State of Wire Fraud

2025

CERTIFID

State of Wire Fraud 2025

Real estate stagnation poses an increasing risk to the U.S. economy. Lagging adoption of cybersecurity measures by a sector that handles trillions of dollars annually is harming American consumers, endangering businesses, and enabling global cybercrime enterprises. Inconsistent industry practices are leading to greater vulnerability for certain populations of consumers. Delivering safe and secure real estate transactions will be not only good for buyers and sellers, it will be good for the industry and the economy. The steps required to protect everyone and counter wire fraud are clear, feasible, and well within reach.

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I. **Introduction:**

Fraud is a growing problem

I. INTRODUCTION:

Fraud is a growing problem

Fraud has unfortunately become a part of everyday life in the U.S. Nearly half of all Americans have personally encountered a cyberattack or digital scam attempt according to Consumer Reports[1]. These cyberattacks are not only becoming more prevalent, but they're also growing in scale. Losses from cybercrime reported to the FBI Internet Crime Compliant Center (IC3) exceeded $12.5 billion last year[2], a 22% increase in annual losses. Most of these losses reported to the IC3 are the result of fraud and scams.

Real estate has become a particular target, where the problem has grown to nearly $500 million in losses from business email compromise (BEC)[3] annually. The industry provides particularly attractive conditions for cybercrime to flourish:

- Open source intelligence (OSINT) readily available from property records and listings
- Traditionally low IT infrastructure required to operate real estate businesses
- Lack of unified cybersecurity standards in an industry governed by state laws
- Large sums of money involved in real estate transactions, with the U.S. median home sale price reaching $429k[4], and a growing share of all-cash buyers[5]



We may not know the full extent of the impact. Only 59% of businesses report successful wire frauds to the FBI IC3, according to a recent American Land Title Association (ALTA) cybercrime and wire fraud survey of the industry. What we do know is that the problem is significant: 17% of responding title companies sent money to an incorrect account last year due to fraud, and of those who did, half did so more than once[6]. For such a significant portion of the industry to have experienced an incident in their business further demonstrates how widespread the problem of real estate wire fraud has become.

II. **What's at stake:**
The impact on American consumers

II. WHAT'S AT STAKE:

The impact on American consumers

The U.S. has been stuck in a tough housing market for the past several years. Interest rates remain at historic highs, and housing inventory and affordability are at historic lows. The median sale price for an existing home is nearly double what it was pre-pandemic[7] in most markets.

Mortgage Rates: Jan 2015-Dec 2024

U.S. weekly averages

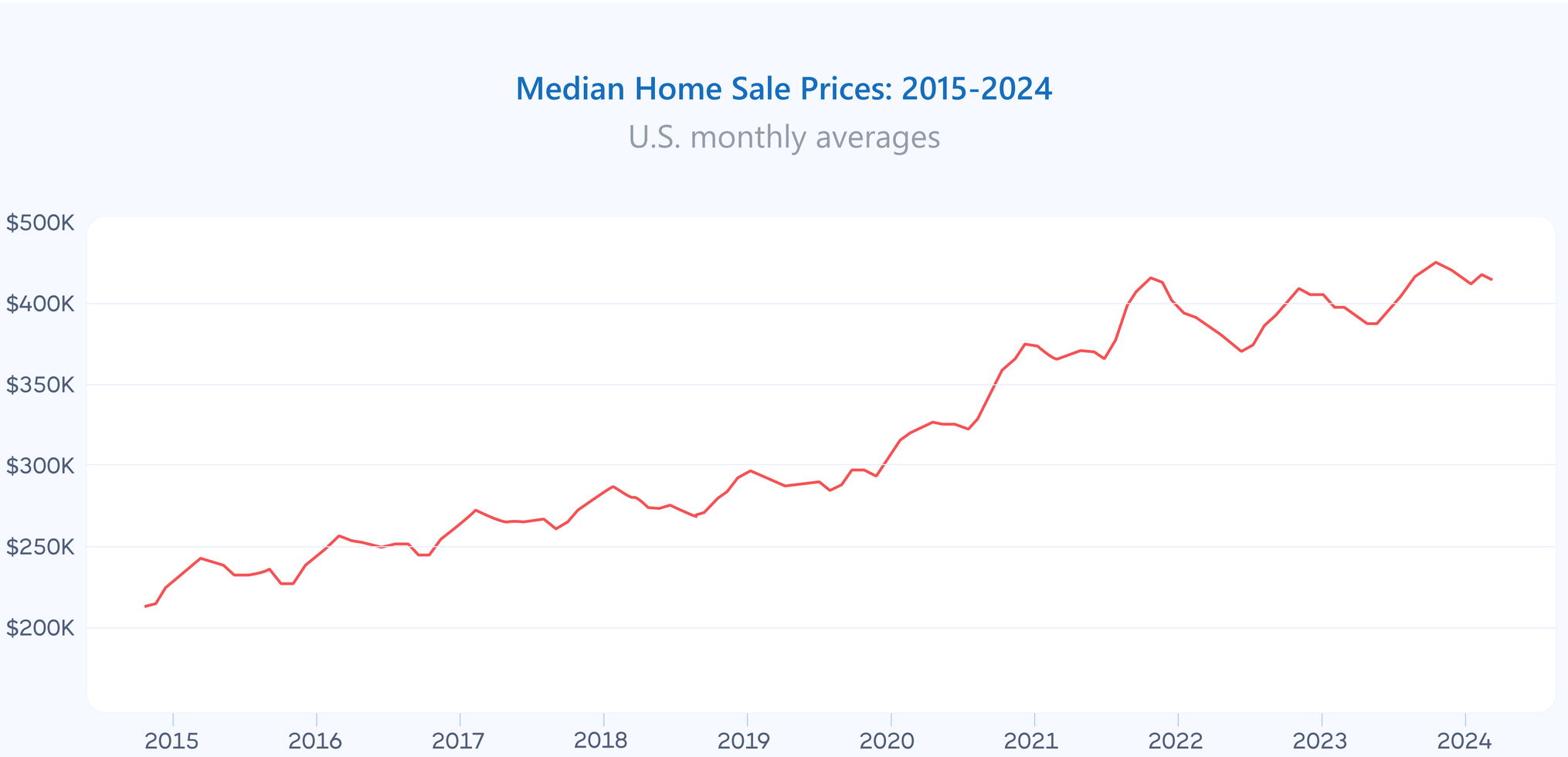


Source: Freddie Mac Primary Mortgage Market Survey®

Existing Home Sales Volume: 2015-2024

U.S. monthly units

Source: Mortgage News Daily, from data published monthly by National Association of Realtors



Data provided by Redfin, a national real estate brokerage.

What does this mean for consumers? An already complex process is fraught with even more stress and urgency. The average consumer expects to go through a home purchase only once every fifteen years[8]. Because they'll go through this just a few times in their life, the process feels new and unfamiliar every time, making them an easy target. Anything from a trusted source will be taken at face value, making the process ideal for **socially engineered fraud**. As a result, consumers are targeted at extraordinary levels during real estate transactions.

Many home buyers and sellers don't know that wire fraud "is a thing." In 2024, we saw more stories about real estate wire fraud in the news, ranging in scope from tens of thousands of dollars in closing funds in Texas[9] to **transactions worth millions in Florida**. However, this public awareness campaign is not enough.

In a recent CertifID survey of 1,500 U.S. home buyers and sellers, 52% responded that they were "not aware" or only "somewhat aware" of wire fraud risks before the closing process. As a comparison, 51% of respondents were "not aware" or "somewhat aware" in the prior year's report. This suggests that no meaningful improvement has been made in overall consumer awareness of the problem over the past year.

52%

of all consumers are "not aware" or only "somewhat aware" of the risks of wire fraud.

Q: How aware were you of the risks of wire fraud before closing on your property? Wire fraud occurs when someone impersonates a trusted party to trick you into sending money to the wrong account.

N= 1,497

Consumers aren't being educated about the risks early or often enough. We can't leave it to chance that a home buyer or seller will read a news article or report about real estate scams. We need to bring education to them more consistently. Only 49% of home buyers and sellers were first educated about wire fraud by their real estate professionals.

