

Threats to online Trading Companies from fraud and hackers

There are many threats from hackers and con artists when a company does business online. Here are some of the main types of fraud:

Supplying fake products:

Fraud can occur at the very outset of your business when you try to contact a supplier for the product that you have chosen for your online business. The supplier turns out to be untrustworthy and disappears with your money leaving no trace and no hopes of a business. This type of fraud is similar to anything that can happen in the brick and mortar world of business as well. Remember that almost anything that can happen in the real world can happen in the virtual world too, so take the same precautions that you would as for an offline business.

Clones:

A common problem that more established businesses face is clone businesses that set up with similar sounding names and logos. These businesses will often target your trading company's clients, and make no mistake; they are after your business specifically. This can create a number of problems for the online trading business, since there is a lack of physical interaction with the customers and it is easier to pull this off. Customer can become confused and either leaves you for the other company unknowingly or be put off by the incompetence of the other company and blame your business. It is a headache for many companies that operate solely online.

Credit card fraud:

This is the most wide spread type of fraud by hackers and is not limited to the web. But operating online does make it easier for a hacker to find a weakness in your system and exploit it. Most times, hackers will gain access to secured financial information and credit card data and use this to purchase products and transfer money to their own accounts. This can be done so cleverly by an experienced hacker that the trail is impossible to follow. The FBI has been involved in many cases that involve large amounts being stolen in this way and often are unable to locate culprits. It is essential to have plenty of security and use the services of established players in the market such as Pay Pal, etc.

Click fraud:

Business Week has reported the sharp rise in click fraud as one of the growing problems with doing business online. It implies the software that is now available to fake clicks on an advertisement online, which results in incorrect statistics about the popularity of the site and the number of visitors. Since online business sites pay per click, the advertiser ends up paying much more money than he should. Many unethical affiliates and advertising agents use this type of fraud to make a lot of money.

Phishing

A common hacker practice online, Phishing or password harvesting has acquired a special name. It is a technique used by hackers via email or Instant Message to subtly and creatively find out an unsuspecting person's financial and personal information. Sensitive data such as passwords, account names and numbers, credit card details, social security numbers are smoothly extracted with the help of a little social engineering practices. Phishing hackers are known to pose as government bodies to defraud even online businesses of access to their databases.

About the Author

William King is the director of [UK Wholesalers & UK Wholesale Drop Shipping Suppliers Directory](#), [Drop ship Dropshippers & Dropshipping Supplies](#), [Pakistani Properties & Pakistan Real Estate Homes Plots Offices Property](#) and [UK Wholesalers & UK Wholesale Dropshippers](#). He has 18 years of experience in the marketing and trading industries and has been helping retailers and startups with their product sourcing, promotion, marketing and supply chain requirements.

Source: <http://www.articlefacility.com>