Cuscal

Research Report

# The State of Fraud and Scams in Australia 2026

Insights into what Australians are experiencing as threats rise, how expectations are changing and why this creates a clear opportunity for financial institutions to strengthen trust.



# Fraud and Scams Are Moving Fast.
## *Banks Need to Move Faster.*

Fraud and scams are moving faster, hitting harder and leaving more Australians exposed. The stakes for banks and financial institutions have never been higher. Trust, leadership and customer care are being tested every day.

At Cuscal, our vision is to transform the future of how money moves and how Australia does business. We believe that understanding what matters to people is the first step to building a safer, more resilient payments ecosystem.



### Methodology and Sources

This report is grounded in robust research delivered in partnership with Visa and insights consultancy FiftyFive5. To understand how Australians are experiencing fraud and scams, we combined qualitative depth with quantitative scale.

We brought together insights from a five day online community with thirty consumers, in depth interviews with four industry experts, and a national survey of two thousand Australians. This blend of real stories and hard data reveals what people are facing, how expectations are shifting and where financial institutions can strengthen trust.

#### Quantitative survey

Nationally representative online survey of 2,000 Australians aged 18 to 75.

#### Qualitative exploration

Five day online community with thirty Australians and four expert interviews.

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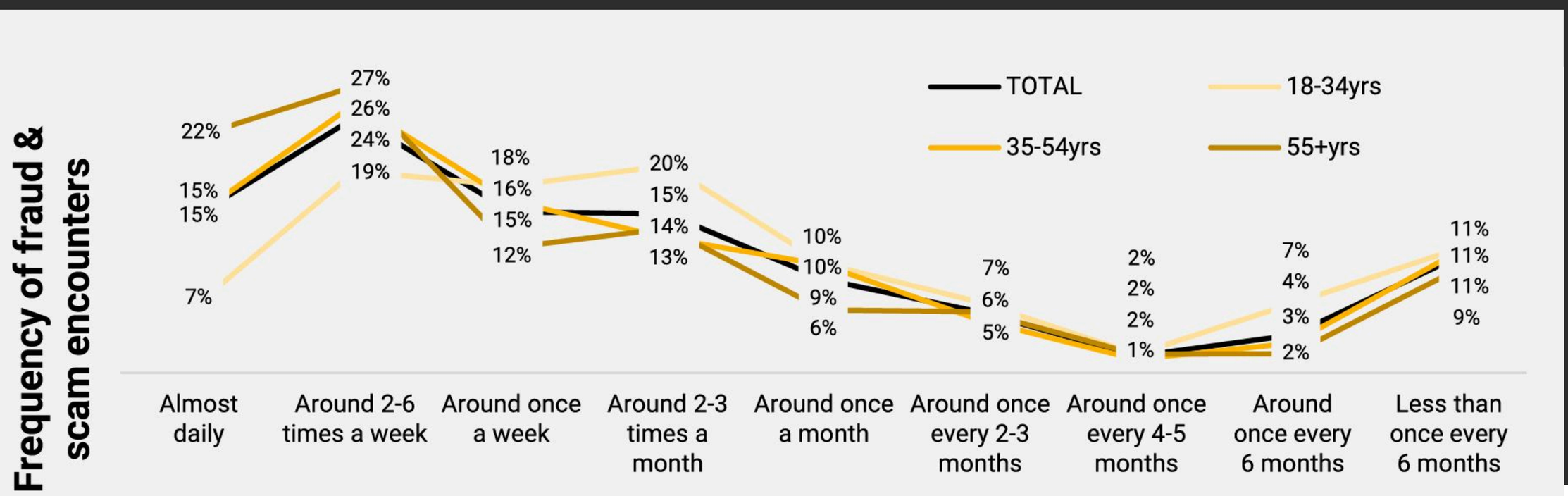
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# 1. The Fraud Acceleration Gap

There’s a new reality for Australians. Fraud and scams aren’t just more common; they’re evolving at speed. The rise of artificial intelligence has made these threats more sophisticated and harder to spot. Targeted attacks are everywhere. More than half of Australians say they encounter fraud or scams at least once a week.




Question: In the last 12 months, how often have you encountered fraud and scam attempts? BASE: Total completes, n=998.

**80%**

Agree – that the frequency of stories and news regarding victims of fraud and scams has reached a level where such incidents are no longer surprising.

**76%**

Agree - that it is becoming increasingly difficult to identify and defend against fraud/scams as they are becoming more sophisticated.

Our research shows Australians know the difference between fraud and scams with almost **2 in 3 Australians** claiming they clearly understand the difference.

## Fraud:

Fraud is an intentional act of deception for personal or financial gain. It’s usually out of your control and can lead to big losses.

## Scams:

Scams are different. They’re targeted tricks, like phishing or fake websites, that sit outside normal banking processes.



# The Growing Scale and Impact of Fraud and Scams in Australia

The numbers are sobering. **30% of Australians have fallen victim** to fraud or scams at some point and many have been hit more than once.

Credit card fraud is the most common, affecting over half of all victims. Older Australians and those on lower incomes are hit hardest, with losses that can vary widely.

Australians expect more from their banks and financial institutions. They want protection that keeps up with the changing landscape. They want to know someone's in their corner. As the threat grows, expectations rise with it.

