Real Estate Wire Fraud Trends

2025
Special Report

Qualia

Cybercrime Risks Intensify

According to the FBI's 2023 Internet Crime Report, the real estate sector suffered $145 million in losses due to cybercrime.

This is actually an improvement from the nearly $397 million in cybercrime losses that the real estate industry experienced the previous year. This decline in monetary losses is a testament to the hard work and resources that the entire sector, particularly title & escrow companies, has put into combating and preventing wire fraud.

However, while monetary losses may have decreased, elements of the threat have gotten much worse. The FBI notes "alarming increases in both the frequency and financial impact of online fraud perpetrated by cybercriminals."[1]

There's also the growing prevalence of new types of threats. A recent report found that malicious use of artificial intelligence (AI) technology drove a 244% year-over-year increase in digital document forgeries.[2] The same report noted that face-swap apps and generative AI (GenAI) tools are making it easier than ever for fraudsters to bypass identify verification processes and biometric checks by creating "deepfakes," which are artificial images or videos that look convincingly real. In a new Deloitte survey, approximately one-quarter of C-suite executives said their company had experienced a deepfake-based 'incident' targeting financial or accounting data in the previous 12 months.[3]

Technology may be exacerbating fraud risks, but it can also provide some protection. For instance, the University of Virginia notes that AI can be used to recognize and detect deepfakes by focusing on anomalies or imperfections that the human eye would overlook.[4]

Here, in Qualia's second Real Estate Wire Fraud Trends report, we take a close look at how title & escrow professionals are facing cybercrime risks head-on and the steps they are taking to protect themselves—and all parties involved in real estate transactions—from the dangers of fraud. We also examine how this year's responses compare to data from Qualia's 2023 survey and examine what these findings say about the current state of wire fraud within the industry.

This report is based on a new expanded survey conducted with 361 title & escrow professionals across the United States. We are grateful to these individuals for sharing their perspectives and experiences with wire fraud.

1 "FBI Releases Internet Crime Report," FBI San Francisco Media Office, April 4, 2024.
2 "2025 Identity Fraud Report," Entrust Corporation, 2024.
3 "Generative AI and the fight for trust," Deloitte, May 2024.
4 "What the heck is a deepfake?" UVA Information Security, accessed January 15, 2025.

Why Real Estate Transactions Attract Cybercriminals

Large Sums of Money

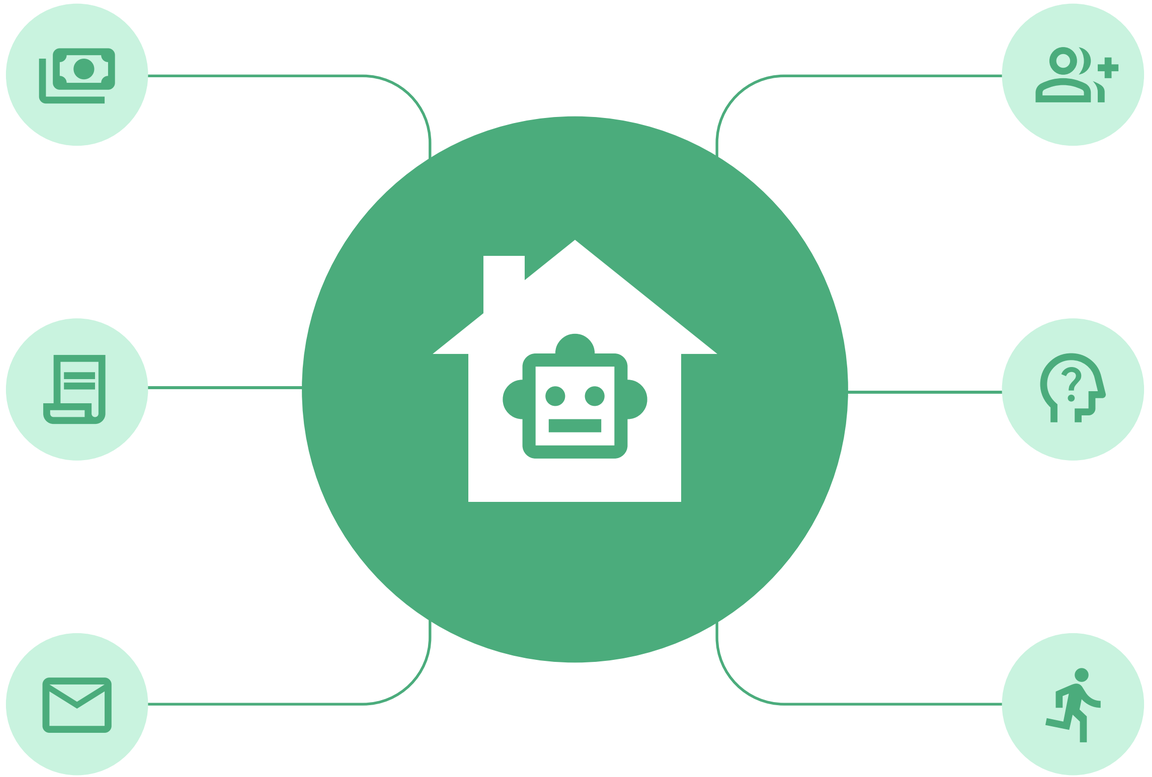
Real estate transactions often involve the exchange of hundreds of thousands of dollars.

Sensitive Information

Closings require the exchange of large amounts of nonpublic information (NPI).

Reliance on Email

Despite its vulnerabilities, email remains a primary method of communication, creating an entry point for criminals.



Multiple Parties Involved

A typical real estate transaction requires coordination of over a dozen parties.

Inexperienced Homebuyers

Most buyers are unfamiliar with the closing process and don't know what to look out for.

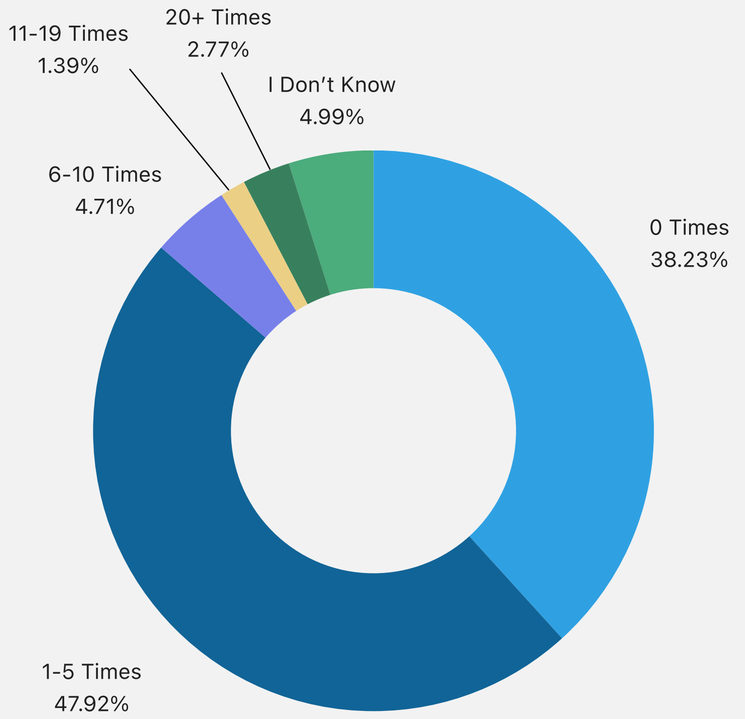
Eager Buyers

Buyers who are eager to finalize the deal may overlook warning signs.

The Threat is Serious – and Ongoing

Over 55% of title & escrow professionals say their business has been a target of wire fraud within the past year.

In your estimation, how many times has your business been a target of wire fraud attempts in the past 12 months?