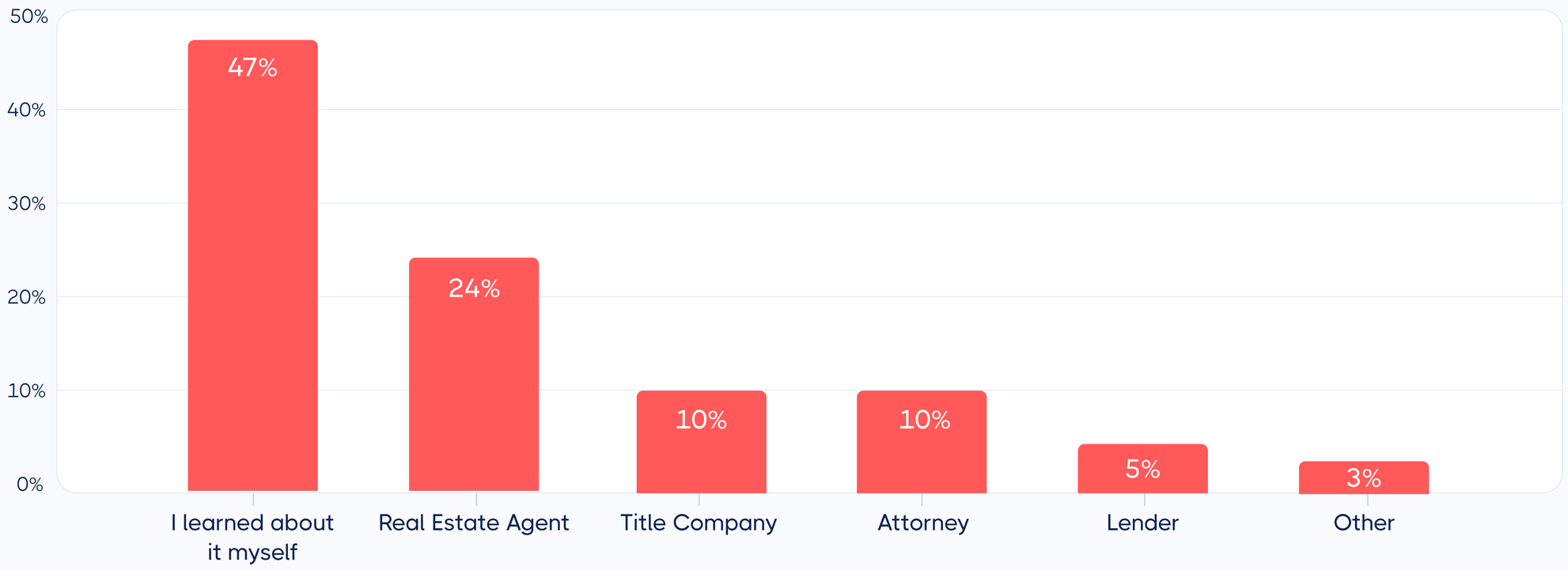
Education is happening from the very first meeting for 47% of home buyers and sellers, but falls too late in the process for the majority of consumers.

> ***"Quite frankly, it [real estate fraud] never crossed my mind. The way the person did it — it was really, really good."***
>
> ***- Raegan Bartlo***
> *Home buyer in West Virginia who lost $112,000 in 2024[10].*

For the 12% of home buyers and sellers who are not educated until right before closing, that may be too late. Stories from the hundreds of victims helped by CertifID Fraud Recovery Services indicate that trusted communications can be compromised anytime before a contract is even signed until days before closing.

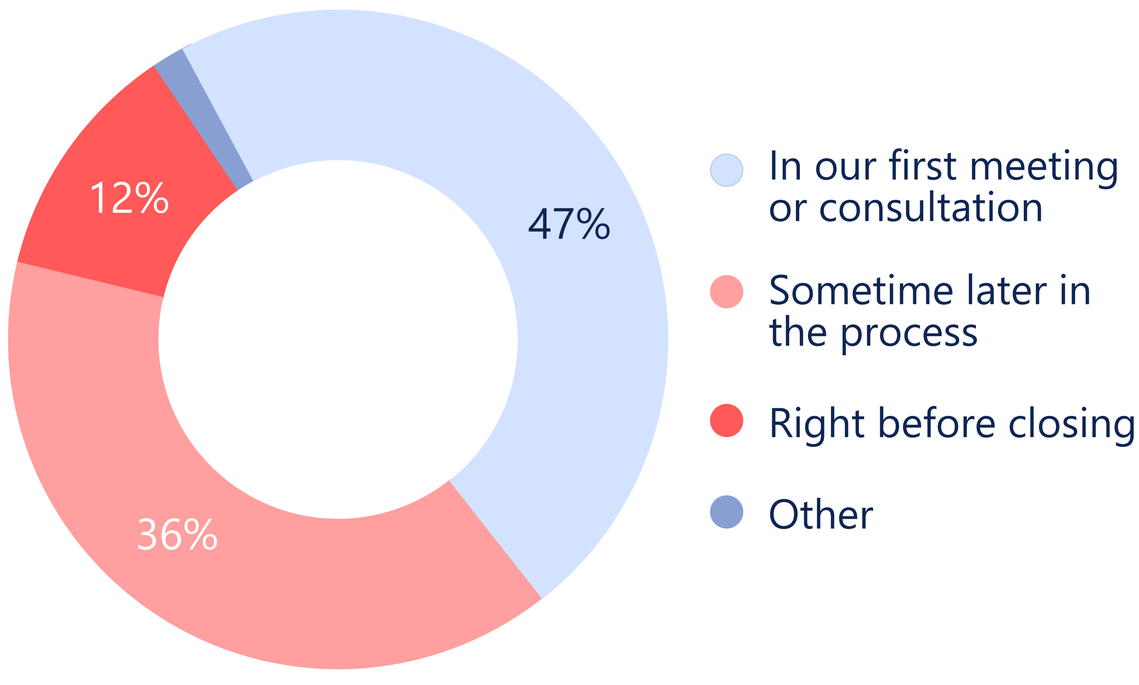
Q: Who first told you about the risks of wire fraud?

N = 1,494



Q: When did they first tell you about wire fraud?

N= 1,497



Too many consumers are falling victim. Over 1 in 4 (26%) of home buyers and sellers reported receiving suspicious or fraudulent communications during their closing process. Nearly 1 in 20 (4.7%) of home buyers and sellers reported becoming a victim.

During a fraud attempt, real estate agents were the most often impersonated professionals: 58% of victims reported that suspicious communications appeared to come from their agent. Their title agent or settlement agent was impersonated the next most frequently, according to 41% of respondents.

Interestingly, loan officers were frequently impersonated in these scams (reported by 34% of respondents), even though they have no role in guiding the transfer of funds during a closing process. This underscores the lack of understanding by consumers on the role of each party in their real estate transaction and what to expect in the process.

Q: Did you receive any suspicious or fraudulent communications during your closing process?

N = 1,496

"Yes, but I didn't fall for it."



Over **1 in 4** of home buyers and sellers are targeted.

N = 324

"Yes, and I became a victim."

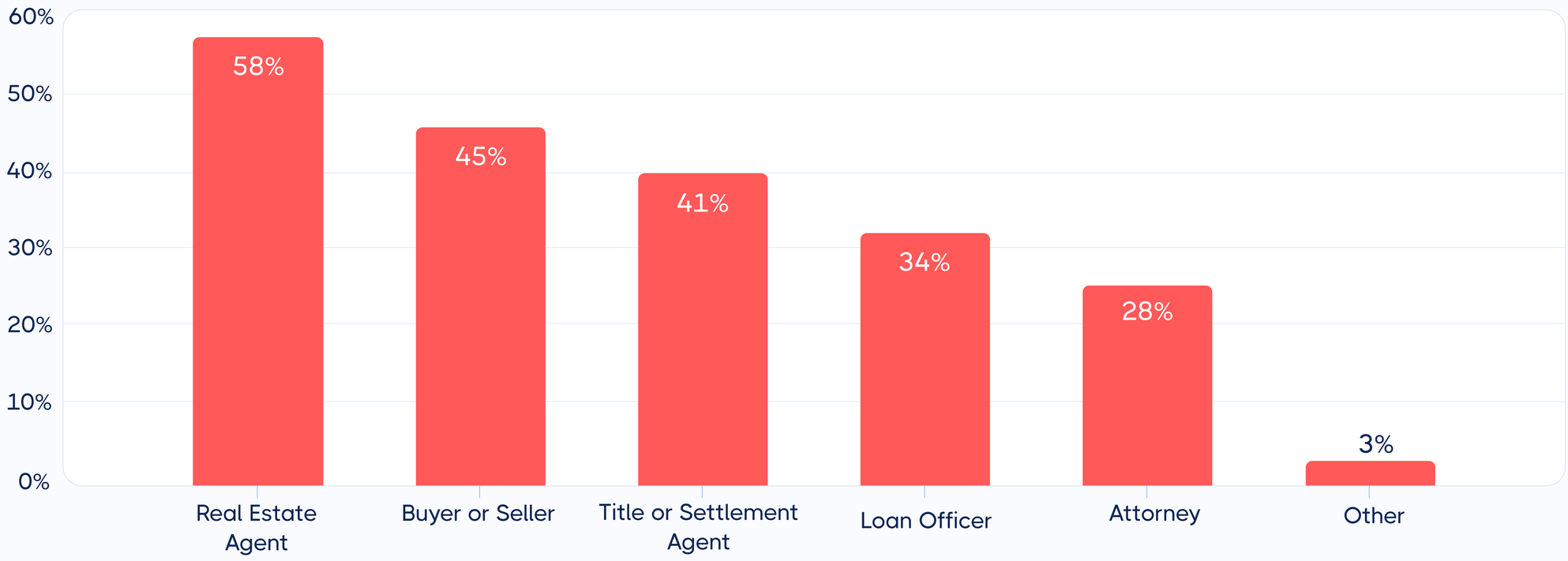


Nearly **1 in 20** of home buyers and sellers become a victim.