## Types of fraud and scam victims



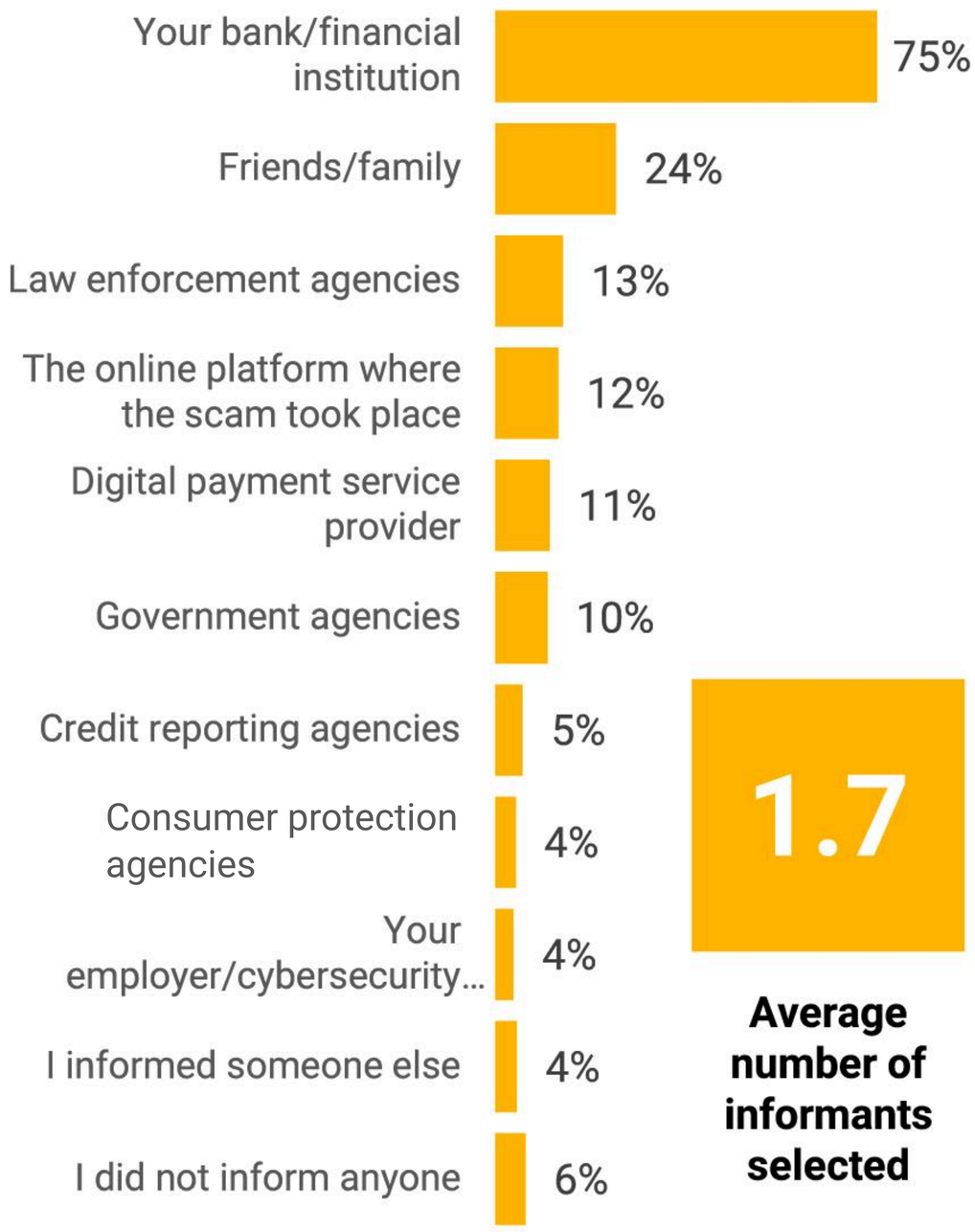

Question: You mentioned in your lifetime you've personally fallen victim to fraud and/or scams, where you experienced financial loss. Please select from the below options, which type/s of fraud/scams you've fallen victim to. BASE: n=305

# 2. The New Trust Threshold

In a climate where fraud and scams are escalating, Australians are looking to their banks for immediate support and protection. The sense of vulnerability is real and financial institutions are expected to step up as the first line of defence.

Australian consumers overwhelmingly see their bank or financial institution as their primary point of contact after a fraud or scam attempt. This trust is even more pronounced among older customers and those with complex banking needs, who expect proactive, expert guidance.

