A Picture is Worth a Thousand Frauds:

Detecting Check Fraud Through Holistic Image Analysis

Nasdaq Verafin

65%

Check fraud is challenging institutions with significant losses, exposing investigative limitations. In a recent survey,[1] 65% of respondents reported their organizations face check fraud attacks.

Global check fraud is a $26.6B problem.[2]

$21B or 80% **of global check fraud, took place in the Americas in 2023.**

Those responsible for investigating suspicious checks face:

- Evolving scams
- Advancing technology
- In-clearing time and processes
- Heavy alert management
- Overwhelming false positives
- Multiple detection approaches
- Disparate solutions

According to a FinCEN FTA report, 70% of checks stolen from the mail are altered and deposited or used as counterfeit templates.[3]

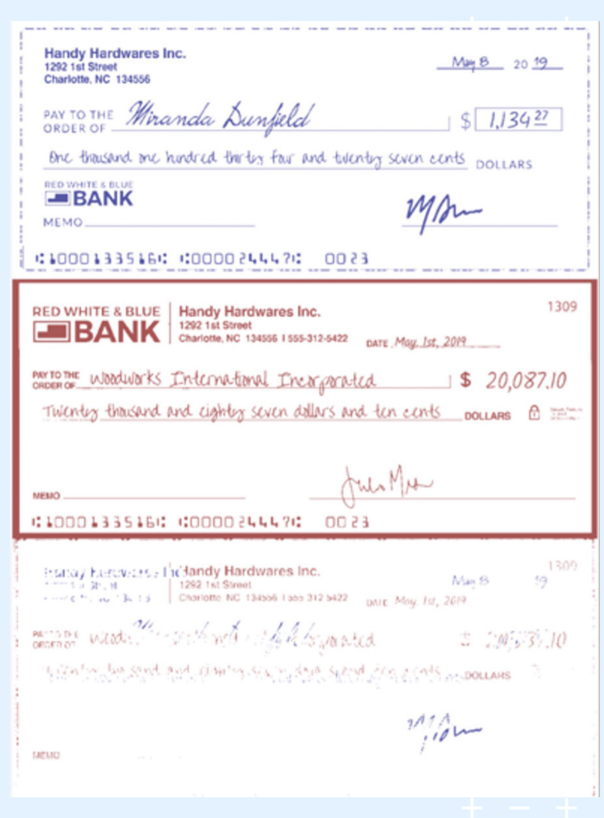
70%

Altered & Deposited

Fraudsters use chemicals to scrub and rewrite checks, changing the payee's name, date and dollar value.

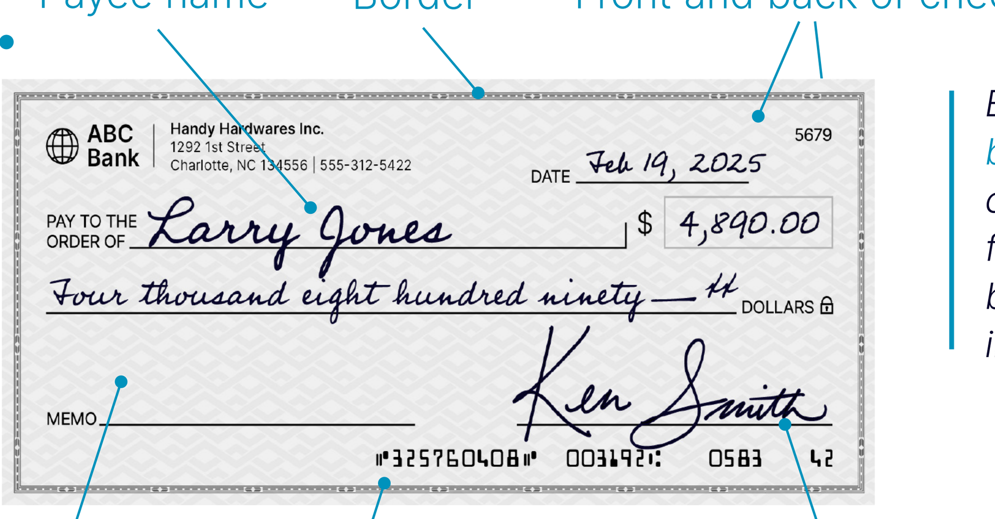
Counterfeits

Stolen checks are repurposed to create counterfeit templates. They are then distributed and used by scammers to target financial institutions across jurisdictions.



How to Identify Red Flags in Suspicious Checks

To identify fraudulent checks, there are several elements you need to analyze, including:



Both the front and back of checks contain security features that can be identified through image analysis.

Heat maps can show the differences between a suspicious check and previously cleared checks.

Nasdaq Verafin's Image Analysis

Nasdaq Verafin's image analysis strategy includes using over 300 image-based features in its risk model to help investigators identify fraudulent check use.

Our image analysis feature examines both the front and back of the check.

300 image-based features

With billions of check images in our consortium data, we examine security features, signature, physical organization and layout and text/font differential.

Holistic Check Fraud Detection with Three Key Features:

Counterparty Analysis

Gain insight into the risk of the payor, payee and bank of first deposit.

Image Analysis

Examine security features on the back and front side of checks from one application.

Behavioral Analysis

Compare suspicious checks and deposits to historical account behavior.

- All-in-one platform
- Detect more fraud
- Reduce false positive alerts
- Faster investigations

Sources

1. AFP, *2025 AFP Payments Fraud and Control Survey Report*
2. Nasdaq, *Nasdaq 2024 Global Financial Crime Report*
3. FinCEN, *Financial Trend Analysis - Mail Theft-Related Check Fraud: Threat Pattern & Trend Information*, February to August 2023 - Sept 2024

Learn more about how our Check Fraud solution will help you detect more fraud.

Download the Feature Sheet

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