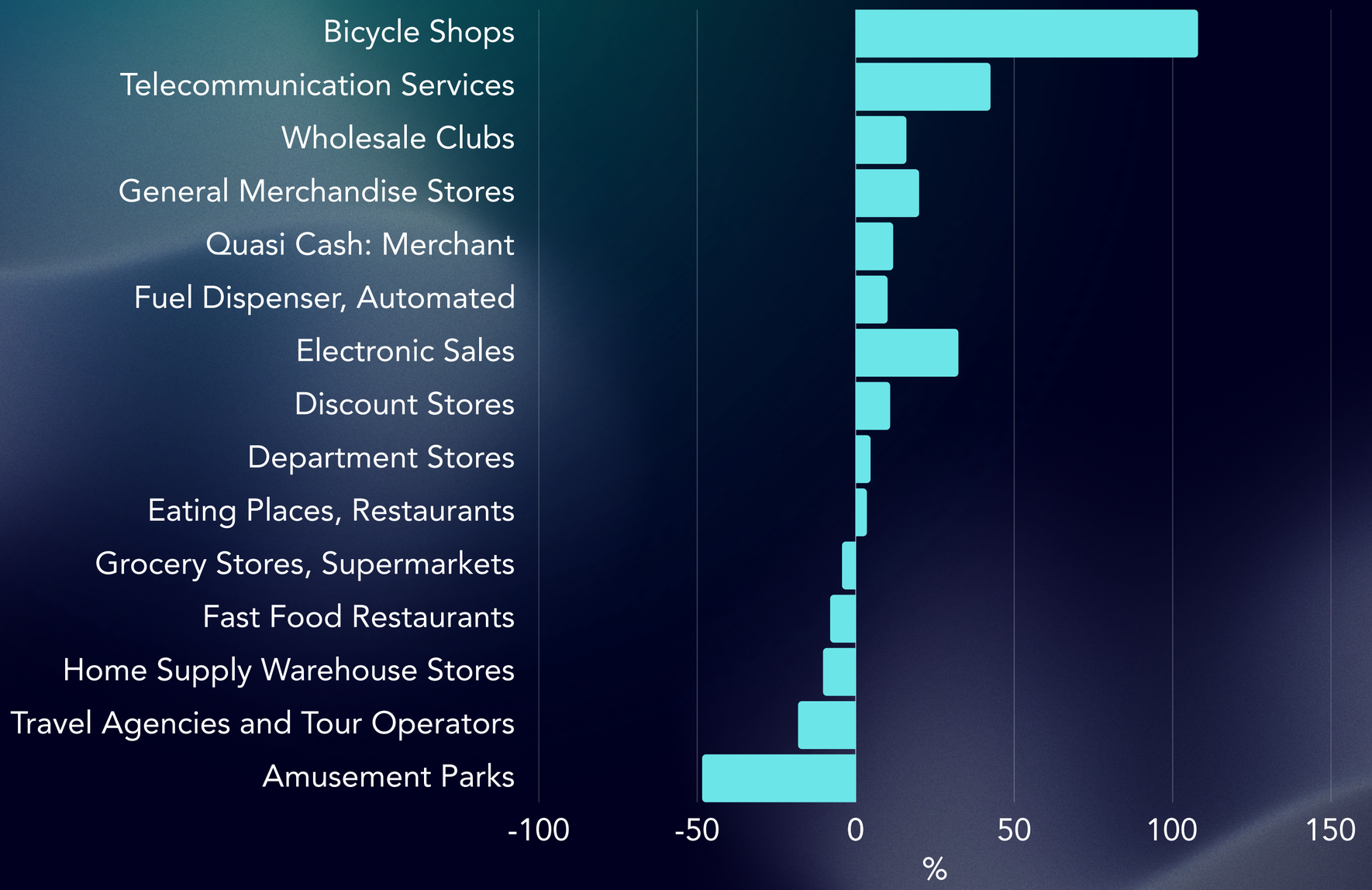
Data analysis: Fraud dollars change