Qualia

Wire Fraud Is the Number One Concern

Title & escrow professionals name wire fraud as the biggest risk to their business. Their concerns about wire fraud far outpace worries of economic headwinds, employee errors, operational inefficiencies, and other business risks.

How concerned are you about the following risks to your business? Rank in order from most concerned to least concerned.

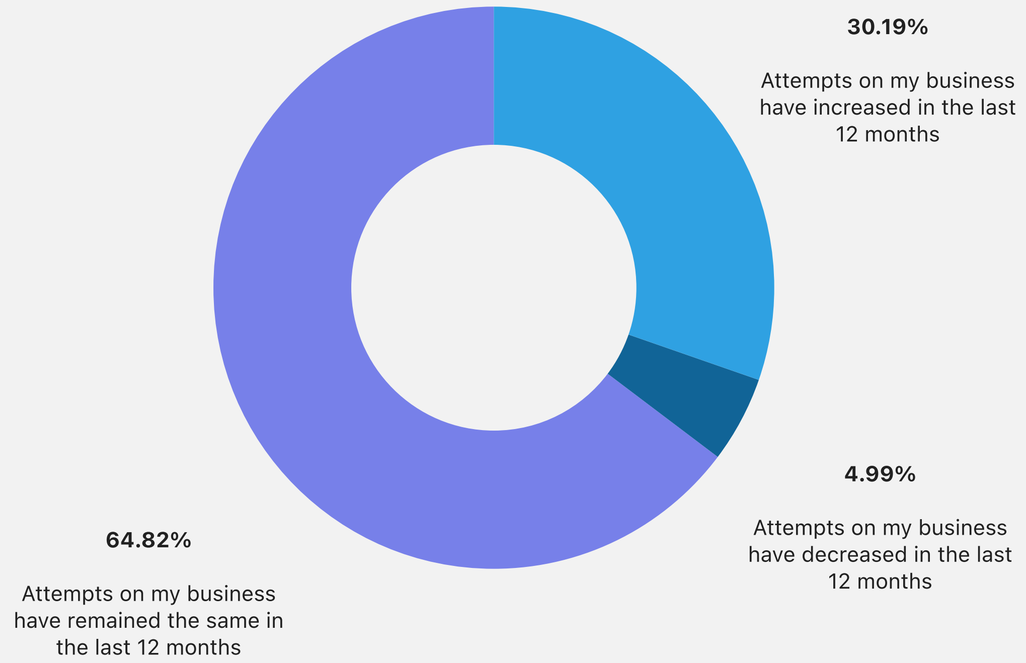
Qualia

Wire Fraud Risk is High – and Getting Higher

95% of title & escrow professionals say that the frequency of wire fraud attacks has increased or stayed the same over the past year.

Only 5% said that wire fraud attempts on their business had decreased in the previous 12 months.

Select the statement with which you most agree about the frequency of wire fraud attacks on your business:



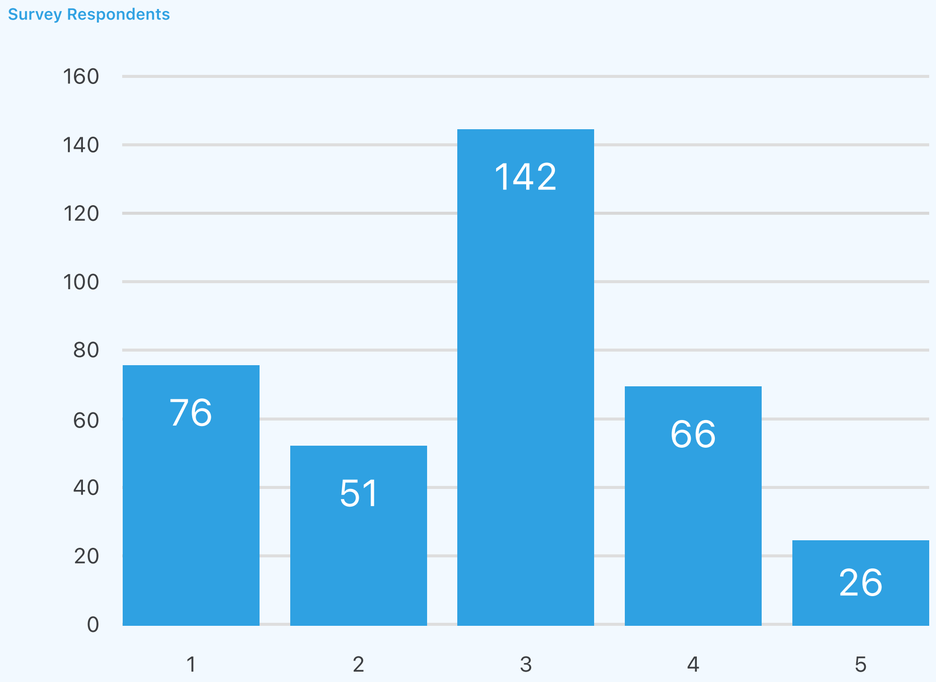
Qualia

Losing Sleep Over Wire Fraud Risks

Approximately 25% of title & escrow professionals say that the constantly evolving threats from wire fraud keep them awake at night.

On a scale from 1 to 5, where 1 is strongly disagree and 5 is strongly agree, please rate your level of agreeability for each of the following statement:

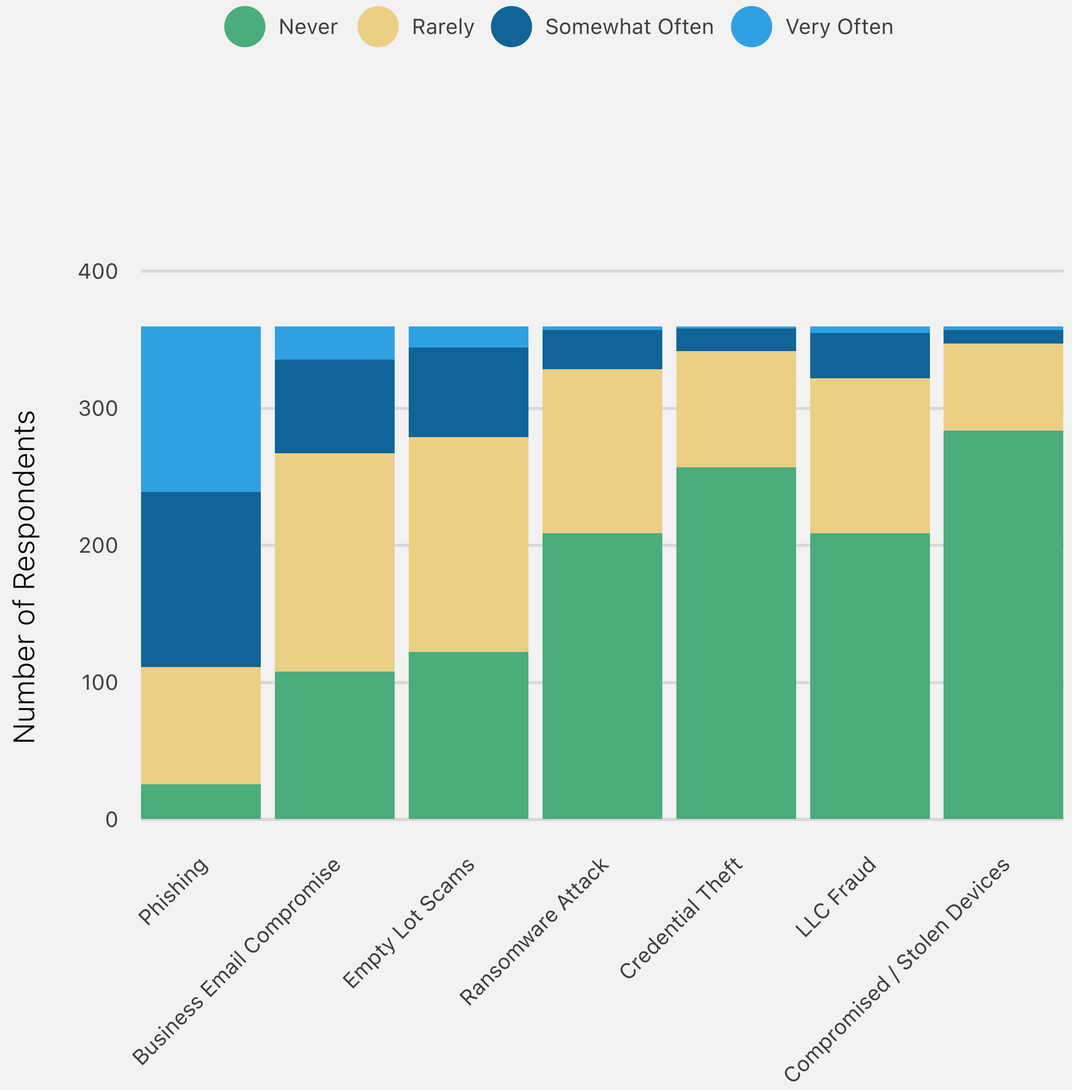
Constantly evolving wire fraud threats keep me up at night.



