

# Cost of Fraud Calculator Worksheet

The Cost of Fraud Calculator, designed by [Riskified](#) and the [Merchant Risk Council](#), is organized into four parts:

1. Introduction
2. Cost of Managing Fraud
3. Cost of Declines
4. Cost of Poor Customer Experience

The Calculator is comprised of 22 total questions, 14 of which are required and eight of which are optional. Use the worksheet below to note specific totals, percentages, etc. to help streamline completing the Calculator and producing the Cost of Fraud Calculator Report.

INTRODUCTION			
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Question	Response Type	Required / Optional	Notes
Annual sales volume	Free-form field -- monetary value	Required	
Average order value	Free-form field -- monetary value	Required	

COST OF MANAGING FRAUD			
CHARGEBACKS			
Question	Response Type	Required / Optional	Notes
Annual amount of chargebacks paid out	Free-form field -- monetary value	Required	
Annual amount of chargeback fees paid out	Free-form field -- monetary value	Optional	

Annual cost of labor that goes into handling chargebacks	Free-form field -- monetary value	Optional	
Annual amount spent crediting customers for fraudulent orders	Free-form field -- monetary value	Optional	
Whether chargeback rate has impacted authorization rate	Yes/no selector	Optional	
Whether chargeback rate has impacted interchange fees	Yes/no selector	Optional	
<b>FRAUD TEAM</b>			
<b>Question</b>	<b>Response Type</b>	<b>Required / Optional</b>	<b>Notes</b>
Annual cost of labor that goes into manually reviewing orders	Free-form field -- monetary value	Required	
Annual cost of labor that goes into research, modeling, and other fraud team tasks	Free-form field -- monetary value	Required	
<b>FRAUD TOOLS</b>			
<b>Question</b>	<b>Response Type</b>	<b>Required / Optional</b>	<b>Notes</b>
Annual cost of fraud tools used to filter and review orders	Free-form field -- monetary value	Required	
Annual cost of labor that goes into integrating and optimizing fraud tools and systems	Free-form field -- monetary value	Required	

COST OF DECLINES			
FRAUD FILTERS			
Question	Response Type	Required / Optional	Notes
Whether your company has any systems or filters which block transactions based on specific criteria	Yes/no selector	Required	
If yes, which of four criteria are used to block incoming orders	Checkbox selectors	Optional	Criteria are: blacklists, AVS mismatches, risky countries, and billing & shipping mismatches
PAYER AUTHENTICATION SERVICES			
Question	Response Type	Required / Optional	Notes
Yes/no question on utilizing 3D Secure	Yes/no selector	Required	
If yes, which of three specific criteria is used	Checkbox selectors	Optional	Criteria are: all incoming orders, orders from specific countries only, or dynamically based value and country
POST-CHECKOUT DECLINES			
Question	Response Type	Required / Optional	Notes
Percentage of annual total payment volume (TPV) which is declined	Free-form field -- percentage value	Required	
Percentage of declines which wind up being false positives	Slider -- percentage value	Required	

Customer lifetime value	Free-form field -- monetary value	Required	For information on how to calculate customer lifetime value, please see: <a href="https://blog.kissmetrics.com/how-to-calculate-lifetime-value/">https://blog.kissmetrics.com/how-to-calculate-lifetime-value/</a>
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COST OF POOR CUSTOMER EXPERIENCE			
DELAYED SHIPPING			
Question	Response Type	Required / Optional	Notes
Percentage of orders which are delayed because of fraud reviews	Free-form field -- percentage value	Required	
CUSTOMER FRICTION			
Question	Response Type	Required / Optional	Notes
Percentage of orders which involve contacting a customer for additional information	Free-form field -- percentage value	Required	
CUSTOMER INSULT RATE			
Question	Response Type	Required / Optional	Notes
Customer insult rate	Free-form field -- percentage value	Optional	