N = 74

Q: Who did those suspicious communications appear to come from?

N = 74



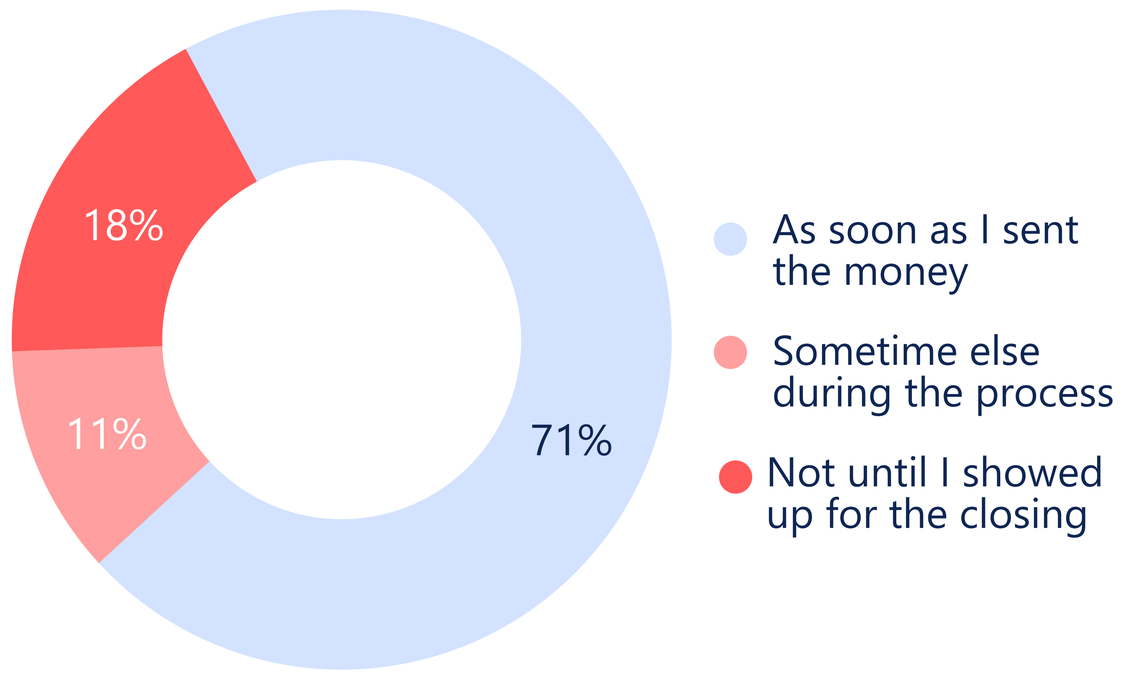
Victims face an uncertain recovery process. As seen from the hundreds of funds recovery cases annually that CertifID pursues for victims, we know that time matters in getting money back. For the respondents who became a victim, 71% realized they sent their money to the wrong place quickly. This is a strong determinant of the outcomes in getting money back. 73% of consumers were able to recover all or most of their funds. However, that left 27% of consumers with less than half to no funds recovered.

> *"The most important aspect in trying to recover money is speed. Report an incident to federal law enforcement as quickly as possible, so they can investigate and seek to track down and freeze your funds. After 24 hours, the recovery success rates go down significantly."*
>
> **- Matt O'Neill**
>
> Founding partner of 5OH Consulting and former head of global cybercrime investigations at the U.S. Secret Service.

Victim experiences and approaches to funds recovery vary widely. Unsure of who to turn to, victims contact anyone and everyone around them for help: their bank, title company, attorney, or law enforcement. Without a standardized process or support, additional stress ensues, and the likelihood of recovery is impaired. Still, 22% of victims don't report the crime to federal law enforcement. It's clear that consumers face significant complexity not only in a "normal" real estate process, but even in the most tragic scenarios as well.

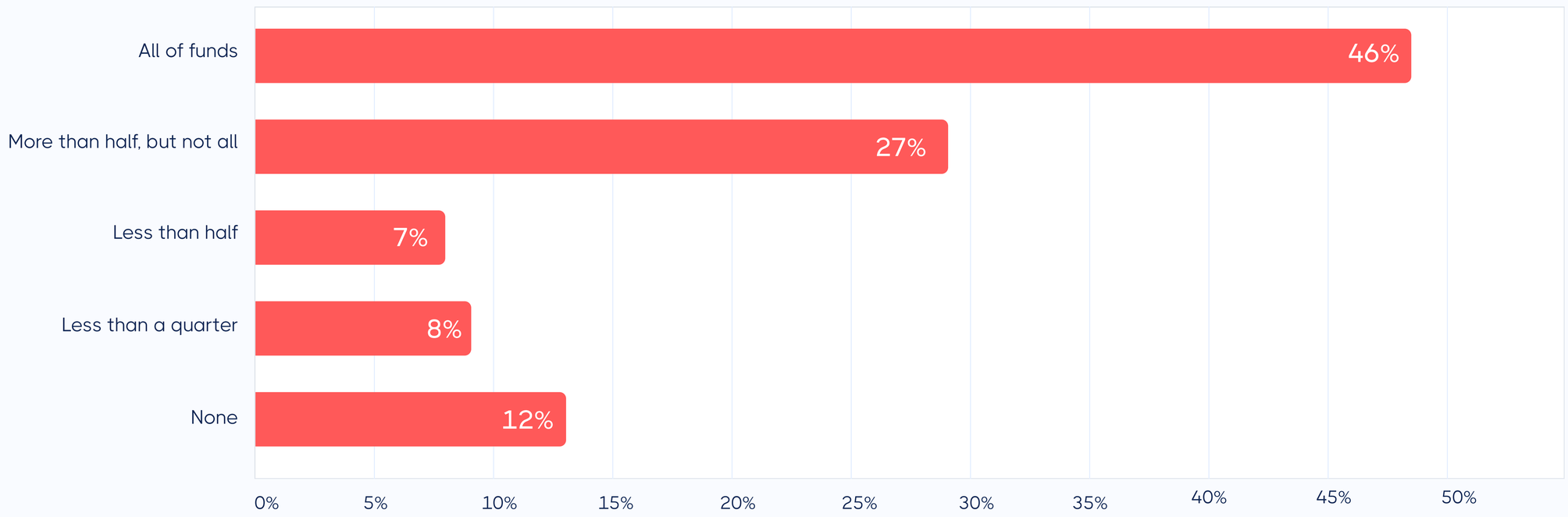
Q: When did you find out it was fraud?

N = 74



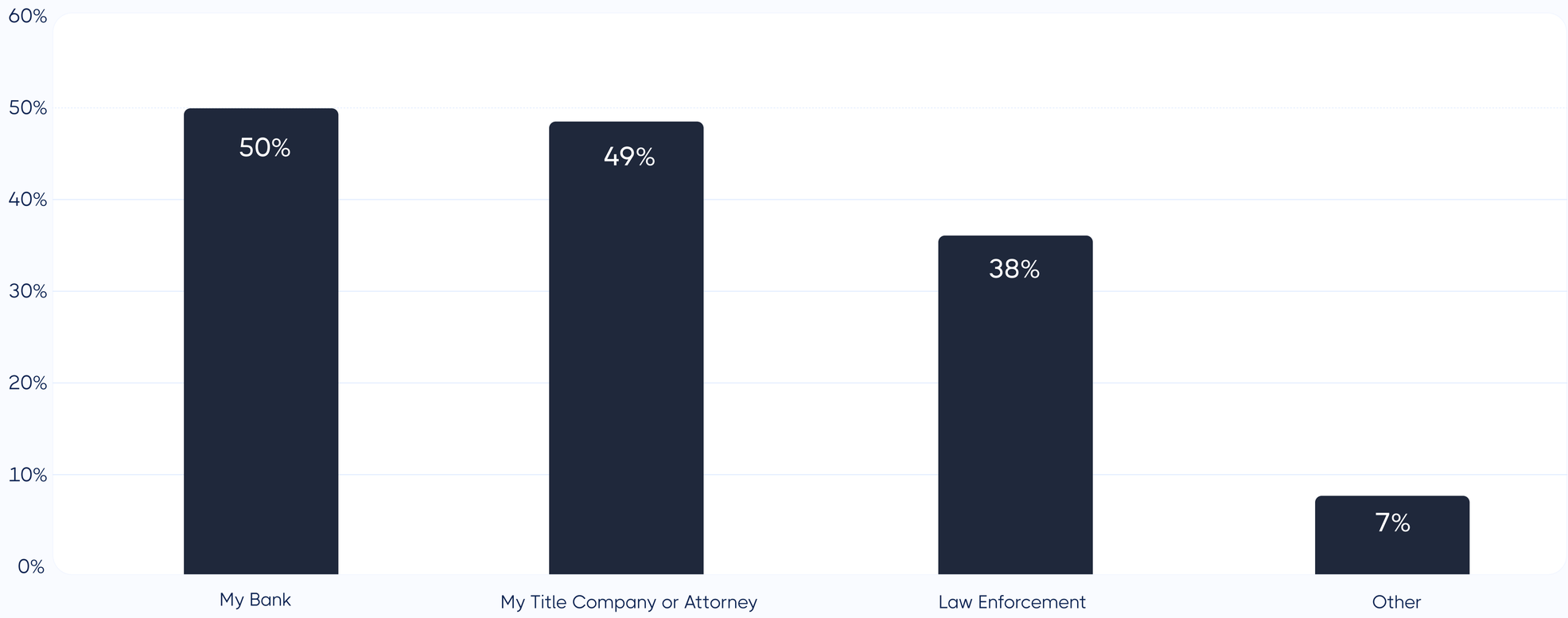
Q: How much of your funds were you able to recover?