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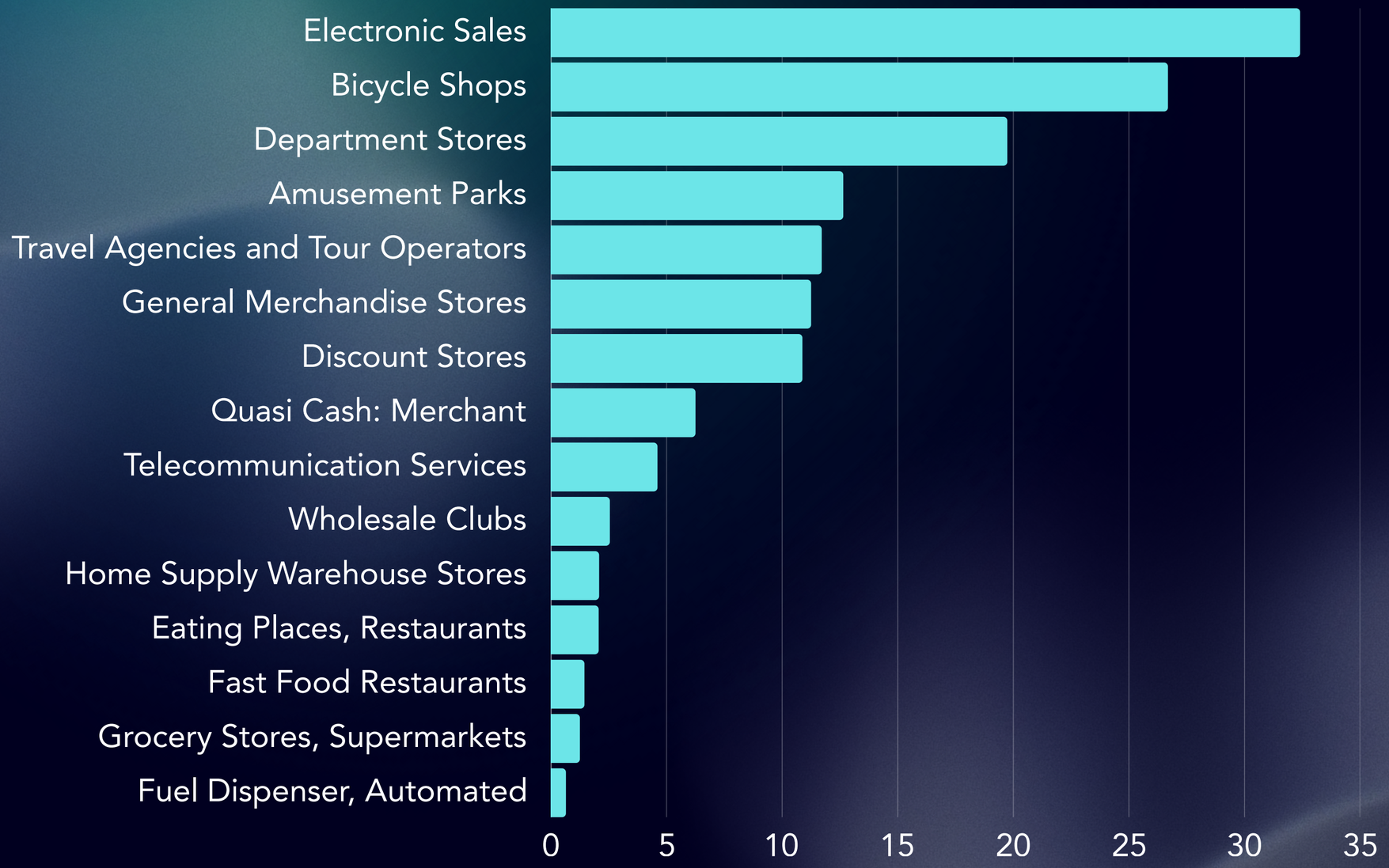
Data analysis: BPS of fraud



