



FRAUD PREVENTION TACTICAL GUIDE

PROTECTING CASH FLOW and Predictability

An Actionable 3-Part Guide for
Treasury & Finance Leaders



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Fraud doesn't always appear as a line item loss. For finance leaders, it shows up in distorted forecasts, unpredictable cash flow, and rising dispute costs. Each chargeback, false decline, or reconciliation error creates volatility in financial operations, masking true business performance.

Designed for VPs of Treasury, CFOs, and finance executives in the digital commerce industry, this guide explores how fraud prevention strengthens predictability, protects payments integrity, and delivers the financial visibility leaders need to ensure growth with confidence.



PART 1

Fraud's *DOWNSTREAM* *IMPACT* on Financial KPIs

Fraud is more than a costly liability. It undermines the accuracy of the very financial metrics used to measure business health. Left unmanaged, it increases volatility, drives unnecessary spend, and obscures ROI.



Calculating Risk Through Financial KPIs

METRIC	POTENTIAL RISK	NEGATIVE KPI IMPACT
Cash Flow Predictability	Disputes, chargebacks, and delayed settlements erode visibility into cash inflows.	Inaccurate forecasts, difficulty managing working capital, and liquidity strain.
Cost of Risk (CAC & Chargebacks)	False declines and missed fraud inflate acquisition costs and chargeback fees.	Wasted CAC, rising fraud losses, and lower ROI on marketing spend.
Payments Integrity	Poorly integrated fraud tools trigger reconciliation errors and delays.	Higher operational costs, payment mismatches, and treasury inefficiency.
Compliance & Auditability	Inconsistent risk controls and manual reconciliation.	Increased audit exposure, regulatory penalties, and reputational risk.
Revenue Recognition	First-party fraud and promo abuse slip through as “legitimate sales.”	Distorted revenue reporting and misaligned forecasts.

Incorporating fraud prevention into the financial strategy of a business safeguards accuracy, enabling treasury teams to manage liquidity, forecast cash, and report with confidence while aligning with growth objectives.

PART 2

How Fraud Distorts Key *FINANCIAL SIGNALS*

Fraud often hides inside seemingly normal transaction and reconciliation data.

What looks like healthy cash inflows may in fact be delayed, disputed, or at risk of clawback.

Here's what finance leaders should watch for.



HIDDEN THREAT #1



Chargeback *LEAKAGE*

Short periods of concentrated disputes



What it looks like

- 💡 Stable sales performance, followed weeks or months later by a surge in disputes.

Why it hurts

- 💥 Inflates near-term revenue while creating reconciliation delays, penalties, and unpredictable cash flow.

What to do

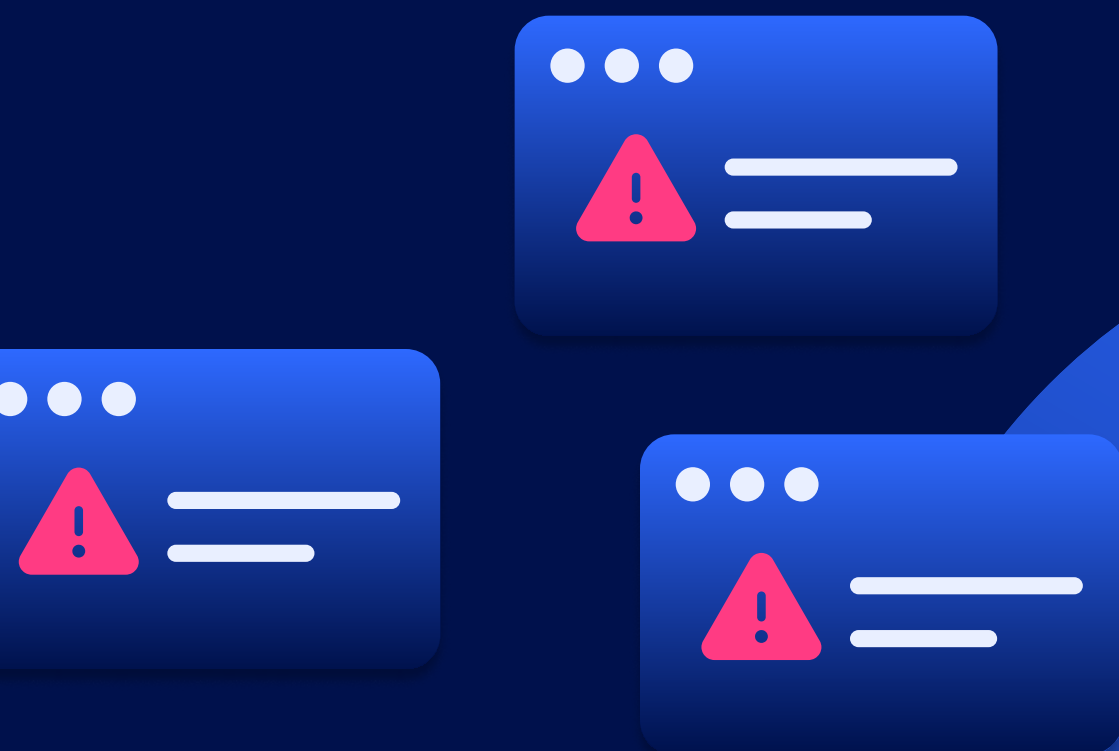
- ✅ Monitor chargeback ratios in real time and feed dispute outcomes back into models to tighten future prevention.

HIDDEN THREAT #2



False **DECLINES**

Consistently high order acceptance & low chargeback rates



What it looks like

- 💡 Marketing ROI appears strong, but conversions stall at checkout, chargebacks increase, and customer churn accelerates as trusted users face friction.