N = 74



Q: Who attempted to help you recover the stolen funds?

N = 74

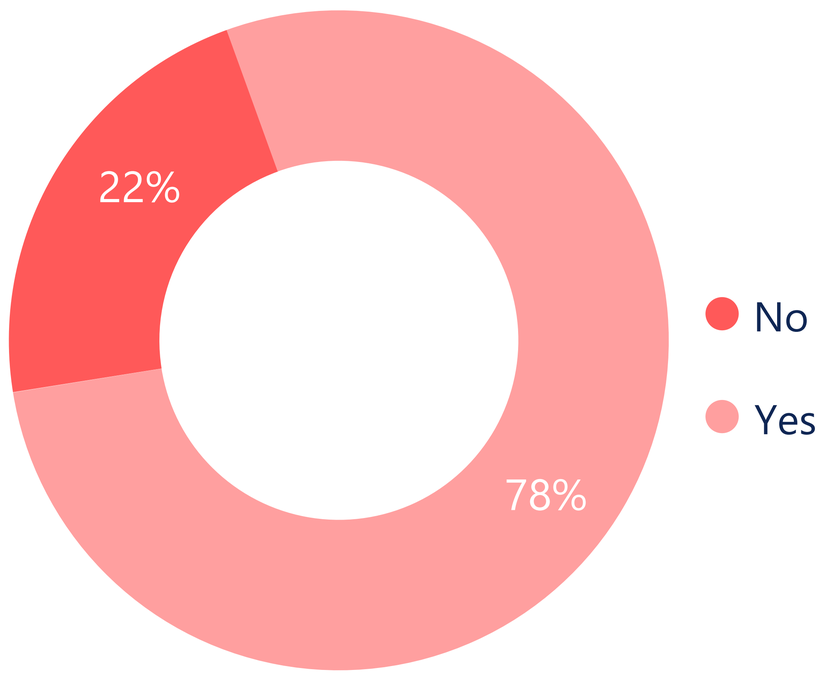


22%

of victims did not report the crime to federal law enforcement.

Q: Did you report the fraud to Federal Law Enforcement?

N = 74



III. The case for change:

Fraud creates a ripple effect through our communities

III. THE CASE FOR CHANGE:

Fraud creates a ripple effect through our communities

The funds involved in a home sale represent the life savings of most Americans. Housing affordability and access is already holding back large swaths of society. We can't afford to let it get worse.

Income generated by home sales contributes to an estimated 18% of GDP that flows through this industry sector[11]. Adding to the risk for real estate professionals is that these kinds of losses aren't covered by most insurance policies. When wire fraud does occur, their claims are being denied.

Real estate has become a target because criminals go where there's opportunity. They've found a vertical that is fragmented, handles large sums of money, and is still in the process of modernizing and investing in security.

Real estate is facing the same transformation that banks faced over a decade ago with the rise in cybercrime. Financial institutions have invested heavily in their defenses[12]. The real estate industry needs to do the same. This needs to happen, and happen quickly.

Consumers face a wide range of experiences when it comes to the likelihood of a safe real estate closing experience.

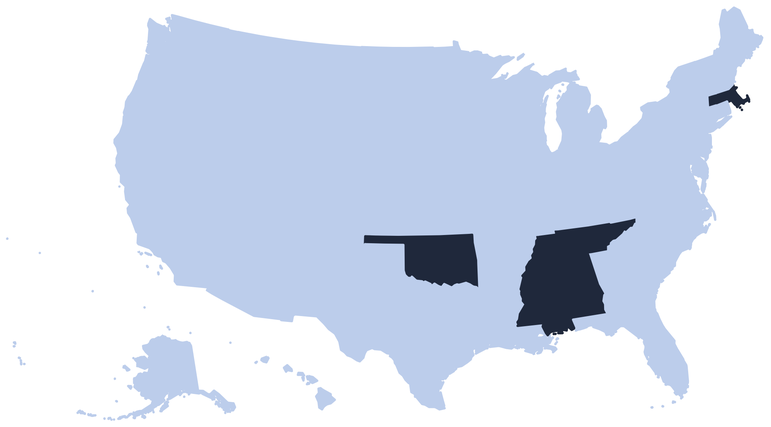
Where you live matters. Licensing and regulation of real estate businesses are governed at the state level. This results in wildly different levels of consumer education, attitudes, and outcomes from wire fraud.

States that most often educate from the start:

- Alabama **70%**
- Tennessee **68%**
- Oklahoma **62%**
- Mississippi **57%**
- Massachusetts **55%**

Q: When did they [real estate professional] first tell you about wire fraud?

A: In our first meeting or consultation.



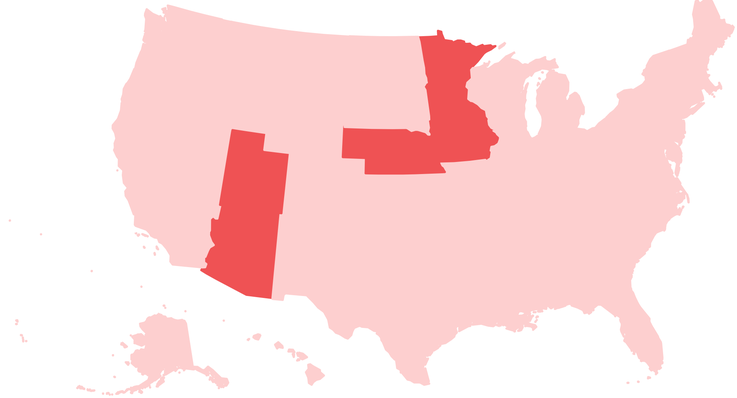
N = 1,485 total responses across all states.

States that least often educate from the start:

- Iowa **8%**
- Nebraska **25%**
- Arizona **31%**
- Utah **32%**
- Minnesota **35%**

Q: When did they [real estate professional] first tell you about wire fraud?

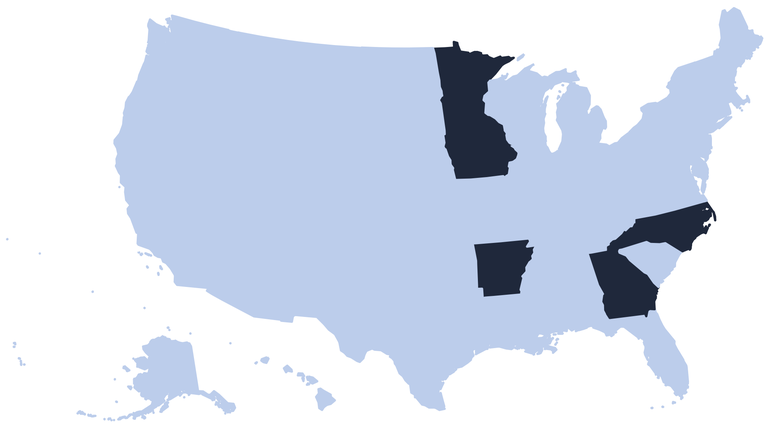
A: In our first meeting or consultation.



N = 1,485 total responses across all states.