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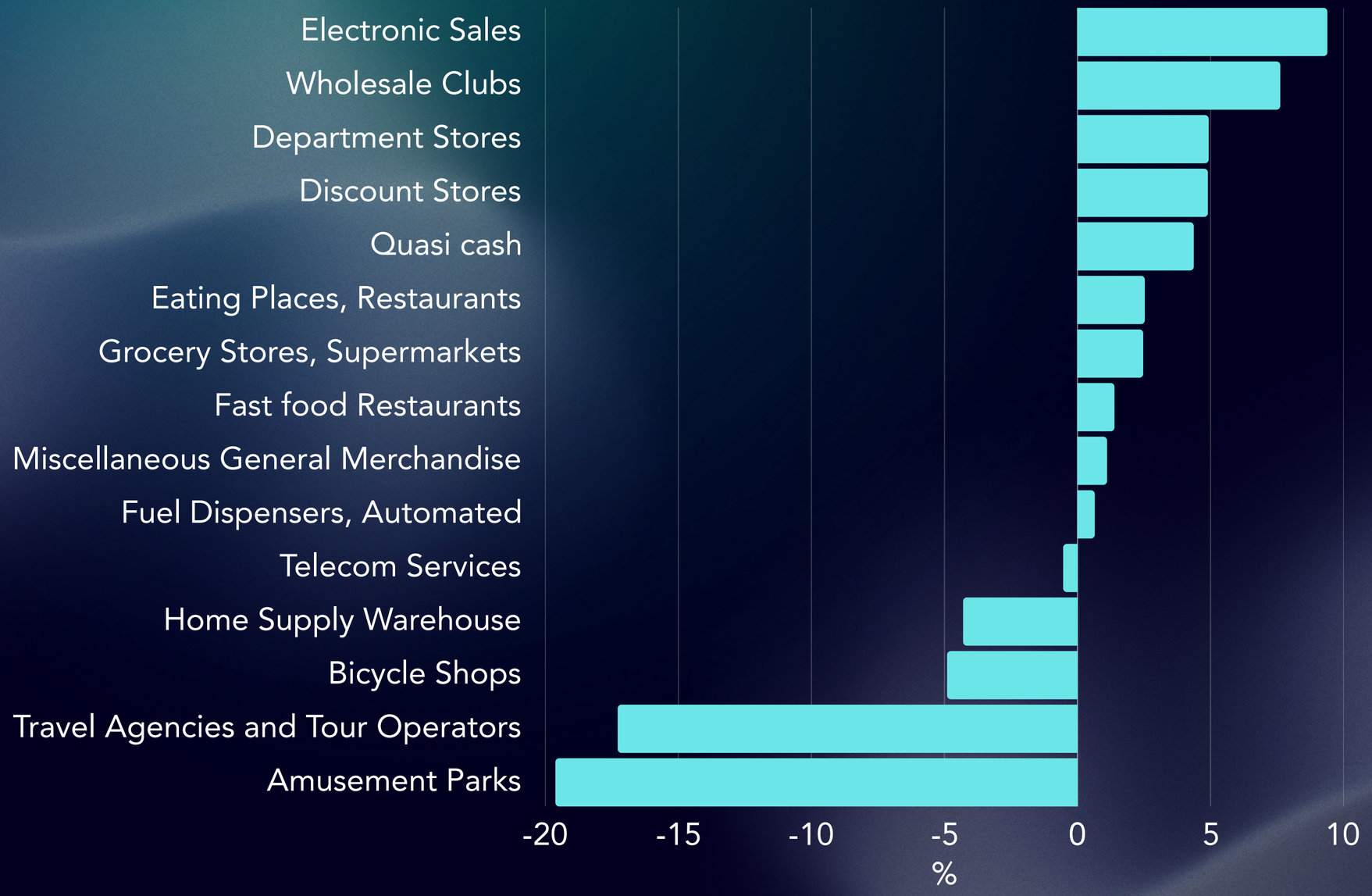
Data analysis: Change in authorized dollars