Qualia

Cyberattack Frequency by Attack Type

How often has your business experienced these types of cyberattacks in the past 12 months?



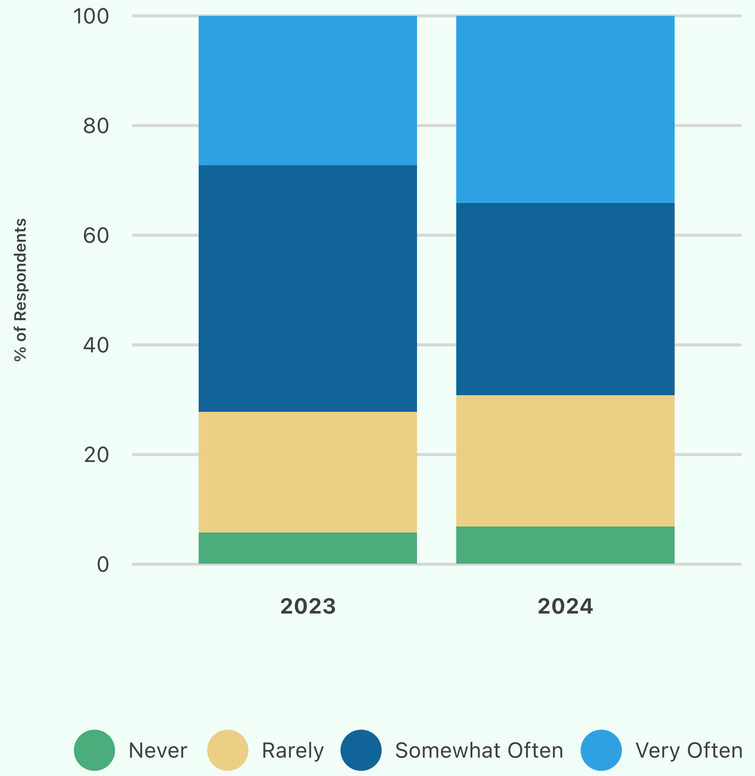
Qualia

Phishing – The Most Common Type of Cyberattack

Phishing is a social engineering technique used to steal sensitive data, such as login credentials and bank account information. A bad actor poses as a trusted individual in order to fool their target into taking harmful action by making them believe that the message or request is legitimate.

Our research shows that phishing attacks are clearly the most common type of cyberattacks for title & escrow companies.

How often has your business experienced phishing in the past 12 months?

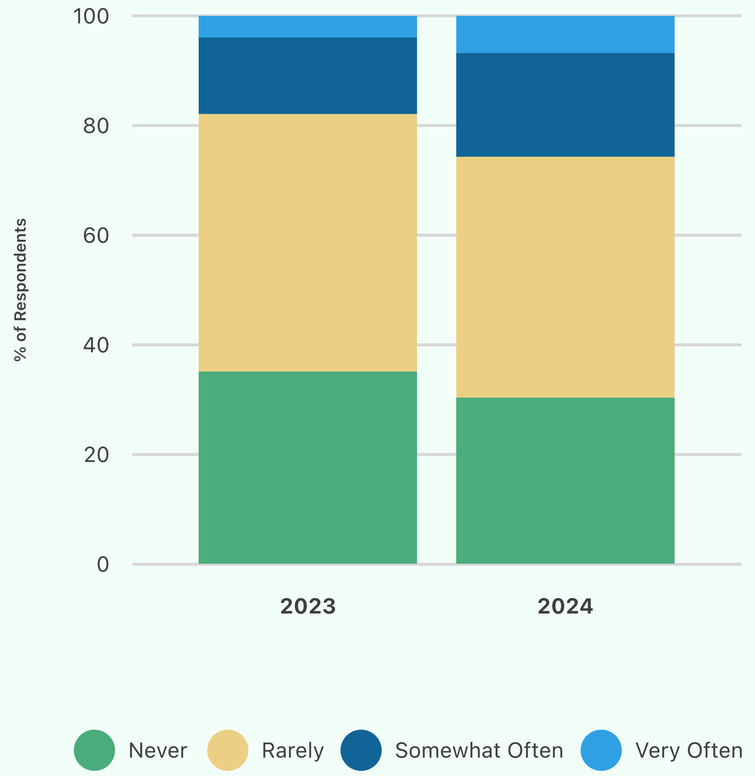


Qualia

Business Email Compromise (BEC) is on the Rise

The FBI describes business email compromise (BEC) as “one of the most financially damaging online crimes.” A bad actor poses as an employee of a company by hacking their email account in order to trick their target into making unauthorized wire transfers into a fraudulent bank account. Phishing is often a precursor to BEC.

How often has your business experienced business email compromise in the past 12 months?

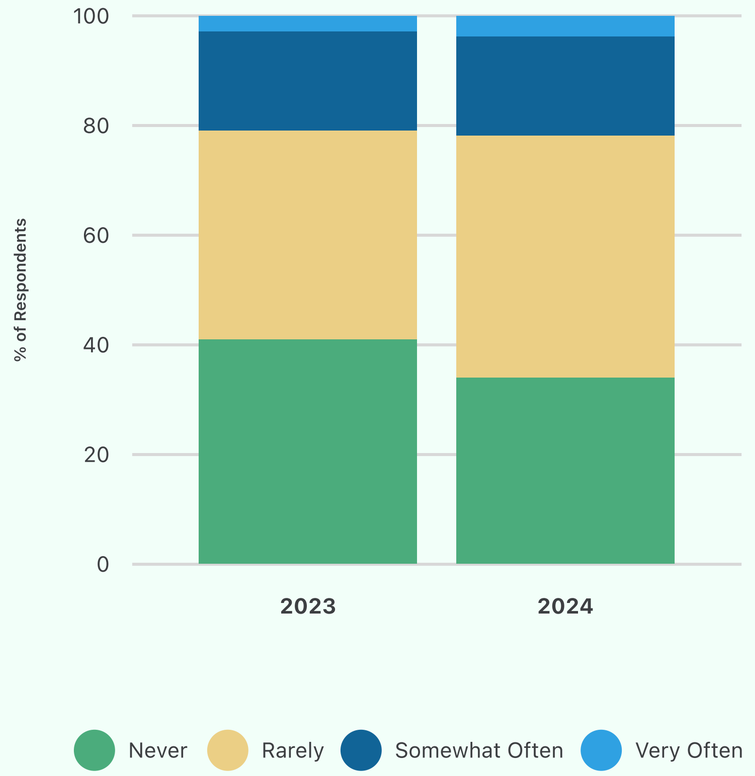


Qualia

Empty Lot Scams Going Up

Empty lot scams are a subset of seller impersonation fraud, where a bad actor pretends to be the owner or seller of a property in order to deceive buyers, real estate professionals, or banks into believing they have the rights to sell the property. Empty lot scams specifically focus on vacant lands or plots.