States where consumers are most willing to pay more for security:

- Minnesota **96%**
- Iowa **92%**
- North Carolina **90%**
- Arkansas **87%**
- Georgia **86%**



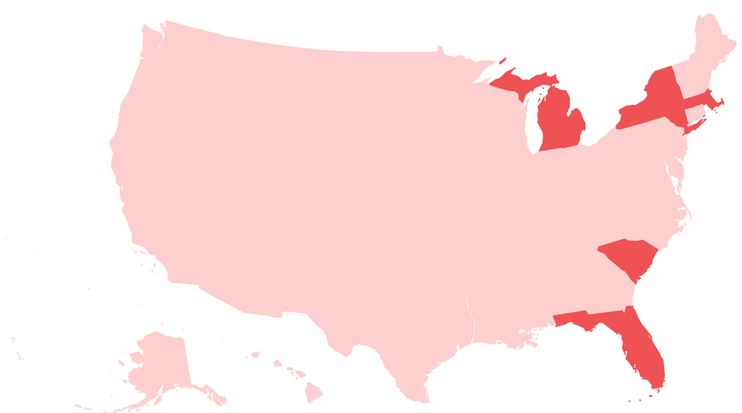
Q: Would you pay more to work with a real estate business over others if they prioritized your security from wire fraud?

A: Yes.

N = 1,494 total responses across all states.

States with highest rate of consumers who fall victim:

- Massachusetts **14%**
- Florida **10%**
- New York **10%**
- Michigan **8%**
- South Carolina **8%**



Q: Did you receive any suspicious or fraudulent communications during your closing process?

A: Yes, and I became a victim.

N = 1,497 total responses across all states.

Above only includes states with responses > 20.

Experience matters. Consumers going through a real estate transaction for the first time are especially at risk. These "first-timers" fall victim to wire fraud during the closing process at a rate 3 times more than experienced buyers and sellers. Real estate professionals should take extra care to educate first-time buyers and sellers about the risks.



Q: Did you receive any suspicious or fraudulent communications during your closing process?

A: Yes, and I became a victim.

N = 1,497

First-time real estate consumers: **7.5%**

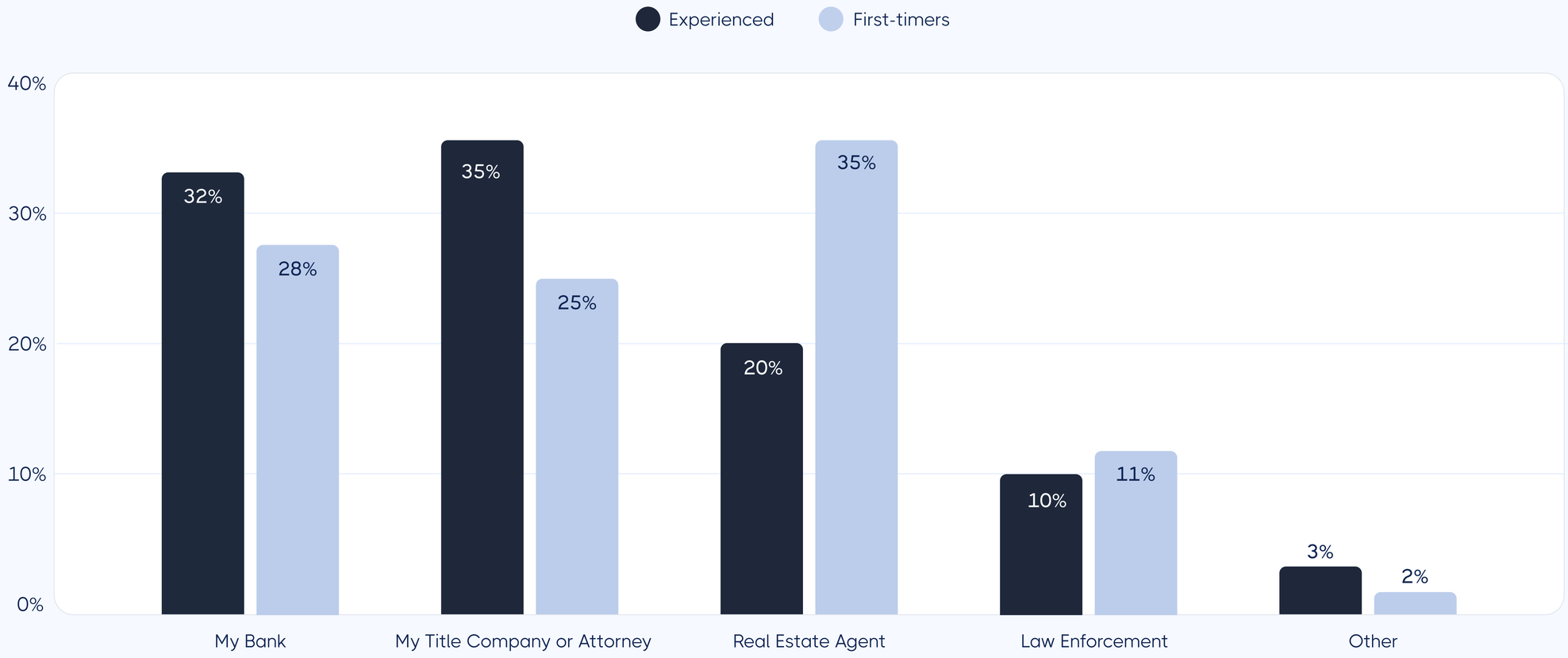
Experienced real estate consumers: **2.3%**

3x

victim rate with **first-time** real estate consumers.

These "first-timers" expect more from their closest and most trusted advisor: their real estate agent. 35% of first-time home buyers and sellers expect their real estate agent to be responsible for protecting them against real estate wire fraud, compared to only 20% of experienced buyers and sellers.

Q: Who do you think should be responsible for protecting you from real estate wire fraud?

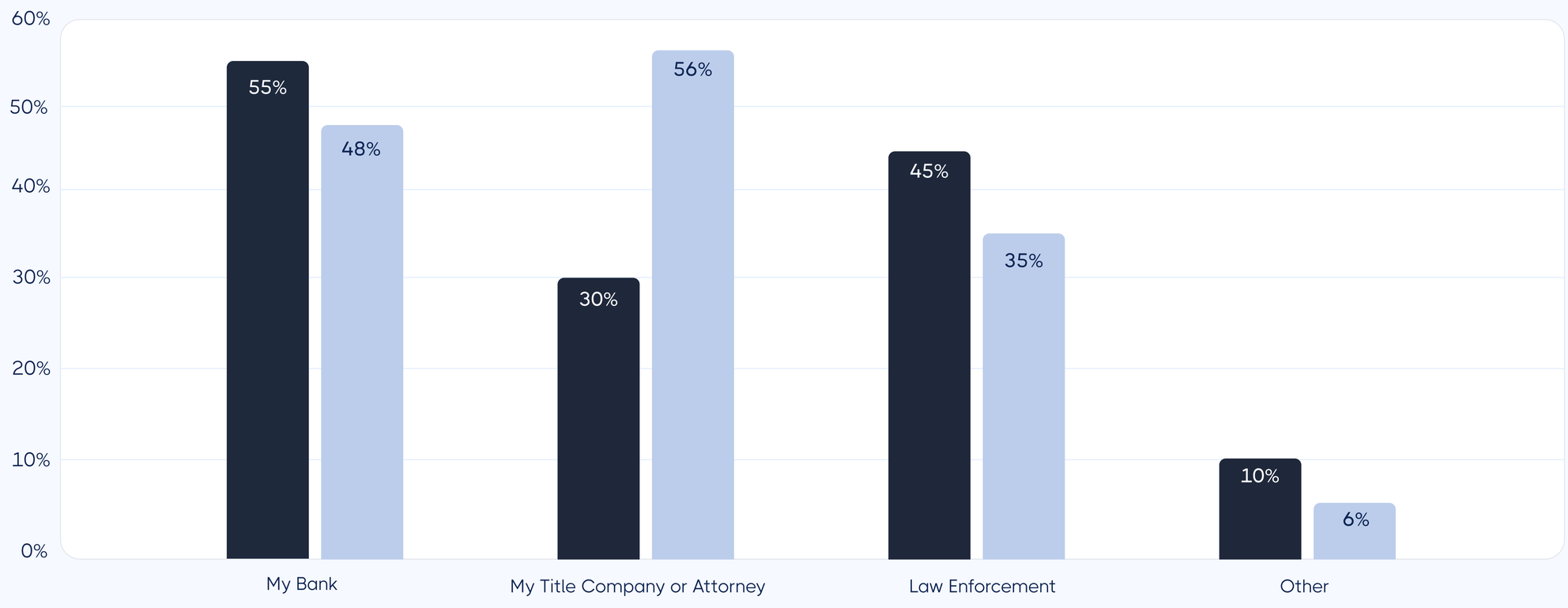


N = 1,497

Experience also plays into who a consumer turns to for help with recovery when hit by fraud. This divergence in experience further highlights the lack of any standardized process for victims to recover funds.