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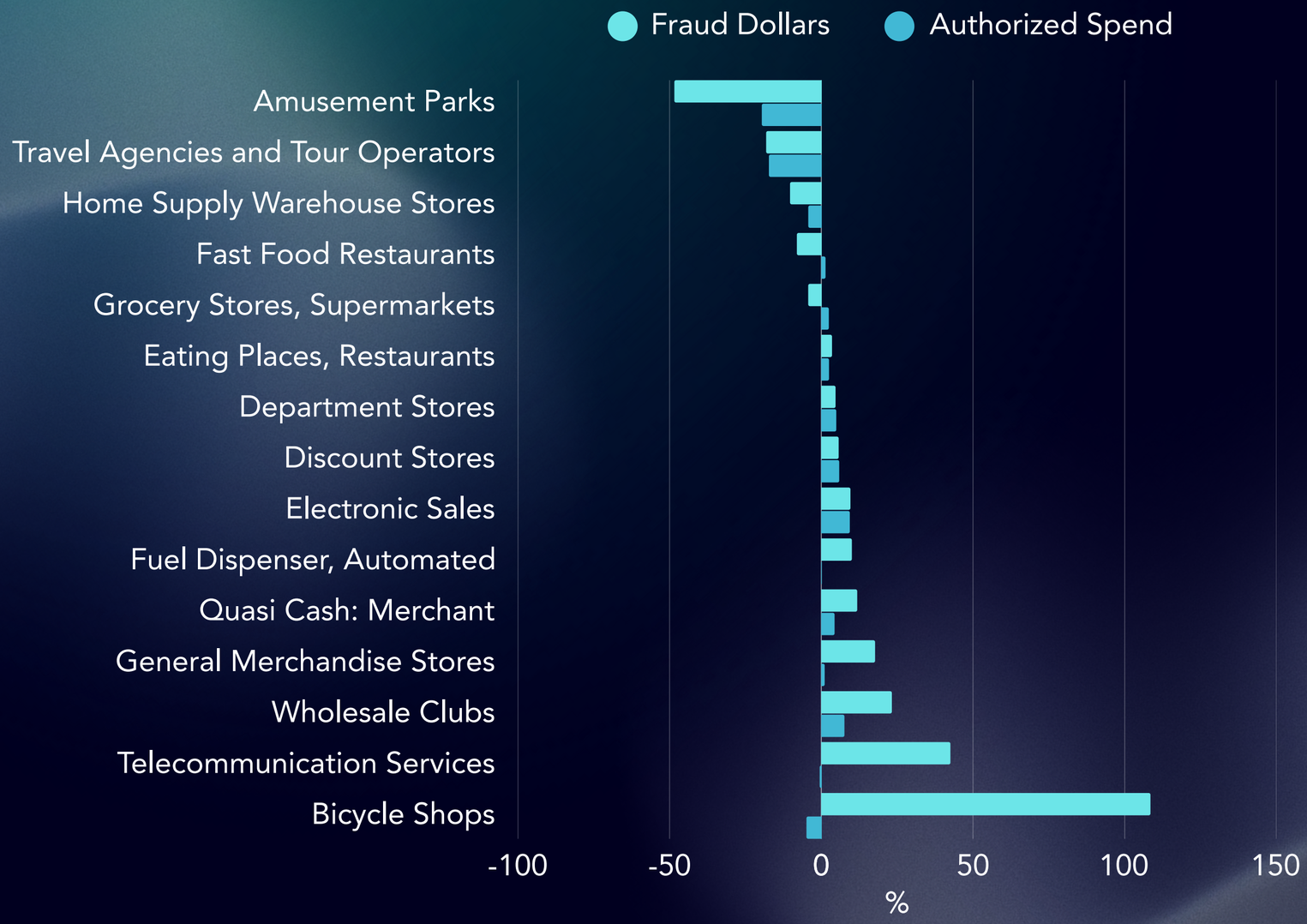
Data analysis: Relationship: Fraud dollars to authorized spend