How often has your business experienced empty lot scams in the past 12 months?

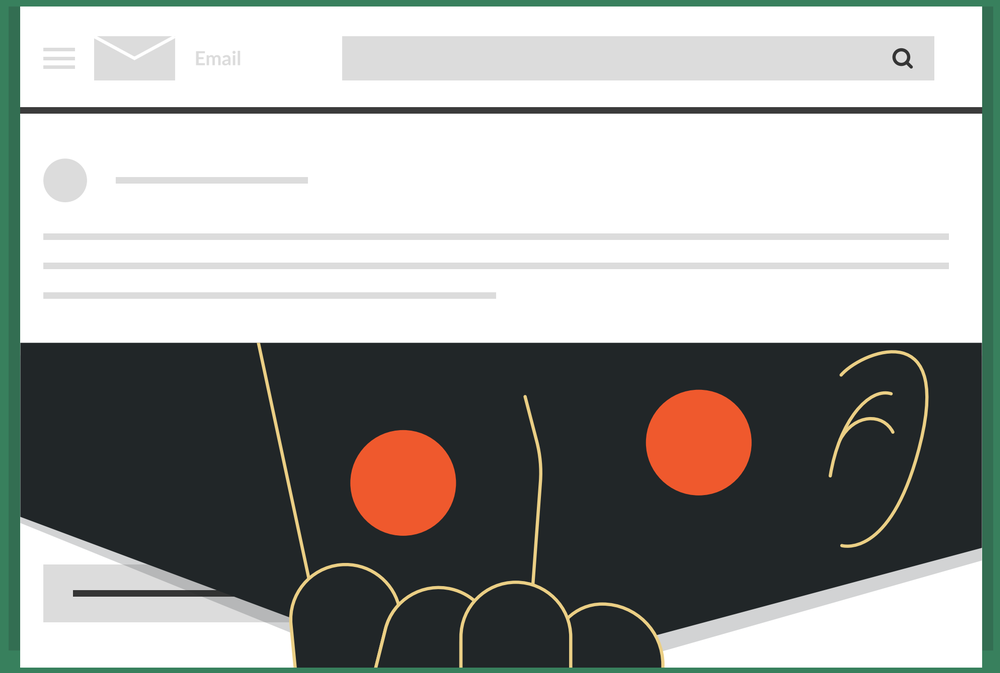


Qualia

Ransomware Rarer but Dangerous

The FBI defines ransomware as “a type of malicious software—or malware—that prevents you from accessing your computer files, systems, or networks and demands you pay a ransom for their return.”

A significant minority (42%) of title & escrow professionals say that they experienced a ransomware attack in the previous 12 months.



Qualia

How to Protect Against Ransomware Attacks

“Even though ransomware attacks are somewhat less common than other types of wire fraud, title & escrow companies should understand that a single successful ransomware attack can cripple business continuity while causing severe reputational and financial damage.

Given the gravity of these ransomware risks, it’s critical for title & escrow companies to have plans in place to back up data in multiple locations so that operations can continue and data can be recovered, even if a ransomware attack blocks access to a specific drive or database.”

Alex Hamlin
Head of Information Security, Qualia

Fraud in Real Life – A Realtor Gets Hacked...Twice!

“A realtor’s email was hacked, so we received a message that appeared to be authentic asking for a copy of the payoff instructions. We sent the payoff details and received a response saying that the realtor’s client wanted the payoff sent elsewhere. Since the instructions had changed, I contacted the realtor by phone, and we confirmed together that her email had been hacked.

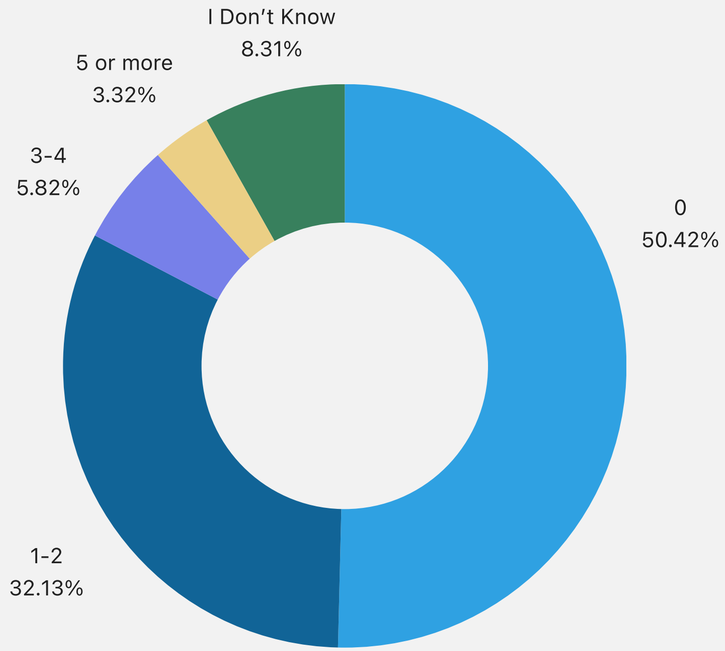
We sent the payoff by private courier service using the original, authentic payoff details. This same realtor has been targeted at least twice this year just on deals involving our office, which tells me that these sorts of fraud attempts are most likely rampant and that email is a weak link that fraudsters are targeting in their attacks.”

Christina C.
Legal Assistant & Qualia User

Wire Fraud Attacks Proliferate

Over 40% of title & escrow professionals say that their companies receive an average of at least one fraudulent email per month, per employee, with a request to change wire or payoff instructions.

On average, per month, approximately how many emails from fraudsters does each employee receive asking them to change wire or payoff instructions?



Qualia Tip:

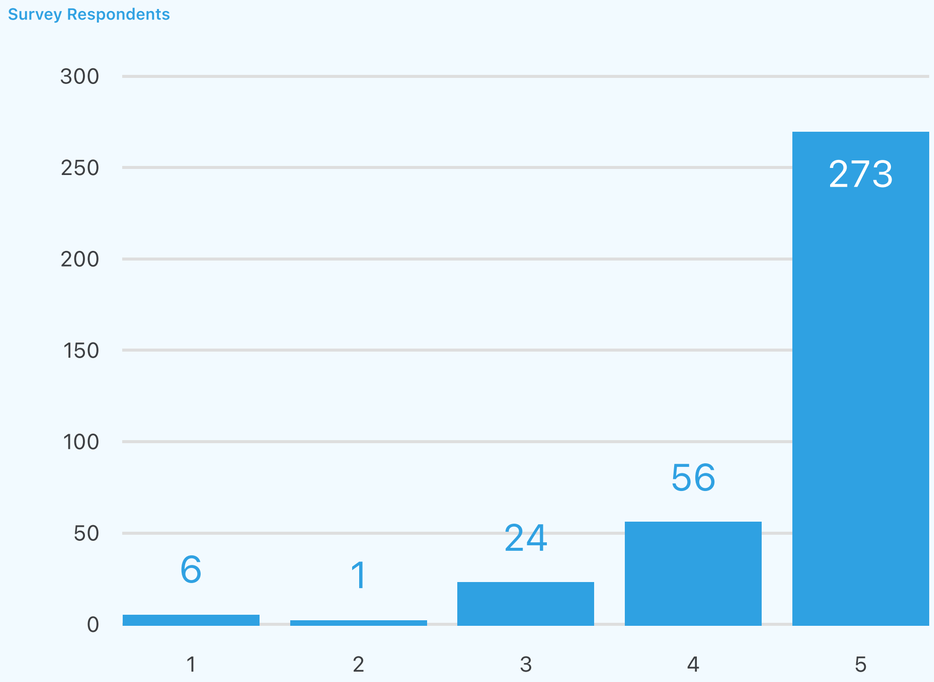
One way to mitigate the risk of fraud from BEC and phishing attacks is to shift communication away from email and toward a secure portal—as outlined in this Qualia Insight blog post on how title & escrow companies can protect themselves from wire fraud.