In this time of crisis, first-time consumers turn to their title company or attorney the most, while more experienced consumers reach out to their bank or law enforcement directly. 56% of first-timers received help to attempt to recover funds from their title company or attorney, followed by 48% receiving help from their bank, and 35% from law enforcement. For more experienced buyers and sellers who had been through a closing previously, 55% of them turned to their banks for help to attempt to recover funds, followed by 45% from law enforcement and only 30% from their title company or attorney.

Q: Who attempted to help you recover the stolen funds?



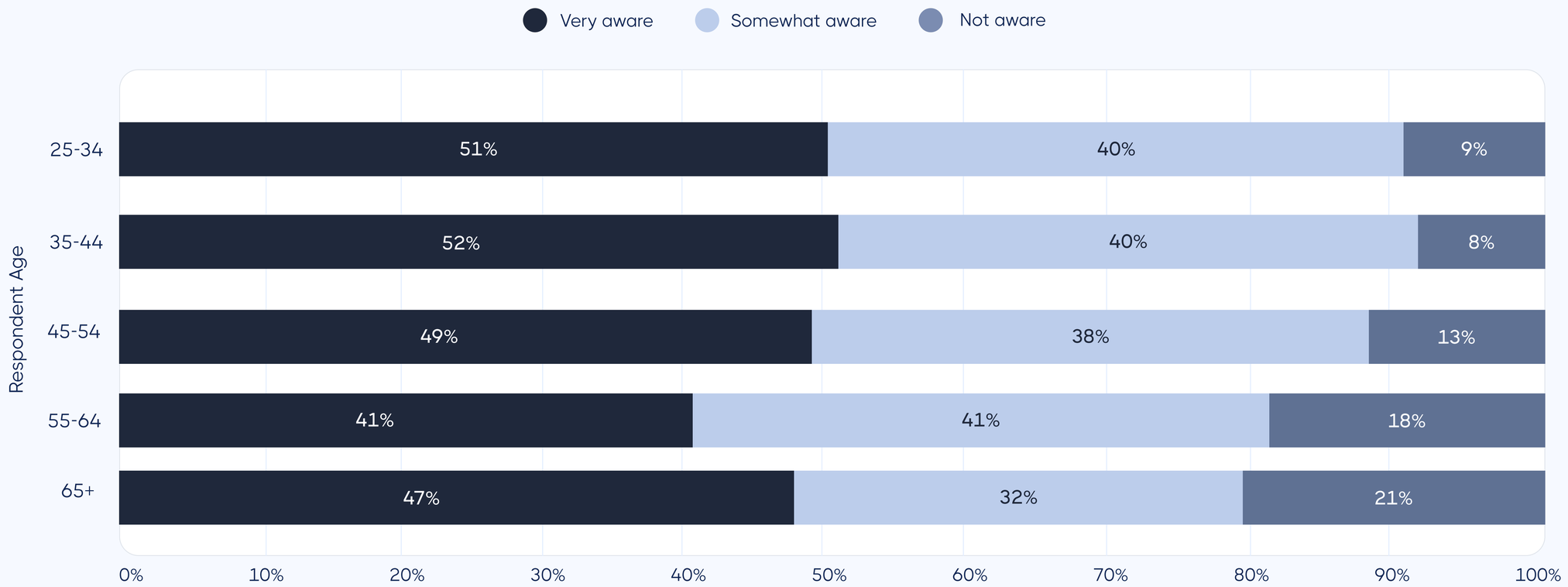
N = 74

Age also plays an important factor. There's a significant gap in cyber awareness with older Americans. Older consumers are going into the real estate process less aware of the risks. Only 8-9% of consumers aged 44 and younger began the real estate process with no awareness of wire fraud. It's double that, 18% or more, with Americans aged 55 or older.

Older consumers expect their title company or attorney to protect them, much more so than other age groups. 47% or more of consumers aged 55+ look to their title company or attorney. And, they expect this to be part of the services they're already paying for. Older consumers as a group are the least willing to pay extra for security.

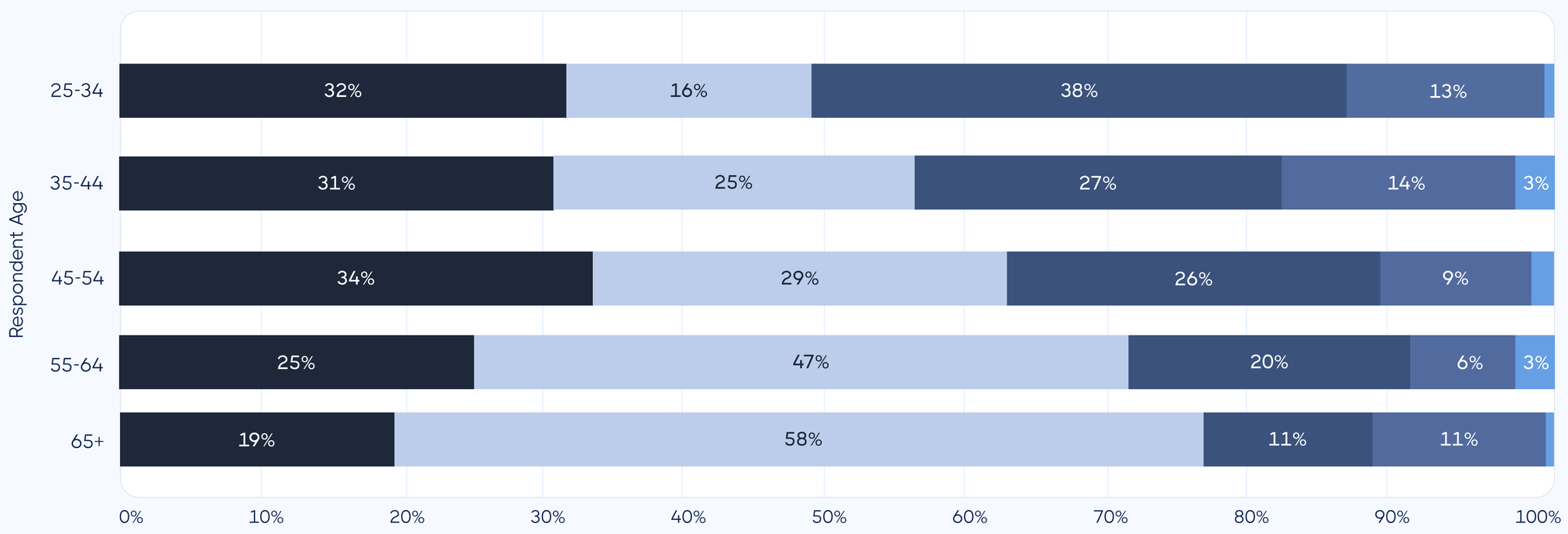
Q: How aware were you of the risks of wire fraud before closing on your property?

Wire fraud occurs when someone impersonates a trusted party to trick you into sending money to the wrong account.



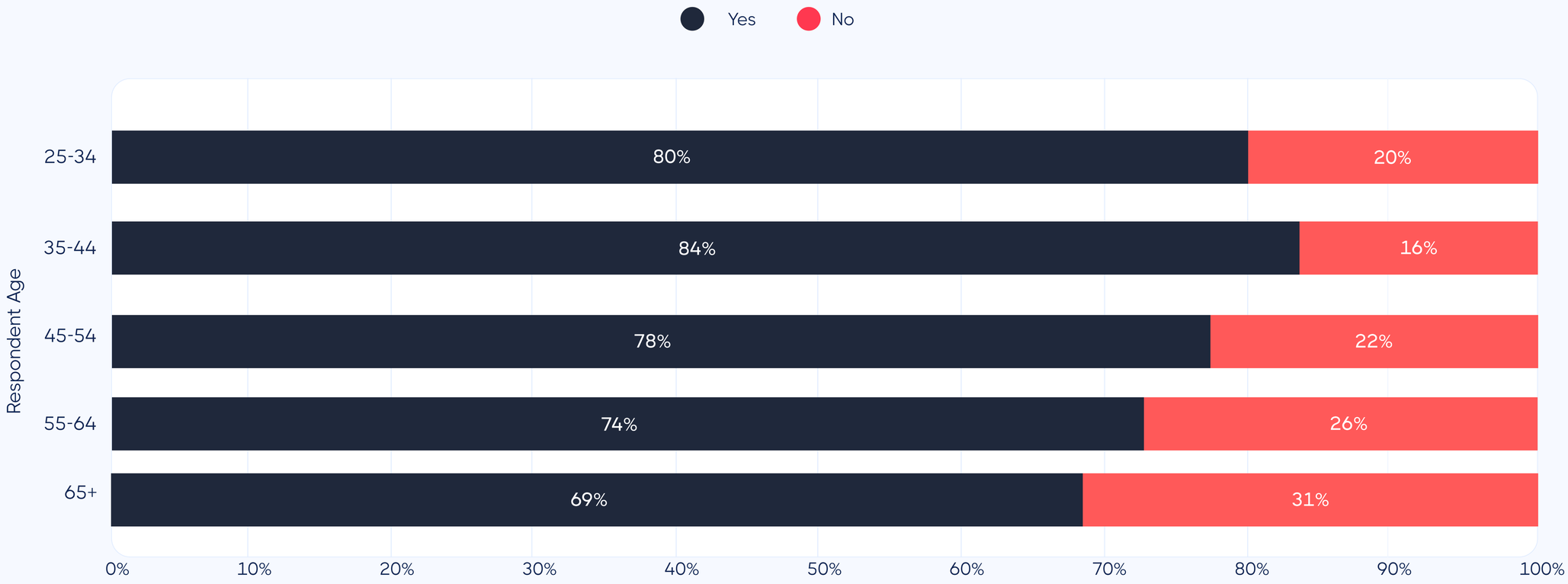
N = 1,494

Q: Who do you think should be responsible for protecting you from real estate wire fraud?