**Who victims informed following a fraud or scam incident**

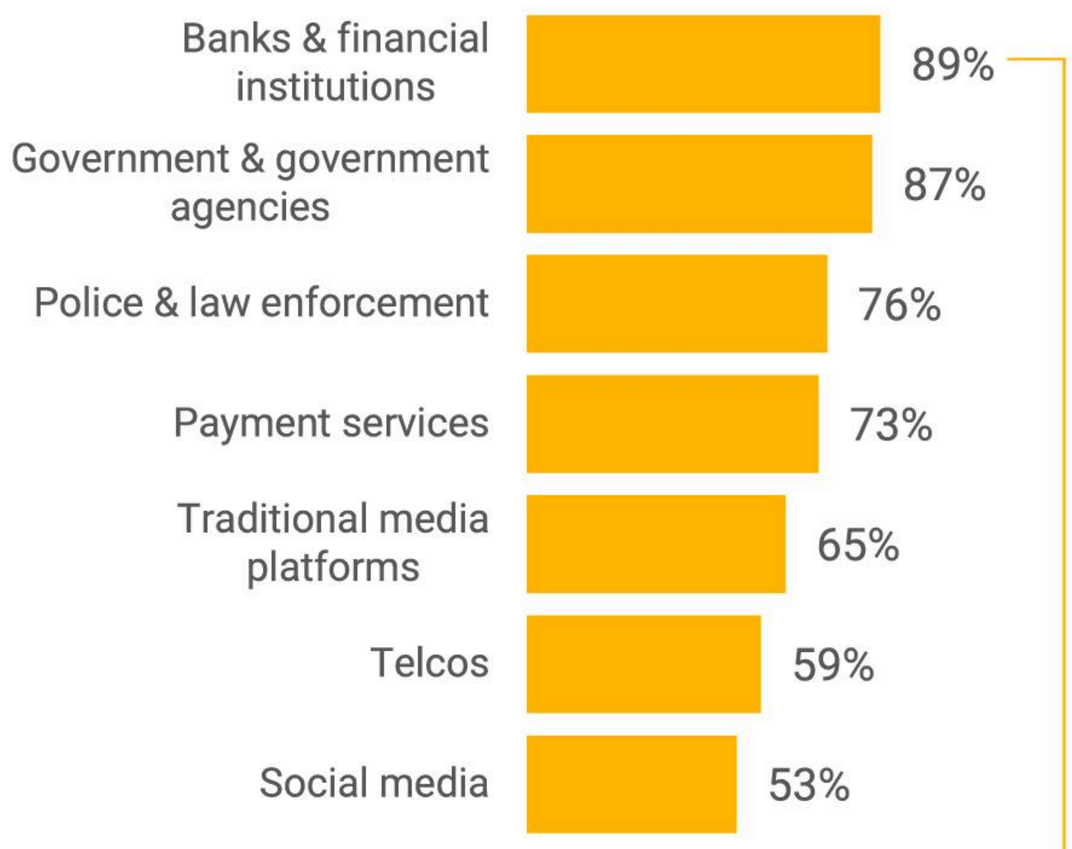



Question: When you fell victim to the scam, who did you inform? BASE: n=305

## Banks Carry the Greatest Responsibility

Australians expect their banks to lead the charge in education, monitoring and recovery after a fraud or scam. While government agencies and law enforcement play important roles, the responsibility clearly sits with financial institutions.

**Institution responsibility for education, monitoring or funds recovery following fraud or scam**




This sense of responsibility is most pronounced among Australians aged 55+, women and those holding more than six banking products.

Question: Which of the following institutions(s) do you feel are responsible for... BASE: n=998



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# Building and Nurturing Trust Amongst Your Customer Base is Critical

Trusted communication channels are crucial in building connection between financial institutions and their customers. It's the primary means to notify the customer of their financial institutions' proactivity and existing security measures, while providing reassurance from consistent contact.

Fraud alerts are most effective when delivered through trusted channels, with in-app messages and emails being the preferred methods. Proactive education via these channels can prevent scams before they occur.

While trust in banks is generally good, there is a need for greater reassurance that financial institutions are committed to protecting their customers from fraud and financial scams. Customers of Cuscal clients are less inclined to feel that big banks are better equipped to prevent fraud and scam. This could be a competitive advantage that can be amplified.

Financial institutions should engage customers to ensure they know they are protected and that their financial institution is there to help if and when a fraud or scam event occurs. Importantly, institutions must meet them with a caring, empathetic and supportive approach as the emotions being felt during this time are heightened and very raw for a number of months.

## Trusted methods of communication and preferred method

**48%**
In-[bank]app messages
***#1 at 34%***
*Most preferred ranking*

**46%**
Email
***#2 at 20%***
*Most preferred ranking*

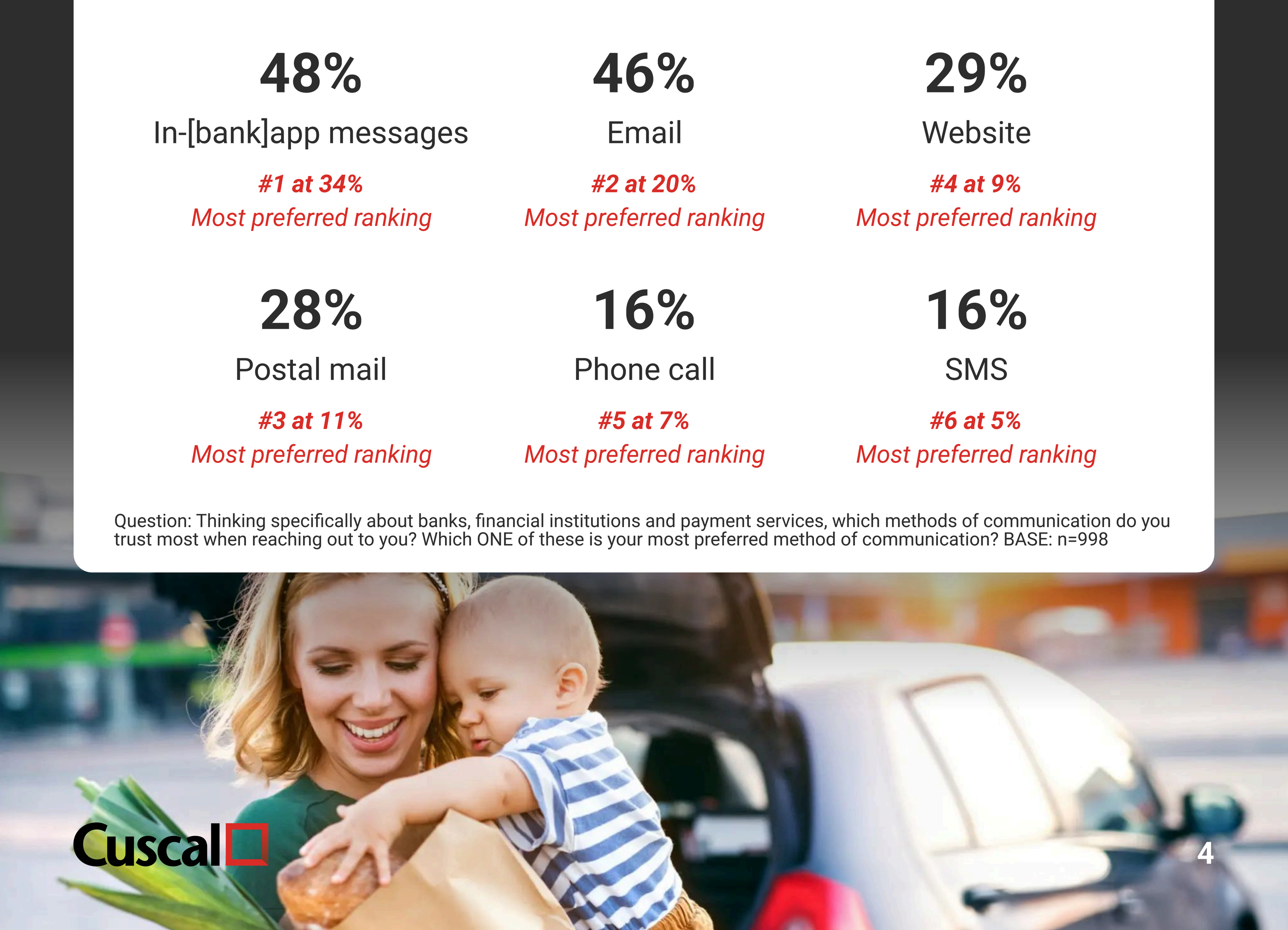
**29%**
Website
***#4 at 9%***
*Most preferred ranking*