Insecurity Anywhere Means Insecurity Everywhere

Real estate transactions involve multiple parties working together toward a common goal. Over 90% of title & escrow professionals recognize that wire fraud mitigation is a group effort. A cyberattack that breaches the defenses of any participant can jeopardize the security of the entire transaction and lead to serious financial losses.

On a scale from 1 to 5, where 1 is strongly disagree and 5 is strongly agree, rate your level of agreeability for the following statement:

If any party's security is compromised, it can jeopardize the entire transaction and cause financial loss.



Qualia

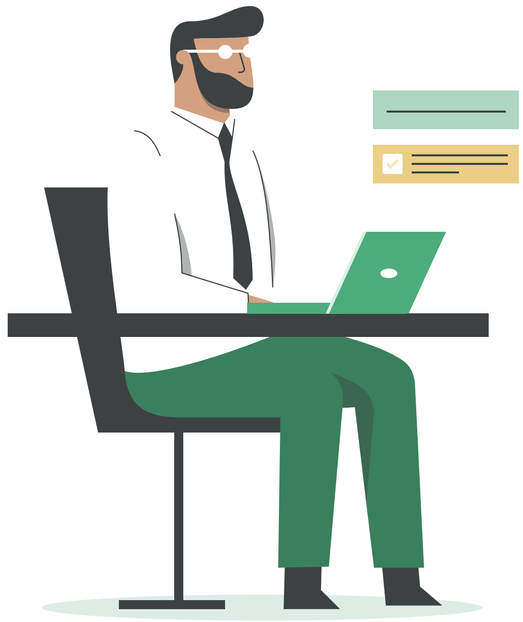
Small Mistakes Can Have Big Consequences

About 80% of title & escrow professionals understand that a small mistake in rekeying wire instructions can result in wire transfers being sent to incorrect bank accounts, causing financial losses.

In fact, multiple recent studies have found human error to be a causal factor in the vast majority of data breaches (between 75% and 95% of breaches, depending on the data set and research methodology).

Even though survey respondents named “employee errors” as the second biggest financial risk to their businesses, some title & escrow professionals may be underestimating the risks they face from mistakes made during manual rekeying of wire instructions.

Employee errors named as **2nd biggest** business risk

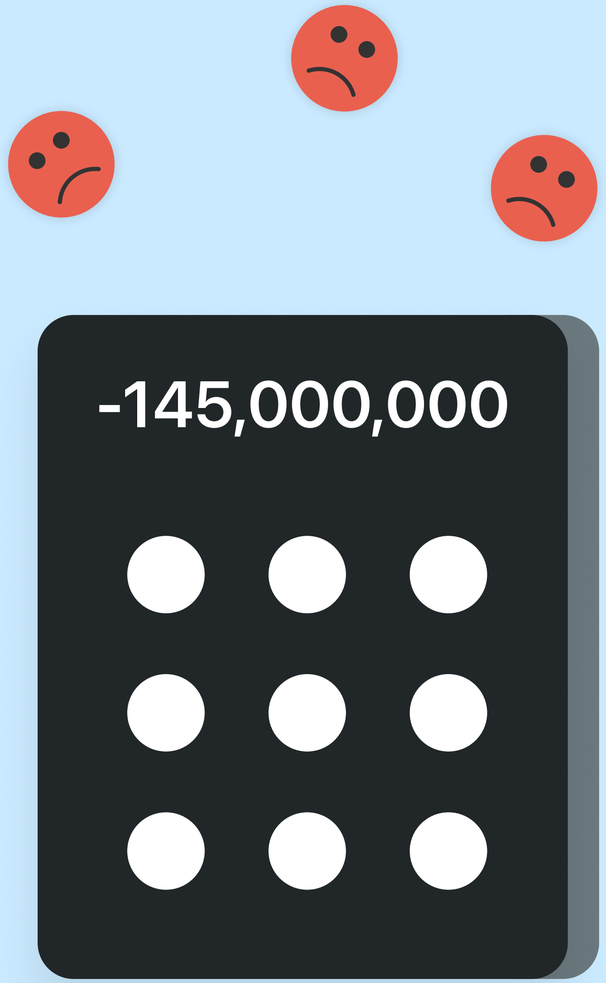


Source: 2024 Qualia Wire Fraud Survey

Recognize Manual Rekeying Risks

Even a small mistake in rekeying could result in wire transfers being sent to incorrect bank accounts, causing financial losses, delays in closing, and devastating reputational damage.

If funds get wired to the wrong bank account, recovering them can be a complex and time-consuming process with no guarantee of success. Title & escrow companies should look for technological solutions that can help ensure the accuracy of data entered into their title production system in order to eliminate small errors and their associated risks.



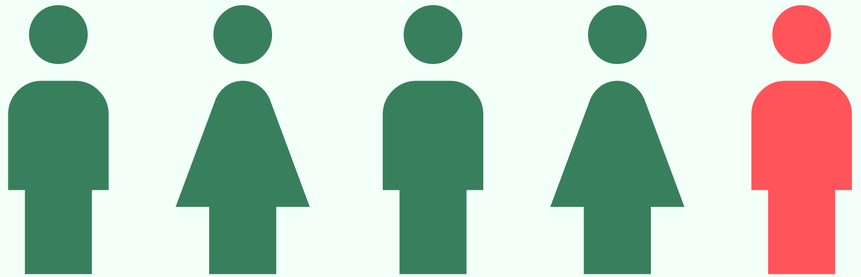
Qualia

Multiple Layers of Protection Provide Peace of Mind

Over 88% of survey respondents agreed that multiple layers of protection provide confidence in keeping a title & escrow business and its clients safe from wire fraud.

Find out more about the benefits of a multilayered approach to cybercrime prevention in this Qualia cybersecurity webinar.

4 out of 5 survey respondents agreed that multiple layers of protection give them piece of mind.



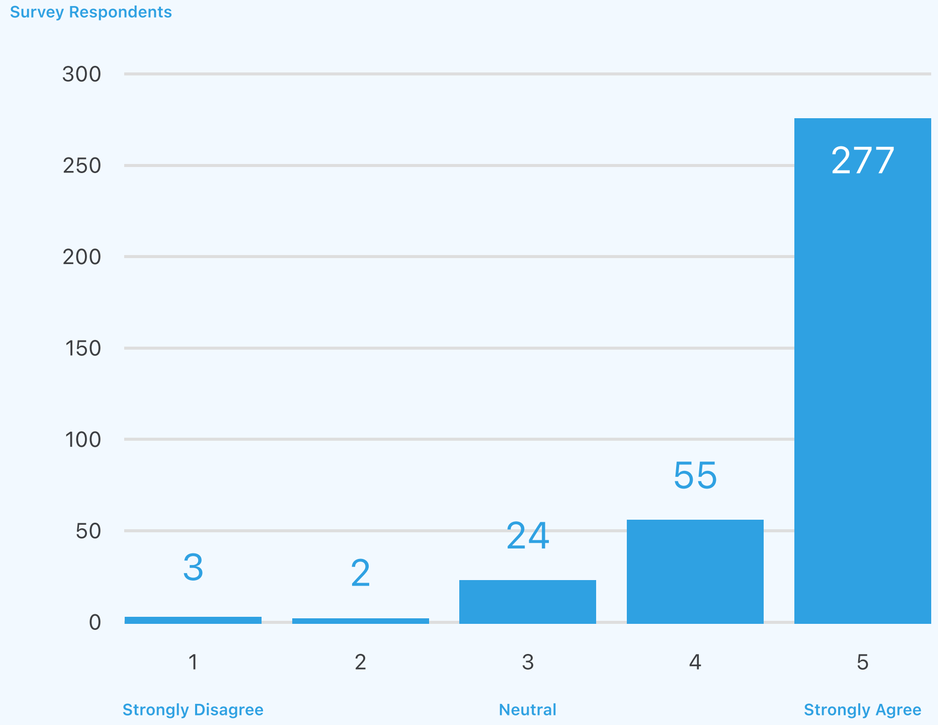
Total Fortification Provides the Most Security