N = 1,494

Q: Would you pay more to work with a real estate business over others if they prioritized your security from wire fraud?



N = 1,494

IV. The path forward:

How we can turn the tide

IV. THE PATH FORWARD:

How we can turn the tide

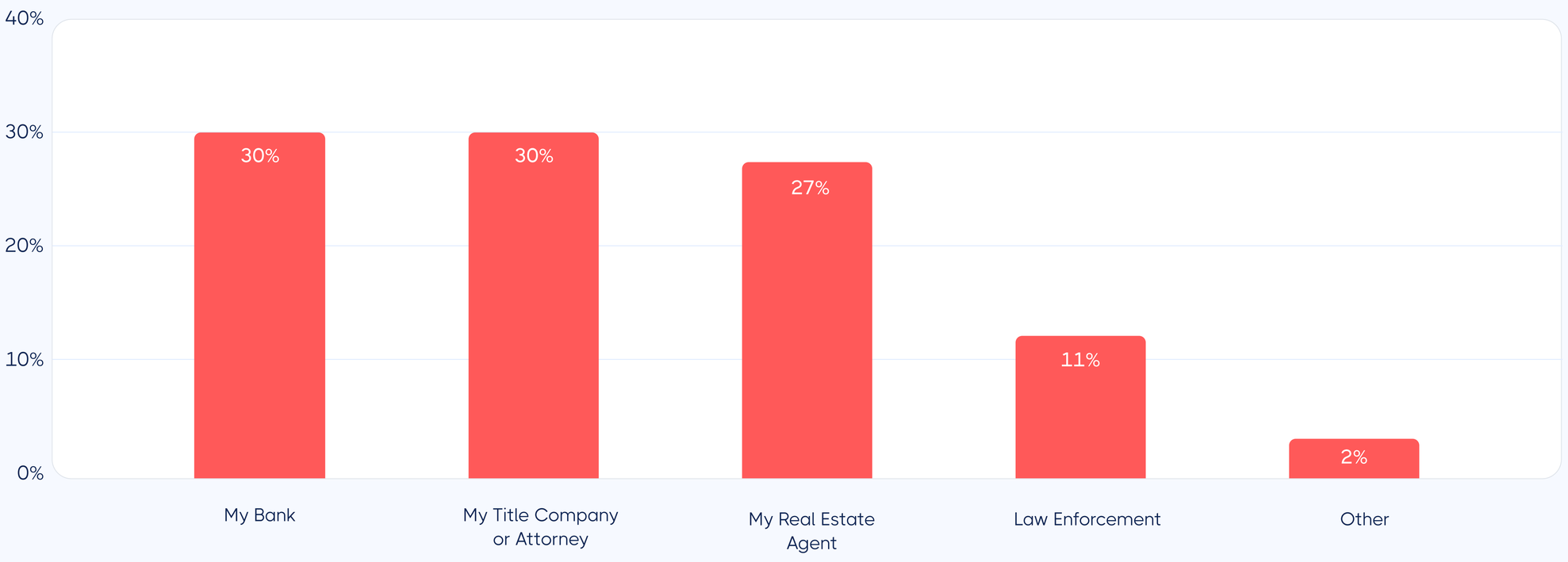
In the year ahead, while we can hope for greater public investment in investigative resources, data sharing, and regulatory protections, we can't afford to stand by and wait for that to happen. The private sector must take swift action to prevent the siphoning of even more funds and the strengthening of criminal enterprises. There are steps that we can all take to combat fraud and protect our companies, customers, and communities:

1. We can educate consumers.
2. We can train employees.
3. We can implement processes to verify all parties in a transaction.
5. We can invest in technology to make it harder for bad actors.
6. We can utilize tools like insurance and recovery services to add further protection.

Consumers will demand change. The more consumers are harmed, the clearer the need for change becomes. The message is clear when it comes to consumer expectations of their business providers. Consumers place all parties — their banks, title companies, attorneys, and real estate agents — equally responsible for keeping them safe.

Q: Who do you think should be responsible for protecting you from real estate wire fraud?

N = 1,494



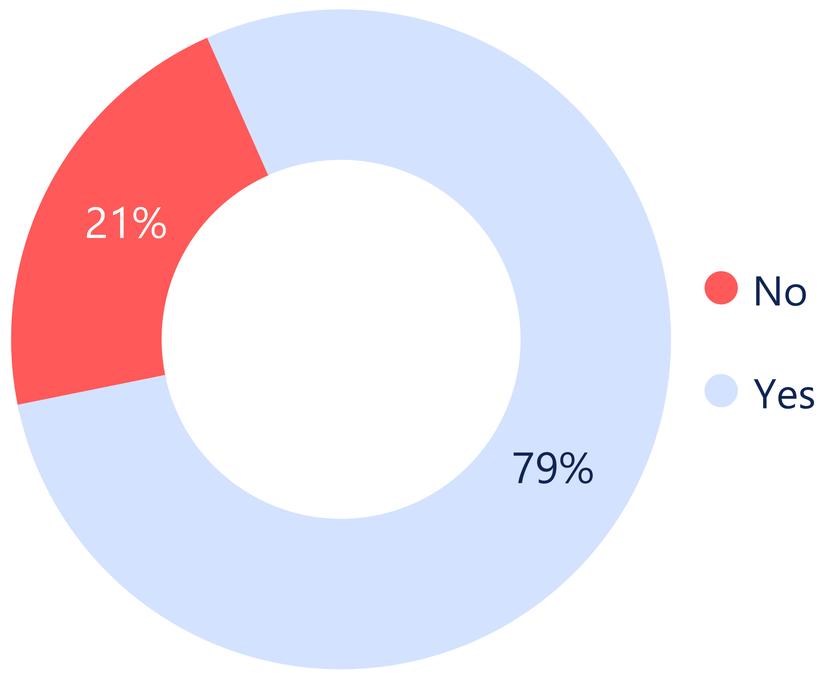
Consumers will drive change with their pocketbooks. 79% of all respondents were willing to pay more to work with a real estate business that prioritizes their security from wire fraud.

79%

of consumers are willing to pay for a more secure experience

Q: Would you pay more to work with a real estate business over others if they prioritized your security from wire fraud?

N = 1,494



Cybercrime enterprises are systematically targeting companies by exploiting every possible vulnerability. An instance of confirmed suspected fraud in an organization typically correlates to higher risk. According to CertifID analysis of software usage, once a customer experiences at least one transaction flagged as high-risk, they see their rate of high-risk transactions rise to up to 6x higher than peer set companies. This indicates fraudsters are looking to "stuff" transactions at companies they're targeting, hoping just one employee veers from protocol on a closing.

All it takes is one fraud incident for a business or consumer to suffer a catastrophic loss. Real estate wire fraud losses reported to CertifID in 2024 averaged $68k in buyer cash-to-close funds stolen, $172k in seller net proceeds stolen, and $276k for mortgage payoff frauds.

CertifID Fraud Recovery Services (FRS)

2024 accepted cases



Buyer cash-to-close funds theft

Median value: $68,413

30% of all FRS cases

Seller net proceeds funds theft

Median value: $172,080

12% of all FRS cases

Mortgage payoff fraud

Median value: $275,927

48% of all FRS cases

10% of cases were other forms of payment or unclassified.