**28%**
Postal mail
***#3 at 11%***
*Most preferred ranking*

**16%**
Phone call
***#5 at 7%***
*Most preferred ranking*

**16%**
SMS
***#6 at 5%***
*Most preferred ranking*

Question: Thinking specifically about banks, financial institutions and payment services, which methods of communication do you trust most when reaching out to you? Which ONE of these is your most preferred method of communication? BASE: n=998



**65%**

Agree –they trust banks and financial institutions to effectively prevent fraud and scams from accessing their funds.

**77%**

Agree – they find themselves increasingly distrustful of many forms of communication because of how fraud and scams have evolved.

**65%**

Just 36% of customers of Cuscal banks agree to “I have greater confidence in larger banks/ financial institutions in preventing fraud/scams as they are much better equipped compared to smaller banks/financial institutions” vs. the average of 52%.



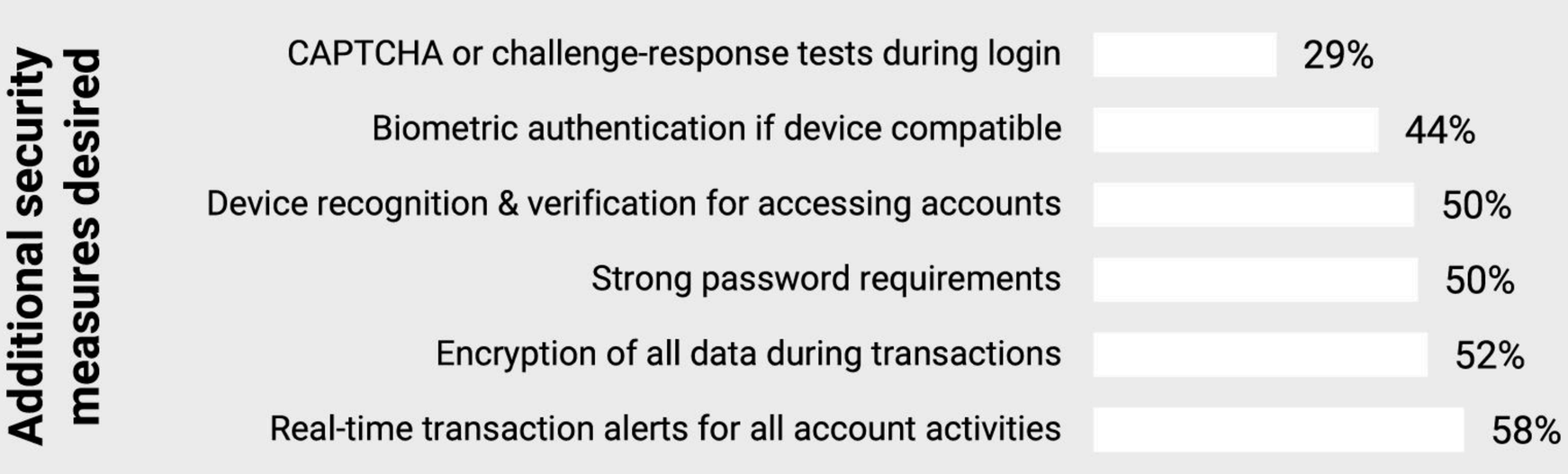
# 3. Security Over Speed

## Customers Embrace Extra Protection for Peace of Mind

As fraud and scams threats grow, Australians are beginning to value security over convenience. Most consumers are willing to accept a little extra friction if it means their accounts are safer.

