Bottomline

How Businesses are (and Aren't) Using AI to Fight Payments Fraud

Finance leaders are shifting from reactive fraud detection to proactive payment, vendor, and account validation strategies in the face of rapid AI adoption.

Fraud is growing more sophisticated and potent by the day. Artificial intelligence has made it easier for fraudsters to avoid the typo-ridden emails and clumsy, brute-force login attempts that once made their schemes easy to spot. Now, traditional methods to stop and fight fraud are no longer enough.

Instead, businesses need layered defenses, including those that use AI to fight AI. PYMNTS Business Intelligence recently partnered with Bottomline to **research** how AI is being used, what fraud schemes and problems finance teams face, and what measures are effective in combatting fraud.

Key Takeaways

Read the Report

50%

of businesses say **AI-written vendor impersonation emails are the most common fraud tactic** they encounter.

88%

say they **encounter AI scam emails several times each year.**

Prevention Comes with Costs

Fraud represents risk *and* work.

89%

89% of finance leaders say **verifying vendors is a moderate or major burden.**

78%

say **reconciling payments and accounts is a major burden.**

Check and ACH Fraud Remain Major Threats

35%

of firms experienced check fraud.

48%

say checks account for at least 10% of outbound fraud losses.

47%

of firms experienced fraud involving ACH, wire or RTP payments.

50%

say AI-written vendor impersonation emails are the fraud tactic they encounter most often.

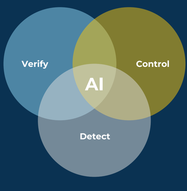
What Firms Winning the Fraud Fight Get Right

AI Works Best in Layers

Verify
Vendor onboarding & account validation

Control
Approvals & monitoring

Detect
AI-powered fraud detection



42%

of businesses deploy three or more AI fraud tools.

77%

of adopters say AI works better than previous methods.

59%

of firms with three or more AI tools stop 90%+ of fraud attempts before loss.

The Foundation of Fraud Prevention

Verification Is the First Line of Defense

Verification Practice	Percentage
Multi-person approval	82%
Verify against banking details on file	80%
Real-time account validation	73%

Where the Market Is Going

Modernization Is Accelerating

58%

of non-users expect to adopt AI fraud detection within 12 months.

81%

plan to invest in more secure vendor onboarding.

75%

plan to invest in prepayment account validation.

73%

plan to invest in AI-driven transaction monitoring.

The Fraud Prevention Formula

1. **Modernize Payments**
2. **Use a Trusted Vendor Payments Network**
3. **Validate Vendors and Vendor Data**
4. **Implement Strong Controls**
5. **Build an AI Detection Stack**
6. **Monitor Continuously**

Protect payments and vendor data with secure vendor enrollment, account validation, and electronic payments through Paymode.

Learn How

Bottomline

About Bottomline

Bottomline helps businesses transform the way they pay and get paid. A global leader in business payments and cash management, Bottomline's secure, comprehensive solutions modernize payments for businesses and financial institutions around the world. Bottomline processes trillions of dollars and billions of payments annually. Bottomline is committed to driving impactful results for customers by reimagining business payments and delivering solutions that add to the bottom line. Bottomline is a portfolio company of Thoma Bravo, one of the largest software private equity firms in the world, with more than $184 billion in assets under management.

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