КРМБ

Evolving frauds in the consumer markets sector

Voice of clients

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Frauds and leakages in the consumer markets sector have been rapidly evolving, given that the sector has been witnessing growth, technology transformation and changing consumer preferences.

In order to obtain a broader perspective on the topic, KPMG in India conducted a survey with 75+ experts from finance/compliance domain in various organisations in the consumer markets sector (FMCG, consumer durables, agriculture, retail and e-commerce), covering questions pertaining to frauds and leakages faced by them.

The key insights of the survey were found to be on similar lines with the insights noted by KPMG in India summarising the results from investigating of 200+ individuals through the POV document released in 2023 titled 'Evolving frauds and profile of a fraudster in consumer markets sector'.¹

Procurement, sales and distribution and e-commerce were voted as the major areas prone to frauds.				Majority of the respondents did not witness any reduction in frauds, despite multiple regulatory changes taken place in India.	
Procurement Sales and distribution E-commerce/ cyber Manpower Inventory	11% 6% 3%	50% 30%		No reduction in frauds despite regulatory changes 79%	Frauds have reduced on account of regulatory changes 21%
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1. Evolving frauds and profile of a fraudster in consumer markets sector, KPMG in India, 2023

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What mitigating actions should be taken by organisations in the consumer markets sector?



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