Return Fraud Survey 2012

		2012
Amount of merchandise returned annually	$	264.28
Amount of fraudulent returns annually	$	8.85
Amount of holiday merchandise returned	$	62.71
Amount of fraudulent holiday returns	$	2.88

Other numbers	**2012**
Percent of sales returned, average	8.77%
Percent of total returns retailers suspect are fraudulent	3.35%
Percent of holiday sales returned, average	10.70%
Percent of holiday returns retailers suspect are fraudulent	4.60%
Percent of returns with a receipt retailers suspect are fraudulent	1.90%
Percent of returns *without* a receipt retailers suspect are fraudulent	13.40%
Percent of returns retailers estimate are made without a receipt	17.30%

Compared to last holiday season, will your return policy this year:

	2012
Loosen	10.2%
Remain unchanged	83.1%
Tighten	6.8%

Does your return policy become more lenient during the holiday season to accommodate holiday returns?

	2012
Yes	33.9%
No	66.1%

Which examples of return fraud has your company experienced in the past year?

	2012
Returns using counterfeit receipts	45.6%
Wardrobing (returns of used, non-defective merchandise)	64.9%
Return of stolen merchandise	96.5%
Return of merchandise purchased on fraudulent or stolen tender	84.2%
Employee return fraud or collusion with external sources	80.7%
Return using e-receipts	19.3%

On a scale of 1-5 where 1 is not very important and 5 is very important, how important is the following to your company?

	2012
Return Fraud	3.36
Shrink	4.27

Do you require customers to show an ID when making a return?

	2012
Yes, for returns with a receipt	7.1%
Yes, for returns without a receipt	73.2%
No, we do not require customers to show ID	26.8%

Source: Conducted by NRF, November 2012. 60 retail respondents.

Do you allow customers to return merchandise purchased online to your brick-and-mortar stores?

	2012
Yes	86.0%
No	1.8%
We do not sell online	12.3%

Of the online purchases returned to your brick-and-mortar stores, what percentage do you suspect are fraudulent?

	2012
Percent of fraudulent returns from online sales returned to brick-and-mortar stores	3.9%

Does your Loss Prevention team handle fraudulent retunrs/activity from online sales?

	2012
Yes	73.1%
No	26.9%

Source: Conducted by NRF, November 2012. 60 retail respondents.