



Evolving frauds in the consumer markets sector

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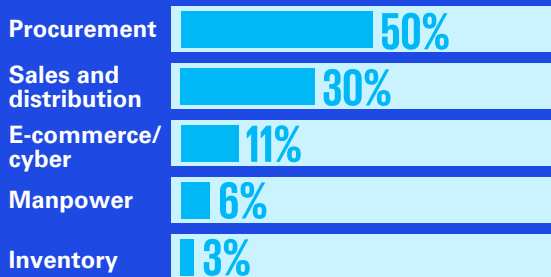
Frauds and leakages in the consumer markets sector have been rapidly evolving, given that the sector has been witnessing growth, technology transformation and changing consumer preferences.

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

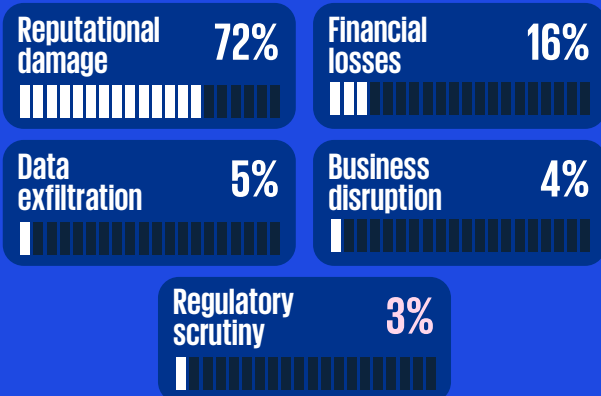
1

Procurement, sales and distribution and e-commerce were voted as the major areas prone to frauds.



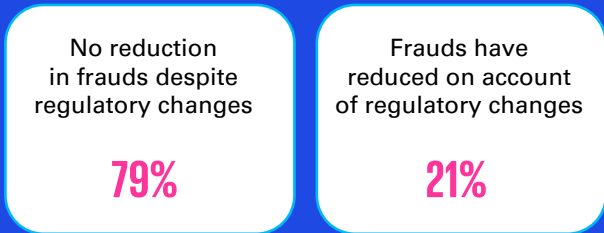
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Seventy two per cent of the respondents stated that reputational damage as the most severe impact of frauds, whereas 16 per cent believed that financial losses would also impact organisations.



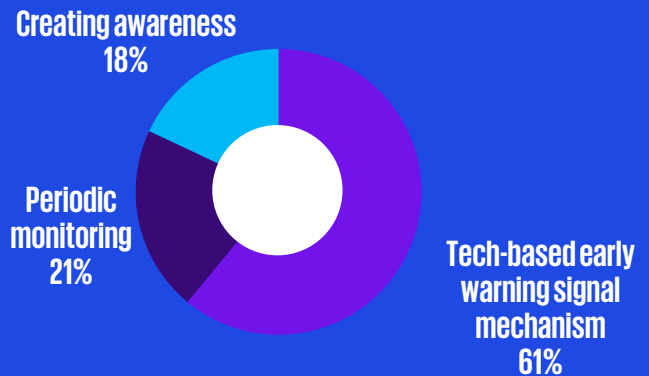
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Majority of the respondents did not witness any reduction in frauds, despite multiple regulatory changes taken place in India.



4

Sixty one per cent of the respondents believed that implementing a tech-based early warning signal mechanism is the most effective measure for detecting and mitigating frauds.



1. Evolving frauds and profile of a fraudster in consumer markets sector, KPMG in India, 2023