## The Right Balance: Robust Security Without Overload

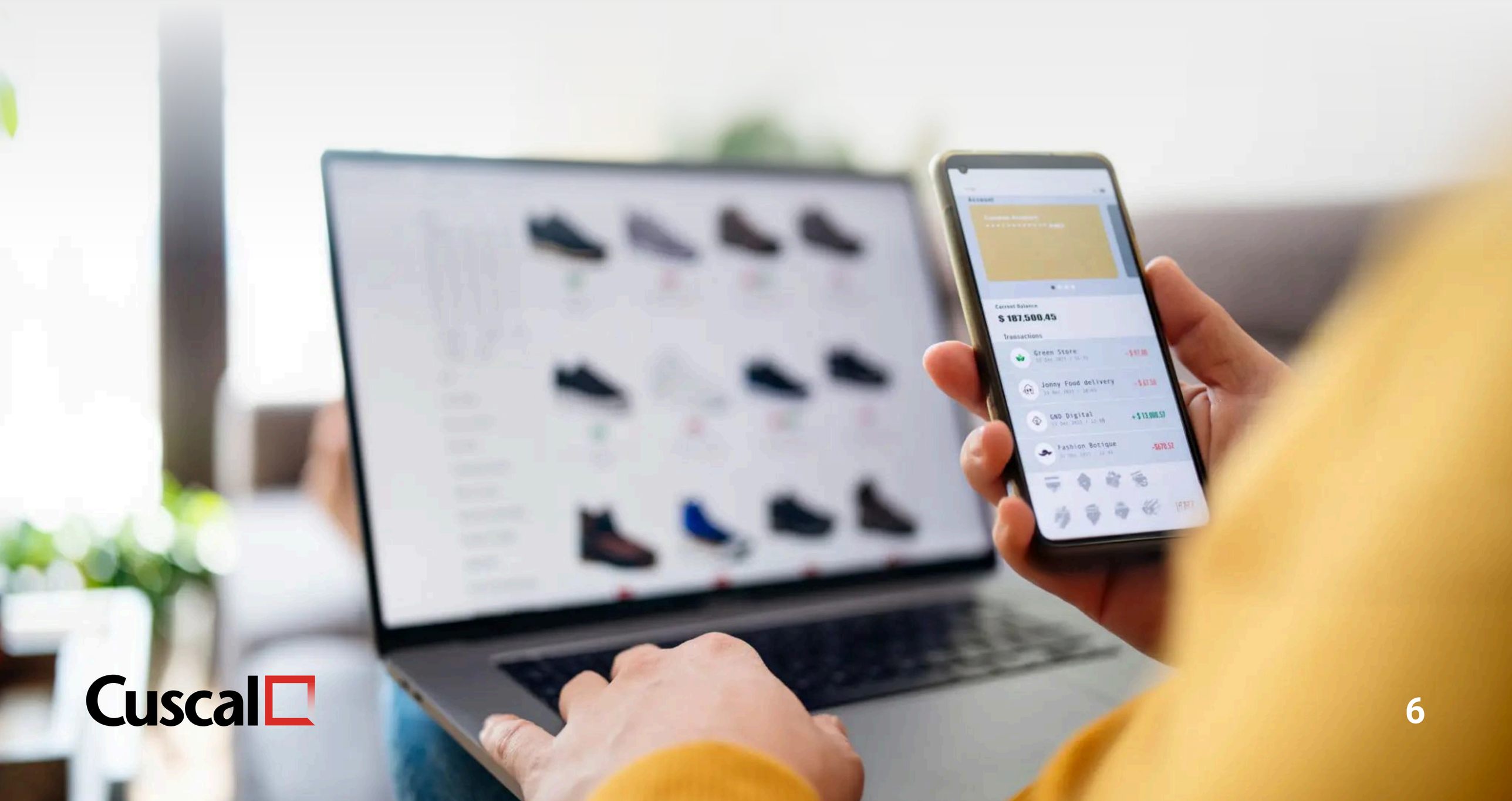
While consumers crave additional security features, they don't want to be overwhelmed. Our research found the sweet spot is two to three extra measures—enough to feel protected, but not so many that banking becomes a chore. Two-factor authentication, bank verification for large transactions and detection algorithms top the list of must-haves.




**4.9**

**Average number of features selected**

Question: Which of these features would you like enabled to give you peace of mind that your account is secure, assuming each additional feature may add extra time to each interaction? BASE: n=998