Nearly 92% of title & escrow professionals understand the vital importance of fortifying every part of a real estate transaction to effectively combat wire fraud.

The small minority of respondents who are relatively unconcerned about gaps in protection may be leaving their companies and their clients exposed to unnecessary risks and costly attacks.

On a scale from 1 to 5, where 1 is strongly disagree and 5 is strongly agree, rate your level of agreeability with the following statement:

It's important to me to fortify every part of the real estate transaction.



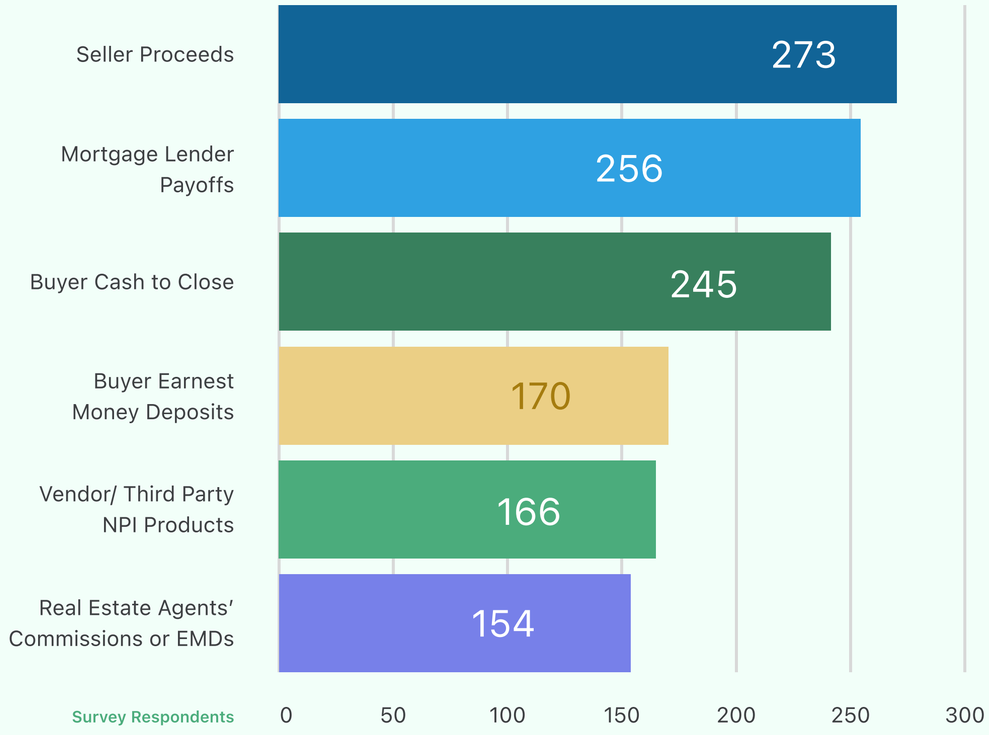
Qualia

Rising Concerns Over Vendor NPI Security

Comparing data from this year's survey with Qualia's previous research, it's clear that title & escrow professionals' concerns have remained stable around seller proceeds, buyer cash to close, and mortgage lender payoffs being most at risk from wire fraud.

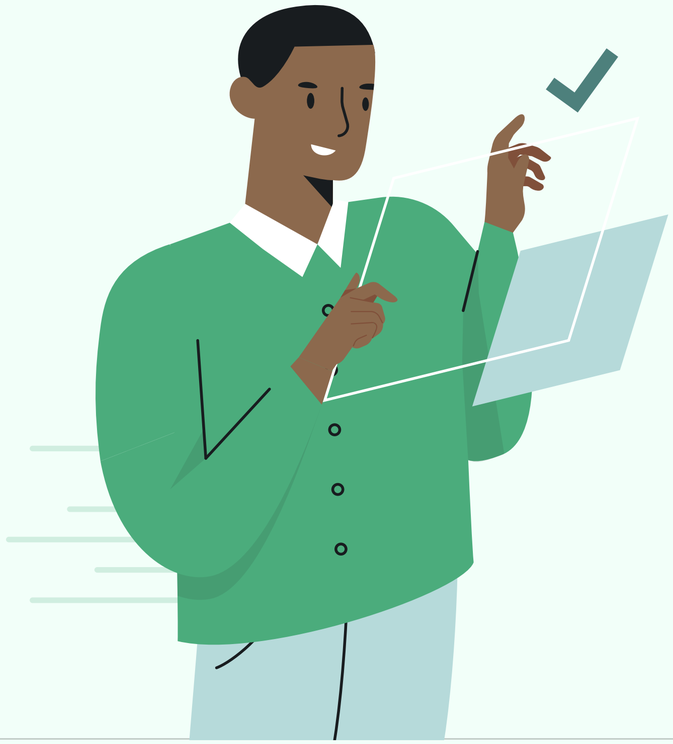
But this year, survey respondents reported more concern over risks associated with vendor/third party procedures for handling nonpublic personal information (NPI).

When it comes to wire fraud attempts, which part of the transaction do you believe is most at risk vs least at risk? Rank in order from most at risk to least at risk.



Qualia

How to Vet Your Vendors' Security



"Title & escrow companies can reduce the risk of cybercriminals accessing NPI by working with trusted vendors who maintain a high level of data security. You can confirm a vendor's commitment to strong information security by assuring that it adheres to ISO 27001 standards and has gone through SOC 2 auditing. Ask any vendors you're considering doing business with to provide evidence of ISO 27001 certification, as well as a copy of their SOC 2 report.

Keep in mind that SOC 2 Type II assessments that measure a company's internal controls over security, availability, processing integrity, confidentiality, and privacy over a period of time (typically twelve months) are more intensive than SOC 2 Type I reports that only evaluate those controls at a single point in time. Also, it's a good idea for title & escrow companies to scrutinize SOC 2 reports to see if the auditor has highlighted any vulnerabilities, deficiencies, or 'exceptions' where the vendor's security practices fall short of standards.

Title & escrow professionals can get more information on how to safeguard NPI and adhere to American Land Title Association (ALTA) Best Practices in our Qualia Insight blog."