When companies encounter these high-risk flags, it’s critical to put teams on heightened alert. It's no time to go back to “business as usual” after a transaction comes in with elevated indications of risk. Fraudsters are able to scale their attacks at unprecedented rates, aided by the latest technologies:

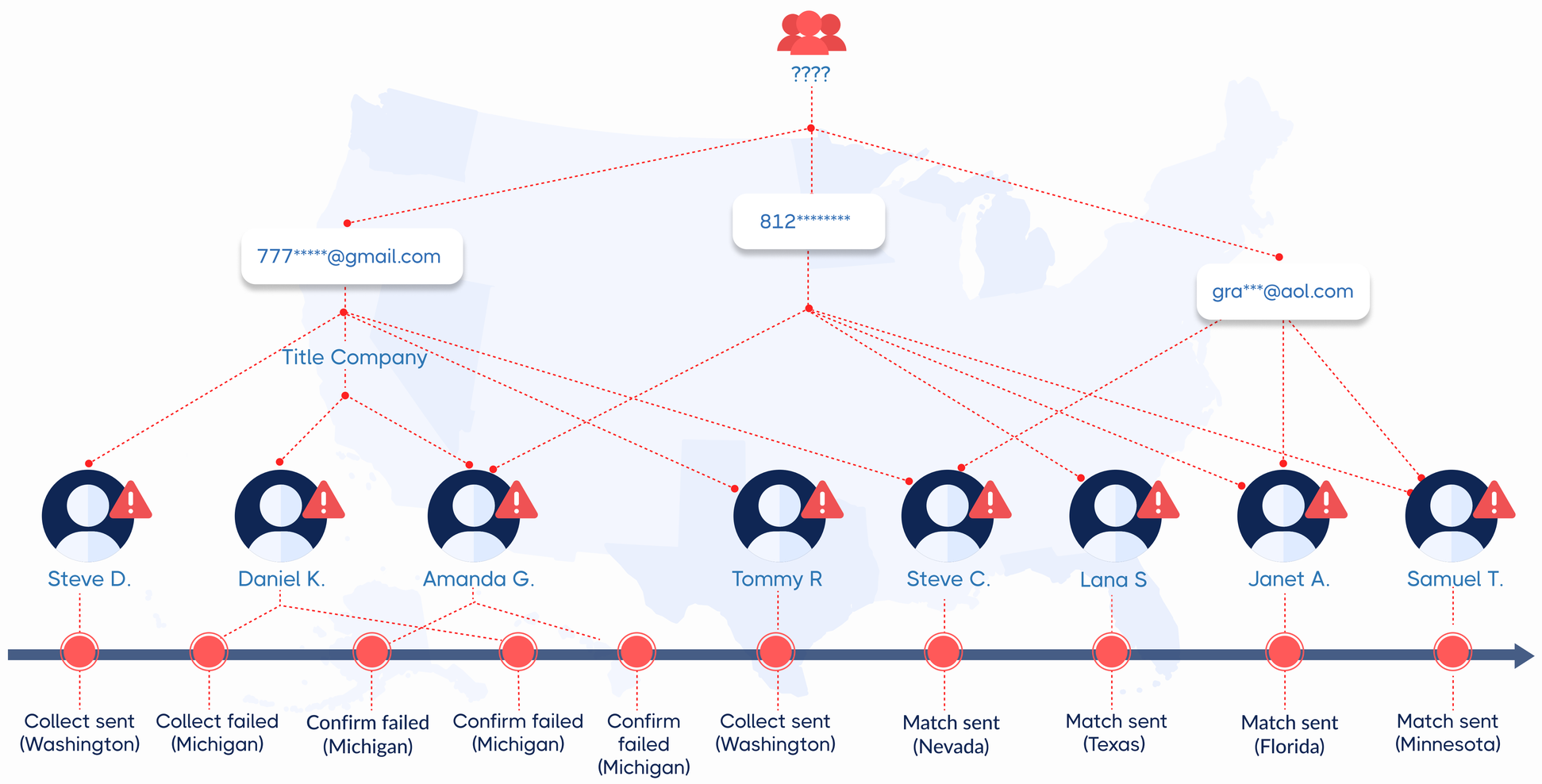
- APIs are used to aggregate property records and data across multiple sources. These services require only a few hundred dollars in monthly subscription for access to thousands of records.
- AI/ML is used to analyze that data rapidly and develop more targeted attacks, augmenting and accelerating human execution quality and scale.
- Generative AI is also enabling continual improvement in social engineering and impersonation via text, email, social media, voice, and video. Fraudsters will only get better as they feed their models.

It’s no longer possible for a business to rely on human efforts to catch communications that are slightly “off”, inspect IDs against a multi-point checklist, or detect changes to wire instructions. To stay ahead of bad actors using the latest technologies, real estate businesses need to invest in technology that provides advanced protection. A single tool is not enough. Comprehensive protection requires a platform to evaluate risks and drive insights that enable both predictive and responsive action.

The future of wire fraud protection in real estate depends on network effects that can only come with the adoption of technology as a community. Consistent use of technology is required for the industry to see and stop more fraud. CertifID has seen growing connections between attacks that transcend organizations, states, and types. The ability to ingest data, analyze risk factors, and drive insights across transactions has led to stronger preventative capabilities for our customers driven by these network effects.

Example of the connection between wire fraud attacks

Source: CertifID analysis from verifications submitted to multiple customers from January to September 2024.



Companies at the center of every transaction and handling the movement of huge amounts of money for buyers and sellers must accept a new mantle of responsibility. While title companies have a fiduciary responsibility, 28% reported having at least one customer send funds to the wrong place due to fraud last year. The good news is that 86% of title companies reported engaging in some type of mitigation activity last year. Yet, in terms of investment in protection, 29% of title companies spend less than $1k per year on preventative services, and 20% spend zero[6].

These frauds can be prevented. It's time for the real estate sector to invest, as financial institutions have had to. AI and other tech will drive continuous improvement in impersonation; bad actors will only get better at what they do. Robust technology will be needed to counteract them. The path forward to secure transactions will require verification of all parties and transactions, and a secure platform to move money.

These strategies work. CertifID customers verified over 900k transactions in 2024. 65% of customers had at least one high-risk transaction identified as suspected fraud, totalling $1.32 billion in funds that were protected from potential loss.

In 2025, it's time for every real estate business to take action to protect themselves, their customers, and the industry's future.

CertifID fraud protection in 2024

913K

transactions protected

65%

of customers had at least one high-risk transaction identified as suspected fraud

$1.32B

in fraud avoided by customers

Glossary

AI/ML and Generative AI: Artificial Intelligence (AI) is a category that refers to the use of technology to perform tasks typically requiring human thinking. Machine learning (ML) refers to the ability for machines or computers to automatically improve performance through data and experience. ML is a subset of AI. Generative AI refers to the use of ML data and models to originate new content.

BEC: Business email compromise (BEC) is a type of cybercrime in which legitimate looking communications are used to trick buyers and sellers into sharing sensitive information or hack into their systems. These communications often arrive via email, but the term now encompasses all forms of trusted communications across text, voice, voicemail, video, and social media.

Cybercrime: Illegal activities facilitated by internet and digital-based means. The Internet Crime Complaint Center (IC3) division of the Federal Bureau of Investigation (FBI) focuses on these types of crimes.

Mortgage payoff: When a borrower satisfies the terms of a home loan, usually through the sale of a home or by meeting the loan's payment terms. During a property closing process, funds are transferred from a seller's proceeds to the mortgage provider to satisfy the terms of the loan and repay the debt. This payoff amount can be different from the loan balance.

Social engineering: A technique used by cybercriminals that takes advantage of human tendencies or weaknesses to obtain personal or sensitive information used to access protected systems. Social engineering relies on the human bias for trust, insofar as an incoming message will be taken at face value in the absence of specific clues or red flags. Scammers use social engineering to target real estate transactions because of the complexity of the closing process, which involves many parties and can require extremely tight turnaround times. Cybercriminals often use a sense of urgency to prey on anxious buyers and sellers.

Wire fraud: A federal crime in the U.S. where electronic communications are used to scam or trick someone into sending money to a fraudulent account or actor. Wire fraud is also commonly described as business email compromise (BEC).

About the study

The consumer data in this report is from a December 2024 online survey of 1,500 individuals in the U.S. who had purchased or sold a property within the prior three years, with property inclusive of any residential house, apartment, condo, or land.

The proprietary data in this report is based on all CertifID services and software usage in 2024. Findings on fraud recoveries come from cases reported to CertifID by businesses and consumers not using protection software. Findings on fraud identification come from nearly one million wire instructions processed by the CertifID SaaS (software as a service) platform and verification teams for CertifID software customers.

Where publicly available, non-proprietary data is used, the sources are cited as footnotes within the report.

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About CertifID

CertifID is a leader in fraud protection for the real estate industry. The company safeguards billions of dollars every month with advanced software, digital payments, direct insurance, and proven recovery services. Trusted by title companies, law firms, lenders, realtors, and home buyers and sellers - CertifID provides further peace of mind with up to $2M in coverage on every wire transfer it protects.

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