# More Layers, More Confidence

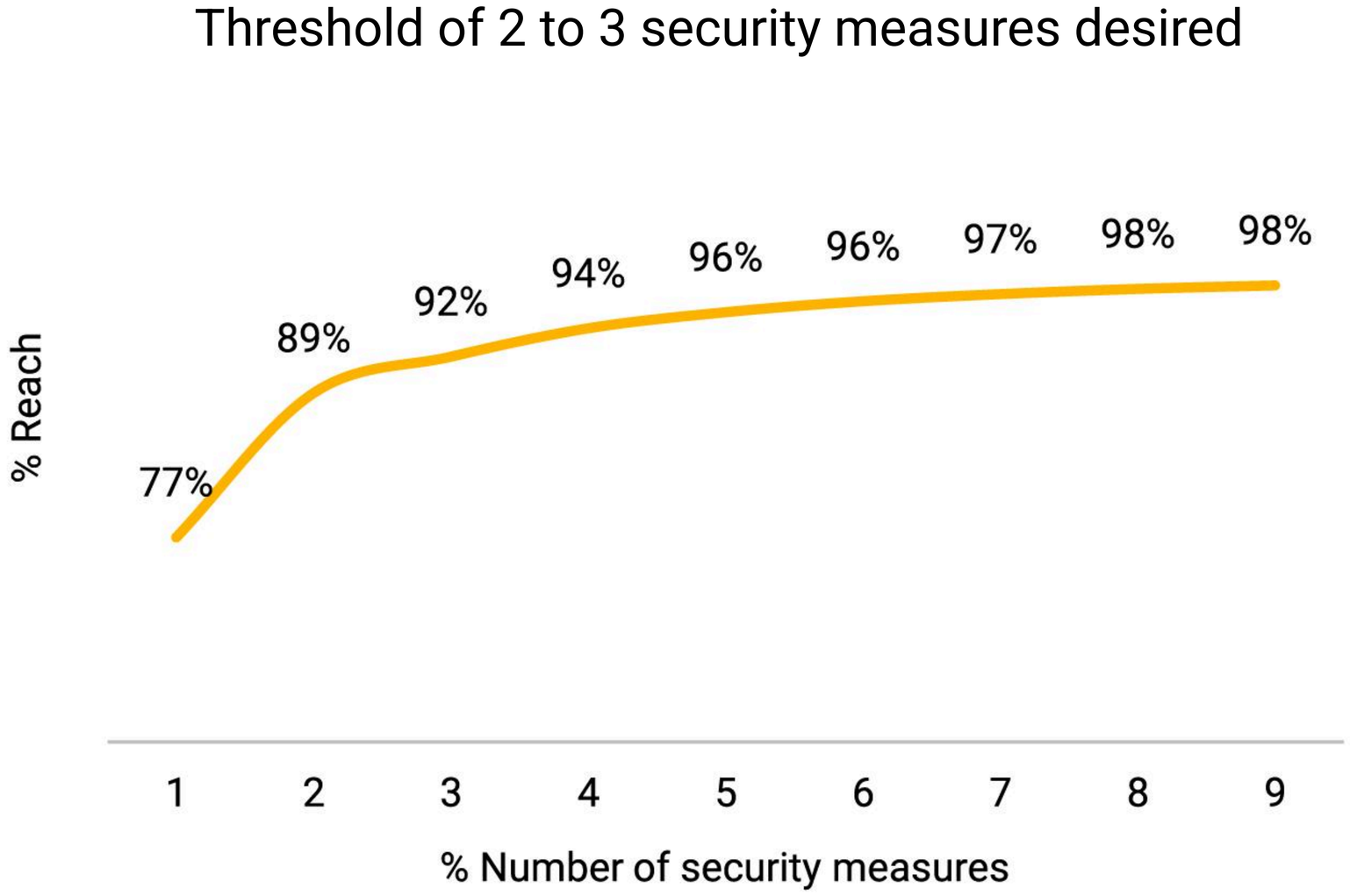
## Nearly Everyone Wants More Security

Just 2% of consumers say they don't want any extra layers of security. The overwhelming majority are open to more protection, especially if it's easy to use and doesn't slow them down.

**JUST 2%**

of consumers claim *I don't want any additional layers of security.*

Most consumers are craving additional security features, particularly ones that do not impose a significant cognitive burden.




Question: TURF ANALYSIS B12. Which of these features would you like enabled to give you peace of mind that your account is secure assuming each additional feature may add extra time to each interaction? BASE: n=998

## Why It Matters

Consumers expect banks to lead on security. Transaction monitoring and authorisation controls are essential for fraud prevention, but scam prevention also requires customer education and proactive alerts. The right mix of technology and communication helps protect both the institution and the customer.



# 4. Transparency Builds Confidence

## Clear Updates and Practical Tools Drive Loyalty

Australians are seeking more information and guidance from their banks when it comes to fraud protection. As threats become more sophisticated and the emotional toll of scams grows, customers are actively looking for clear, practical advice and regular updates throughout the resolution process.

There's a growing desire to understand exactly what banks are doing to protect them, as well as what responsibilities lie with the customer. This is matched by an eagerness for ongoing education and awareness—empowering people to better protect themselves.

**86%**

Agree – they want their bank or financial institution to inform them of new methods used by fraudsters and scammers to increase their own alertness.