Alex Hamlin
Head of Information Security, Qualia

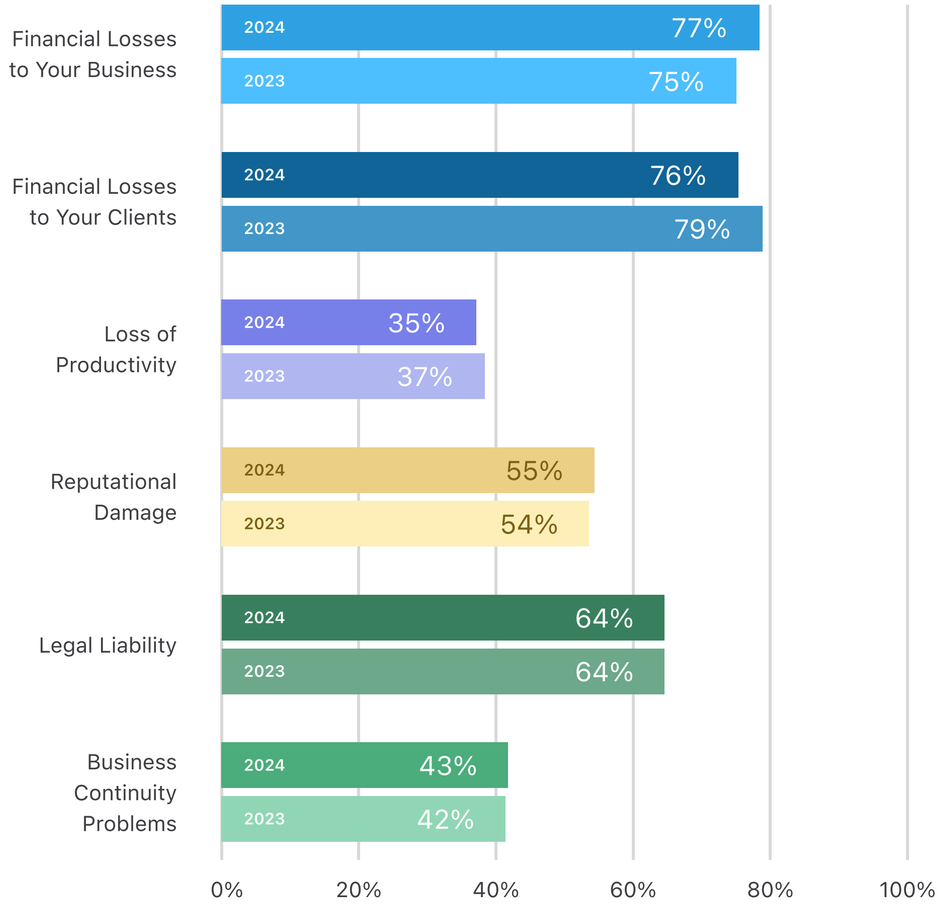
The Multifaceted Risks of Wire Fraud

Survey respondents ranked financial losses to their own companies as the most concerning potential impact of wire fraud. That's a change from the previous survey when they were slightly more concerned about the risks of financial losses for clients.

Legal liability and reputation damage due to wire fraud rank third and fourth among their concerns, which matches the results of the previous survey.

Rank the answers in order from most concerning (1) to least concerning (6)

Which potential impact of wire fraud most concerns you?



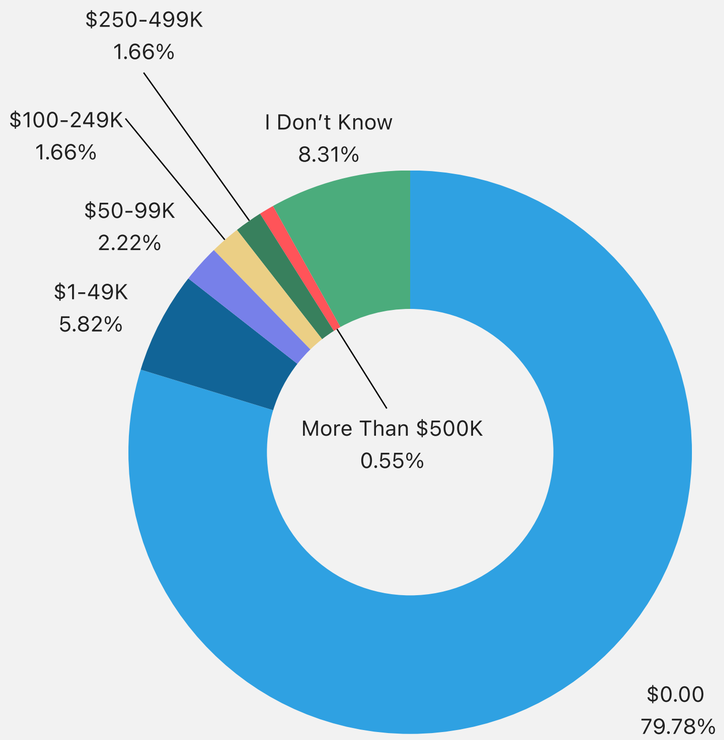
Qualia

Successfully Preventing Financial Losses

The vast majority (~ 80%) of respondents reported that their companies suffered no financial losses due to wire fraud in the past 12 months.

This success rate—coupled with the fact that over 60% of title & escrow professionals said their companies had been targets of wire fraud in the past year—shows that most firms are being serious and diligent in their efforts to mitigate the financial risks of wire fraud.

Approximately how much financial loss has your business experienced due to wire fraud in the past 12 months?



Qualia

Financial Losses Due to Fraud Are Getting Bigger

The percentage of respondents who reported any financial losses (~ 12%) was slightly higher in this year's survey versus 11% in 2023.

One big change was the percentage of title & escrow companies that reported losses between $50k and $90k, which almost quadrupled from 2023 to 2024.

Similarly, there was a 31% increase this year in the percentage of respondents who reported losses over $50k due to wire fraud.

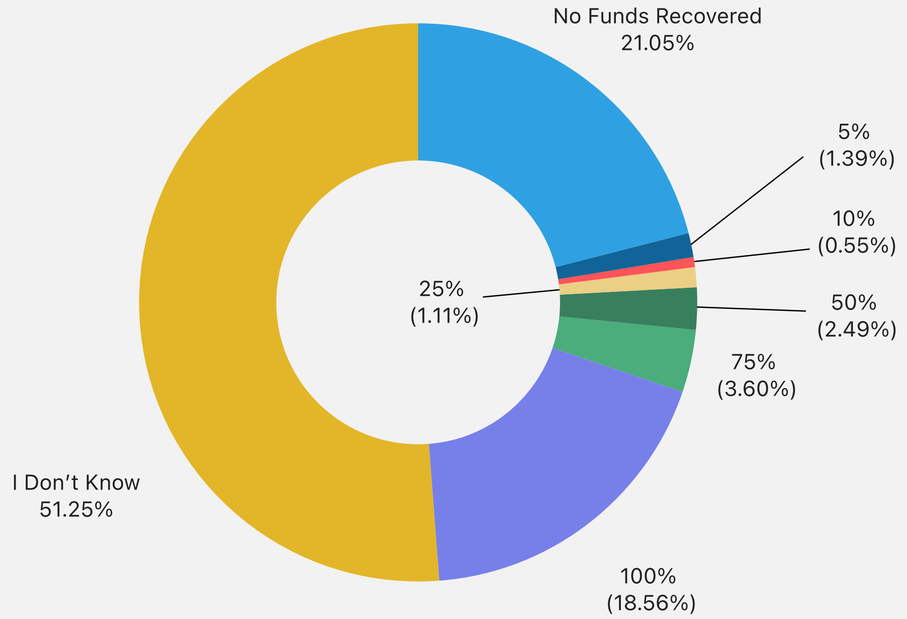
Qualia

Some Hard Facts on Fraud Recovery

Clawing back losses from wire fraud is not easy. In fact, only 19% of title & escrow companies that suffered financial losses due to wire fraud succeeded in recovering all of the lost money.

That’s actually a slightly worse outcome than the previous survey when 22% of respondents succeeded in recovering all their losses. This implies that fraudsters are getting better at hiding their tracks or shuffling ill-gotten gains into assets, such as cryptocurrencies, that are harder than ever to trace and recover.