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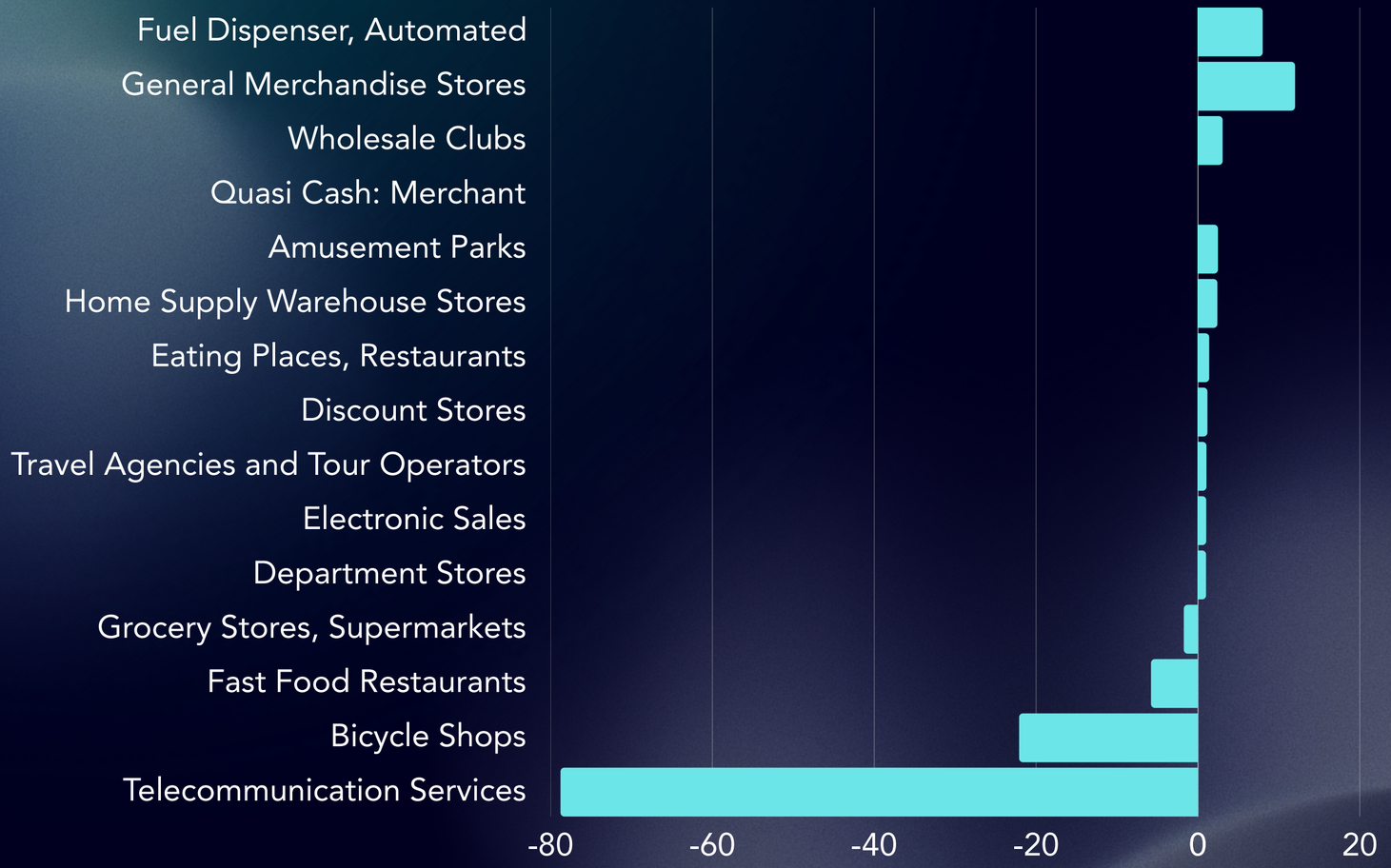
Data analysis: Relative Fraud Growth Index

Highlights how closely spend is linked to fraud, showing each MCC's vulnerability to fraudulent behavior.

Fraud Growth vs. Spend Growth

Ratio:

- $> 1 \rightarrow$ Fraud is growing faster than spending (bad).
- $< 1 \rightarrow$ Fraud is growing slower than spending (good).
- $< 0 \rightarrow$ Fraud is growing while spend is decreasing (or vice versa) $\rightarrow$ signal of unusual risk shift.