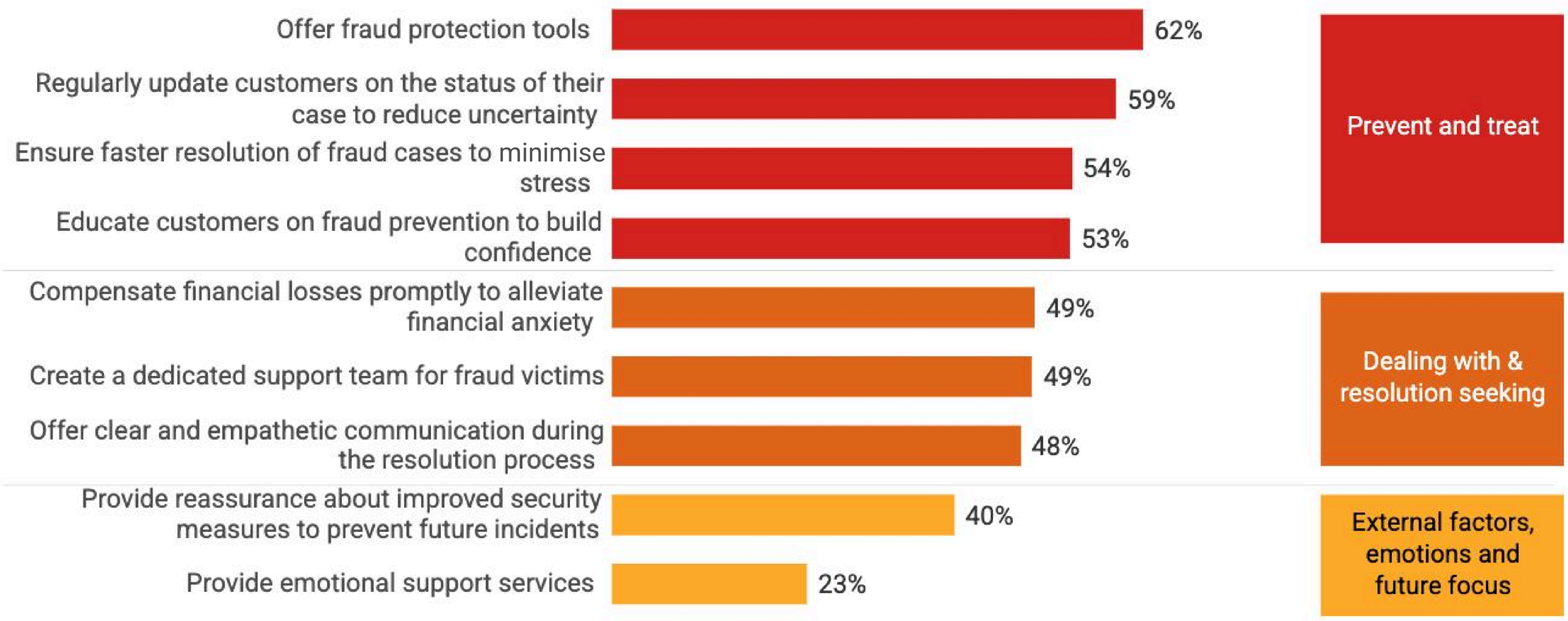
**78%**

Agree – they want their bank or financial institution to provide constant updates on security improvements.

**Banks have a unique opportunity to build trust by providing:**

- Timely updates on current scams and fraud protection tools
- Regular case updates and faster resolution times
- Clear, empathetic communication and prompt compensation
- Dedicated support teams for fraud victims

**Top methods customers value:**




Question: B28. In your opinion, what steps should banks/financial institutions take to help reduce the emotional impact of fraud or scams on their customers? BASE: Total completes [FRAUD] n=998

# 5. Empathy is the Engine of Advocacy

## Support that goes Beyond the Transaction

A desire for education is rapidly on the rise. As Australians become more aware of the growing threats from fraud and scams, and the emotional toll of falling victim, they are actively seeking information on how to better protect themselves. There's a strong appetite for transparency—customers want to know exactly what their bank is doing to keep them safe and what their own responsibilities are. This eagerness for education and clarity is matched by a desire for regular updates and practical tools that help them stay ahead of evolving threats.

### What Customers Expect

**86%**

Want their bank or financial institution to keep them informed about new ways fraudsters and scammers are deceiving customers, so they can stay alert.