Why it hurts

- ⚠️ Legitimate customers are rejected, wasting CAC and revenue while masking true acquisition costs.

What to do


- ✅ Link behaviors across accounts and sessions to flag organized refund or promo exploitation.

Reconciliation *GAPS*


Positive surface-level financial health indicators




What it looks like

-  Settlement mismatches or unexplained discrepancies in payment flow.

Why it hurts

-  Creates reporting delays, inflates operational costs, and increases audit exposure.

What to do

-  Align fraud, payments, and treasury systems to ensure transaction integrity across the full payment lifecycle.

HIDDEN THREAT #4



Incentive **ABUSE**

Healthy new customer growth & surging
promo-driven sales



What it looks like

- 💡 High engagement in loyalty programs or refund activity that looks like customer satisfaction.

Why it hurts

- ⚠️ Distorted LTV models, and unnecessary cash outflows.

What to do

- ✅ Link behaviors across accounts and sessions to flag organized refund or promo exploitation.

PART 3

Implementing Identity Trust: 5 STRATEGIES for Financial Predictability

For finance leaders, success means accurate forecasting, lower volatility, and cash flow integrity. Embedding identity trust into payments infrastructure delivers both protection and predictability.



TRUST

1

Automate pre-auth decisioning to reduce false declines.

Fraud checks at checkout inflate losses and waste CAC. Moving user analysis upstream to increase identity trust reduces false positives by up to 80% and protects approval rates.

Real-time pre-auth decisioning reduces false positives by up to 80% and preserves predictable revenue flow.

TUTORY CASE STUDY →

2

Use real-time identity signals across payment flows.

Fraud is not just about transactions—it's about identity across the user journey. Combining behavior, device, and intent signals ensures payments integrity and reconciliation accuracy.

Cross-session and cross-device analysis uncovers synthetic users and compromised credentials, protecting global money transfers.

TAPTAP SEND CASE STUDY →

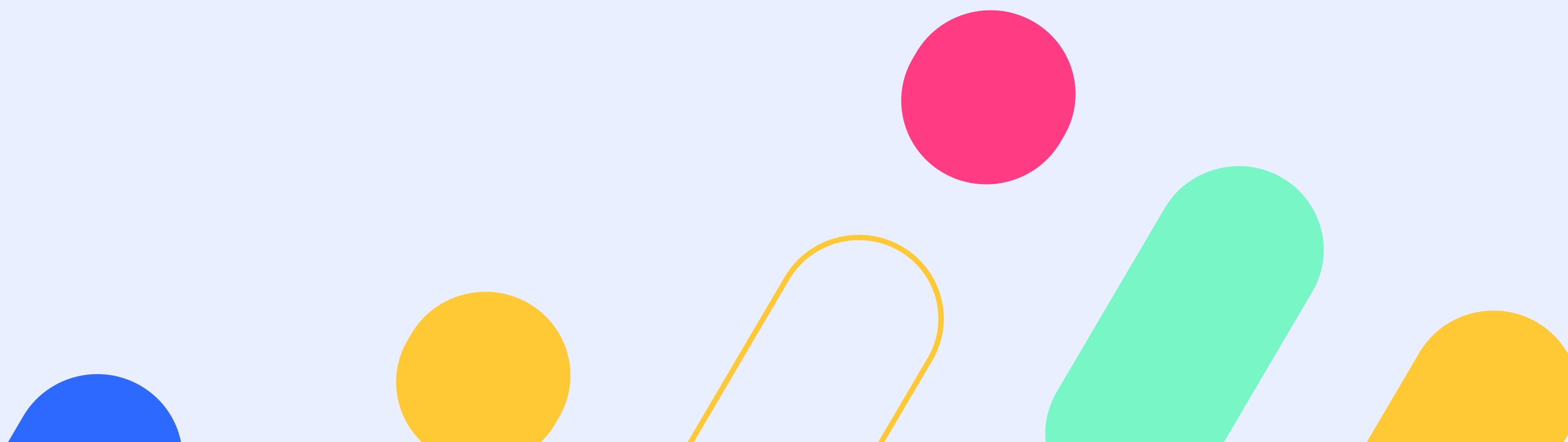
3

Minimize manual reconciliation through transparent ML.

Treasury teams need confidence in decisions. Models that clearly show why a payment was flagged or approved improve compliance, auditability, and financial reporting.

Transparent, AI-powered decisioning reduces review queues and provides auditors with clear logic behind approvals.

ATOM TICKETS CASE STUDY →



4 **Align finance, fraud, and payments teams with shared KPIs.** When risk, treasury, and product teams define “success” differently, accuracy deteriorates, and inconsistencies multiply throughout operations and reporting. Shared trust metrics eliminate operational drag and support clear, precise reporting.

5 **Protect expansion without exposing treasury to volatility.** New markets and payment types introduce reconciliation and settlement risk. Linking identity across sessions and networks prevents fraud from hiding in new revenue streams.

Unified identity trust models align risk and payments operations, ensuring consistent financial forecasting.

[LINK MONEY CASE STUDY](#) →

Sift's Identity Trust XD connects intent, behavior, and device intelligence in real time to protect new markets at scale.

[EXPLORE IDENTITY TRUST](#) →





Fraud is a direct threat to the financial integrity and cash flow predictability of your business. For treasury and finance leaders, every false decline, chargeback, or illegitimate refund erodes confidence in cash flow forecasts, reconciliation, and revenue reporting.

Reactive response only drives volatility and uncertainty. But when risk prevention is integrated into payments and financial operations, it's an opportunity to turn trust into a financial advantage.

[Book a demo](#) to discover how Sift turns risk into a competitive edge.