

# Fraud Prevention: Securing Asian Spend in the Age of Smarter Digital Payments



Digital payments are fast on the rise, with Asian consumers dominating adoption and uptake. But with this rise in digital spending, there has also been a significant increase in payments fraud, with fraudulent tactics and technologies becoming better and smarter every day.

In response, merchants and financial institutions across Asia are combatting this threat by doubling down on their cybersecurity and anti-fraud systems. And there's much that European merchants can learn to get ahead of the game and retain Asian consumer trust.

Nowadays, Asian shoppers are more safety-conscious than ever before. They demand high standards of payment security, needing clear reassurance before parting with their money - especially when travelling or spending abroad.



## Asia: A powerhouse in the digital payments landscape



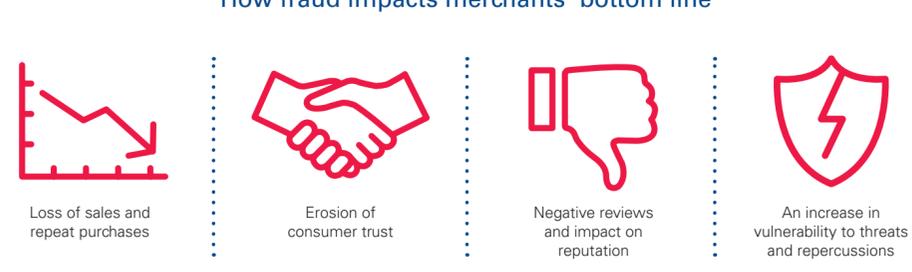
## The regional and global rise of payment fraud



## How it affects consumers



## How fraud impacts merchants' bottom line



## Latest Fraud Trends



As well as the above, **Artificial Intelligence (AI) payments fraud is on the rise. Reports in 2025 indicated a sharp rise in attempted fraud - deepfake voices, AI phishing, and QR code scams are rendering traditional detection methods substantially less effective for financial institutions, merchants, and customers.**<sup>10</sup> This is something that should be seriously considered when implementing security measures.

## Future-proofing solutions against fraud

- SCA-authentication**: Strong Customer Authentication (SCA) transactions showed significantly lower fraud rates, especially for card payments.<sup>11</sup>
- Implement secure payment gateways**: Use a trusted payment processor that prioritises security and uses technologies like tokenisation to replace sensitive data with a unique token.
- Mandate 3-D Secure (3DS)**: Industry standards such as 3-D Secure (3DS) provide a framework to assess and address security risks, helping minimise fraud exposure in cross-border payments. J/Secure™ is JCB's implementation of the 3-D Secure protocol, providing an additional authentication step, such as a password or other credentials, to protect online shoppers from identity theft.
- AI detection and machine learning**: This can be employed to continuously analyse transaction patterns, identify outliers, and adapt with minimal inconvenience.
- Follow PCI DSS standards**: Ensure your systems comply and are up to date with the latest version of Payment Card Industry Data Security Standard (PCI DSS) – the security standards all card payment accepted merchants are required to comply with.
- Enhance customer trust at checkout**: You've invested in safeguards, so let the customer know, whether on your website, during the online checkout flow, or at the point of sale (POS). Display logos of recognised payment systems and security features to reassure customers that their transactions are protected.

## Regulatory Update: Europe Introduces Stronger Anti-Fraud Rules for Merchants

The European Council and European Parliament have reached a provisional agreement on a new Payment Services Regulation (PSR) that updates the existing Payment Services Directive 2 (PSD2) and introduces a more robust anti-fraud framework.<sup>12</sup>

The regulation aims to combat modern scams, including impersonation and spoofing fraud, by requiring Payment Service Providers (PSPs) to verify account name - International Bank Account Number (IBAN) matches, share fraud-related intelligence, and take greater responsibility for fraud-prevention measures.

From 2026 onward, EU member states are scheduled to begin putting the new rules into effect and enforcing them.

## What this means for merchants

- Stronger Protection Against Fraud**: Enhanced verification, IBAN-name checks, and improved fraud-data sharing help block high-risk transactions, while higher accountability for PSPs gives merchants more reliable safeguards.
- Greater Transparency & Cost Clarity**: Clearer fee disclosures and consistent merchant names on bank statements boost customer trust, especially among travelling Asian shoppers, and help merchants better understand and compare payment service costs.
- Future-Ready Payment Experiences**: A more modern, secure framework supports innovation. Thus, enabling smoother, safer digital payment journeys that match the expectations of today's digital-first Asian consumers.

## What merchants should watch for

Stronger protections also mean a few practical adjustments for merchants. Expect updates to fraud-prevention tools, extra verification steps, or changes in how transactions are processed, some of which may introduce new operational or financial burdens. These shifts may require time, training, or investment in updated systems. Staying close to your acquirer or PSP will help keep checkout journeys smooth and disruptions minimal.

## Capturing the Asian spend in 2026 and beyond...

- Secure, digital payment options are key**: Many Asian consumers are accustomed to using digital payment methods in their home countries and expect the same high standards, services, speed, and security when they travel or shop abroad, so providing familiar, trusted payment experiences helps unlock higher spend.
- Availability of Asian payment methods spend**: Asian digital wallets have established a presence in European markets, particularly in tourist-frequented areas, to cater for Asian visitors. Providing a variety of payment methods, online or at physical checkouts, with strong authentication protocols to prevent unauthorised access wins confidence and reduces payments friction.
- Grow and protect your cross-border commerce**: Whether your Asian customers shop online from overseas or visit your store in person, rising fraud trends in the European region mean stronger security matters more than ever. Make sure you stay on top of your security measures and, ideally, provide digital payment solutions that Asian shoppers are familiar with.
- Double down on visible security cues and instant transparency**: Unfamiliar payment environments for Asian cardmembers, especially when spending in Europe, can trigger hesitation. You can show the JCB logo at checkout, deploy JCB Contactless, and display J/Secure™ protected badge to remove uncertainty at the point of purchase, and build confidence in every transaction.



## JCB puts safety, security, and simplicity, for both cardmembers and merchants alike.

JCB has recently announced the launch of a new JCB Various Report Program, with the purpose of mitigating various risks by utilising fraudulent transaction data submitted by issuers. JCB works constantly with our partners to prevent payment fraud and mitigate the impacts.

Learn more at [www.thepaymentshub.net](http://www.thepaymentshub.net)

JCB is a major global payments brand and a leading credit card issuer and acquirer in Japan.



JCB launched its card business in Japan in

**1961** and began expanding worldwide in **1981**

Its acceptance network includes about

**71m** merchants around the world.

JCB Cards are now issued mainly in Asian countries and territories, with more than

**175m** cardmembers

As part of its international growth strategy, JCB has formed alliances with hundreds of leading banks and financial institutions globally to increase its merchant coverage and cardmember base. As a comprehensive payment solution provider, JCB commits to providing responsive and high-quality service and products to all customers worldwide.

For more information, please visit: [www.thepaymentshub.net](http://www.thepaymentshub.net)

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