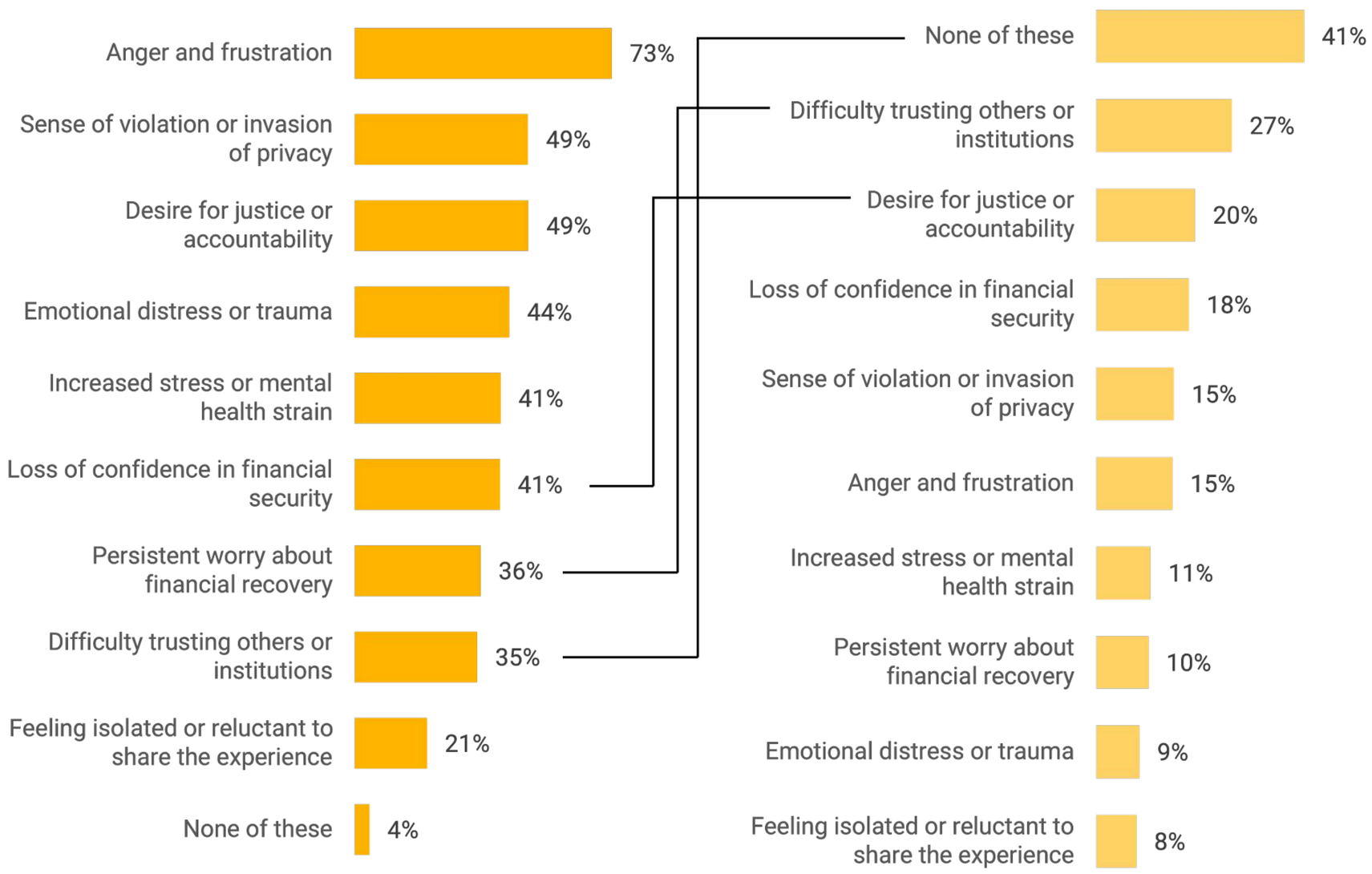
**78%**

Want constant updates on security improvements.

### Reassurance is Remembered

Financial harm combined with the emotional toll can be significant during and following a fraud or scam event. Victims of fraud and scams seek swift action, they also want emotional reassurance. While financial institutions are focused on restoring funds, which is extremely important, there is also a need to help their customers rebuild confidence in judgment and digital safety. This is particularly so for scam victims who often feel embarrassed or ashamed and this emotional fallout can last long after the incident.

**Emotions felt immediately after fraud or scam vs. Now**




Question: B28. In your opinion, what steps should banks/financial institutions take to help reduce the emotional impact of fraud or scams on their customers? BASE: Total completes [FRAUD] n=998

# Personal Service Trumps Brand Size in Fraud and Scam Response

Personal support often makes the biggest difference when someone experiences a fraud or scam event.

The study shows a clear advantage for financial institutions outside the big four banks. Customers of these institutions are more confident that they will receive the help they need, with the empathy they deserve, thanks to the perceived experienced agility and personal service these banks typically offer.

This perception gives non-major banks a meaningful edge, particularly in moments when people feel vulnerable and need fast answers, clear guidance and human support they can trust.

Institutions outside the big four banks have an opportunity to strengthen this advantage further by continuing to provide empathetic service, clear guidance and fast resolution. This helps customers feel protected and supported throughout the entire recovery journey, which builds long-term trust and loyalty.

**43%**

Agree – Larger banks and financial institutions resolve or reimburse fraud incidents more quickly than smaller counterparts.

***Falling to 31% for customers of Cuscal clients***

**27%**

Agree – they have greater confidence that a smaller bank will provide more personalised care if an incident occurs, without them getting “lost in the system”.

***Rising to 40% for customers of Cuscal clients***



# Recommended Actions and Opportunities for Financial Institutions

## A Clear Path Forward for Reducing Fraud and Supporting Customers

### Evolve for the future

The pace of change in an AI-driven world is creating new and unpredictable exposure to fraud and financial scams. Customers know the landscape is shifting, although most feel they cannot keep up without guidance from a trusted source. Banks have an opportunity to step in with support that feels simple, relevant and timely.

### Proactively protect

Customers want proactive, near real-time alerts about emerging scam activity so they can stay ahead. When something goes wrong, they expect a fast and confident response. Their bank remains the first place they turn to, which reinforces the need for stronger early-warning signals and rapid resolution pathways.

### Communicate consistently

Clear and consistent communication helps customers feel supported throughout their journey, particularly when delivered through the banking app. Regular updates reassure them that their bank is actively protecting their interests and guiding them through the resolution process.

### Lead with empathy

Fraud and scam incidents are emotionally exhausting. Customers want their financial institution to recognise this and respond with empathy. For Cuscal clients, the foundations are already strong. There is an opportunity to amplify this strength and position empathy as a genuine competitive advantage.

### Educate and empower

Customers want more guidance. They are expecting their bank to help them stay protected, understand what to do when something happens and feel confident next time. They are also willing to accept an extra layer of security, even if it introduces minor friction, when they know it supports their safety.



# Payments Infrastructure Built to Power Your Growth

Every second, more than 500 payments are made in Australia – invisible to most, but critical to powering our daily lives.

They’re the force behind every salary paid, every cart checked out, every business that keeps trading, and a society that keeps moving.

Businesses are behind some of the most cutting-edge payment experiences used today.

And who is behind many of them?

## Cuscal, Australia’s largest independent payments provider.

Since 1966, we’ve played a foundational role in shaping the nation’s payments ecosystem as Australia’s largest independent provider of end-to-end payments and regulated data solutions outside of the Big Four banks.

From real-time payments, card issuing, and acquiring, to fraud monitoring, digital wallets, regulated data services and more—our clients trust us to simplify complexity, reduce risk, and help them compete.

Today, Cuscal supports banks, fintechs and corporates by providing the connections, capital strength and capabilities that allow them to deliver seamless, secure and scalable payment experiences to their customers.

We’re proud to be moving payments forward—for our clients, their customers, and the future of finance in Australia.

**To find out how we can help you stay ahead in the fight against fraud and scams, speak to your Cuscal Partnership Manager or call 1300 650 501.**

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