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Selected insights by category

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Telecommunication Services (MCC4814))

% Change in Fraud ↑ 42.54%

Fraud Rate (bps) 4.61

% Change in Spend ↑ -0.54%

ANALYSIS: SPENDING

Overall spend in telecom services remained nearly flat (–0.54%), indicating stable consumer demand. This minimal change shows that shifts in fraud are not being driven by higher transaction volumes.

ANALYSIS: FRAUD

Fraud increased sharply by 42.54%, significantly outpacing spend. The fraud rate rose to 4.61 bps, suggesting that fraudsters are strategically targeting telecom channels, particularly prepaid top-ups, recurring billing, and small-value authorizations that are not under stricter controls.

CONCLUSIONS

Fraud growth in this category is attack-driven rather than spend-driven. The combination of stable spend and rapidly rising fraud points to deliberate exploitation of telecom payment flows, making this a priority category for enhanced monitoring and early detection rules.

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Bicycle Shops: Sales and Services (MCC 5940)

% Change in Fraud
↑ 108.48%

Fraud Rate (bps) 26.69

% Change in Spend ↓ -4.91%

ANALYSIS: SPENDING

Spending declined by 4.91%, indicating a slowdown in consumer purchases for bicycles and related accessories during the period. Despite reduced customer activity, the category still displayed disproportionate fraud movement.

ANALYSIS: FRAUD

Fraud surged by 108.48%, more than doubling month over month. With a fraud rate of 26.69 bps, bicycle shops now exhibit one of the highest fraud concentrations in the dataset. This pattern is consistent with targeted card-not-present attacks against merchants selling high-value, easily resold items.

CONCLUSIONS

The sharp contrast between falling spend and massive fraud growth shows that this category is being aggressively targeted. It also reflects coordinated activity aimed at high-ticket goods, making this a high-risk vertical requiring immediate intervention and controls from institutions.

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Wholesale Clubs (5300)

% Change in Fraud ↑ 23.26%

Fraud Rate (bps) 2.55bps

% Change in Spend ↑7.62 %

ANALYSIS: SPENDING

Spend increased by 7.62%, reflecting higher consumer activity often associated with bulk purchases, holiday stocking, and trusted retail behaviors. Rising transaction volume is a natural seasonal trend for this category.

ANALYSIS: FRAUD

Fraud increased by 23.26%, rising considerably faster than spend. The fraud rate now sits at 2.55 bps, indicating that while this category is not as high-risk as others, fraud density is growing. Wholesale clubs' large-ticket and bulk purchases create opportunities for fraudulent transactions to blend into legitimate activity.

CONCLUSIONS

Fraudsters are leveraging the high-volume environment of wholesale clubs to mask fraudulent behavior, especially through gift card purchases and large electronics orders. The category warrants closer fraud control during peak spending periods.

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Strategic recommendations

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Strategic Recommendations (Rippleshot Lens)

- Monitor low-scrutiny merchandise categories

Telecom services and wholesale merchants are frequently omitted from aggressive monitoring. Add merchant-specific rules and frequency-based alerts. Layer defenses and extra verification for bulk or high-value purchases.

- Prioritize per-dollar fraud growth, not just volume

Categories with rapidly rising fraud rates (bps) may indicate imminent escalation even if total fraud dollars are small.

- Tighten controls for high-ticket CNP purchases

For categories like bicycle shops and electronics sales, add enhanced verification for large single transactions, velocity checks, and shipping-address validations.

- Refine rules for recurring billing

For merchants with recurring charges (telecom), add alerts for sudden changes in authorization frequency, small-value top-ups, or new card usage patterns on recurring accounts.

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About Rippleshot

Fraud is moving fast. Rippleshot helps financial institutions move faster. We proactively detect and help stop credit and debit card fraud before it strikes.

Trusted by more than 1,700 financial institutions, Rippleshot combines AI, machine learning, our data consortium of over 5,000 participating financial institutions and 50 million daily credit and debit transactions – and the expertise of fraud and data scientists to deliver rapid risk detection, data-based decision rules, and actionable intelligence.

Rippleshot gives fraud managers, analysts, and executives comprehensive visibility and insights to safeguard cardholders, streamline fraud operations, and boost fraud mitigation performance.

Learn more at www.rippleshot.com

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