

Loyalty Fraud Prevention Checklist

Secure your loyalty program without compromising customer experience

Use this checklist to assess your current defenses against loyalty fraud and identify areas where you can increase your protection.



1

Sign-up

Prevent fraudulent accounts and bot attacks from the outset:

- ☐ **Email and phone number validation:** Ensure contact information is authentic and reachable.
- ☐ **CAPTCHA or bot detection enabled:** Block automated account creation attempts.
- ☐ **Identity verification:** Verify against risky phone numbers such as non-fixed VoIP, phone carrier records, email and physical address location.
- ☐ **IP reputation and geo-checking:** Assess the risk level of new account sign-ups based on IP and location.
- ☐ **Disposable email address filtering:** Prevent registrations using temporary or throwaway email services.

2

Sign-in

Protect against account takeovers with adaptive security measures:

- ☐ **Passkeys or passwordless login support:** Enhance security and customer convenience.
- ☐ **Multi-factor authentication (MFA):** Require additional verification for account access.
- ☐ **Device fingerprinting and recognition:** Identify trusted devices and flag unfamiliar ones.
- ☐ **Breached password detection:** Alert customers if their credentials have been compromised.

3

Reward redemption & account actions

Safeguard high-value transactions and sensitive account changes:

- ☐ **Risk-based authentication for redemptions:** Trigger additional verification for large or unusual point redemptions.
- ☐ **Step-up authentication for profile changes:** Require re-authentication when updating critical account information.
- ☐ **Anonymized or suspicious IP blocking:** Prevent access from known proxy services or high-risk locations.
- ☐ **Monitoring rapid point accumulation:** Identify and investigate abnormal earning patterns.
- ☐ **CRM and loyalty platform integration:** Share risk signals across systems for coordinated responses.

4

Visibility & monitoring

Maintain oversight and quickly address potential fraud:

- ☐ **Real-time alerts on blocked login attempts:** Stay informed of immediate threats.
- ☐ **Dashboard with identity-related insights:** Visualize trends and anomalies in user behavior.
- ☐ **Audit logs for account changes and redemptions:** Track and review critical actions.
- ☐ **Filtering by device, geo, risk level, or fraud indicators:** Customize views to focus on specific concerns.
- ☐ **Consent and identity data versioning:** Maintain records of user agreements and identity changes.

5

Pro tips

Enhance your fraud prevention strategy:

- ☐ **Regularly review and adjust risk signals:** Adapt to emerging fraud patterns.
- ☐ **Educate customers on account security:** Promote best practices for password management and account protection.
- ☐ **Cross-reference support issues with fraud analytics:** Identify potential fraud through customer interactions.
- ☐ **Restrict high-value redemptions for new accounts:** Mitigate risk from recently created profiles.

How secure is your loyalty program?



If you've identified gaps in your current setup, Strivacity is here to help. Our solution provides adaptive access controls, real-time fraud detection, identity verification and real-time insights to protect your loyalty initiatives without compromising customer experience.