Of all the instances of wire fraud your business has experienced in the past five years, approximately what percentage of those funds were fully recovered?

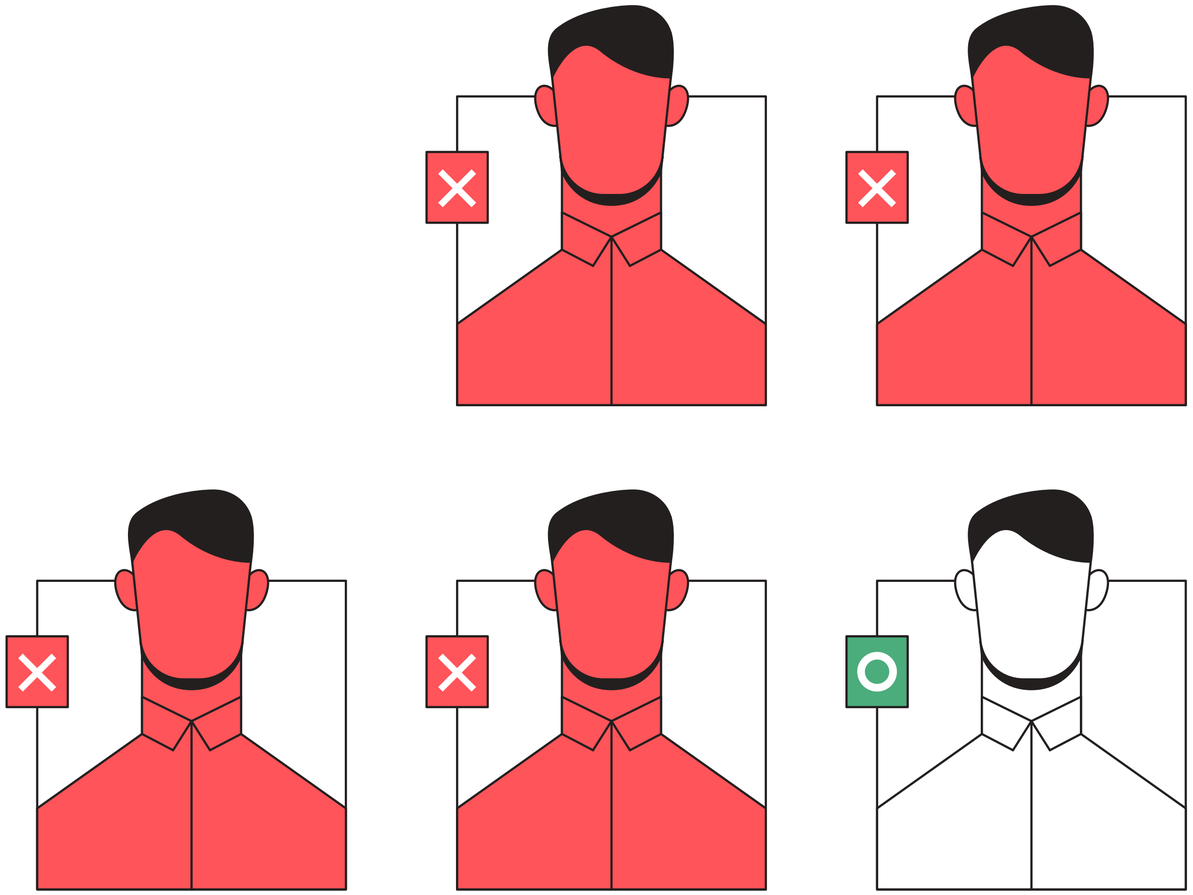


Qualia

All, Nothing, or Somewhere In Between?

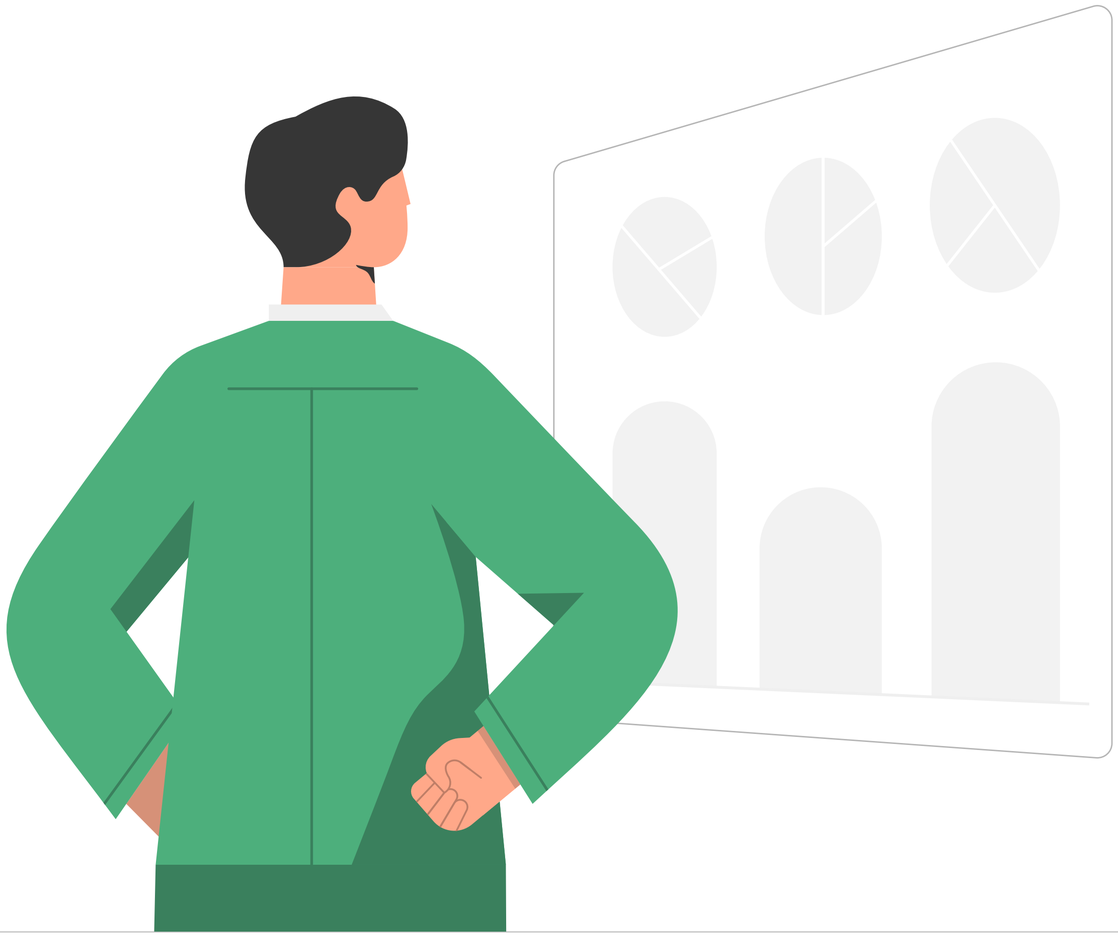
Both this year and in 2023, about 1 in 5 respondents said they were able to recover all funds lost due to wire fraud. Another 1 in 5 said they could not recover any of the lost funds, and small percentages (between 0.55% and 3.60% in this year's survey) said they could recover various percentages of the lost funds.

It is concerning that more than half (51%) of all respondents this year were unsure what percentage of lost funds they were able to recover.



The Perils of Not Knowing

The financial impacts of wire fraud seem likely to increase in the years ahead, as signified by the fact that some title & escrow companies have already experienced annual fraud-related losses of more than $500k. Given the magnitude of the risk, it's vital for companies to have a firm understanding of where and when losses are happening so that they can strengthen their defenses and reduce vulnerabilities. It's also a smart idea for title & escrow companies to have established processes in place to respond immediately in case of suspected wire fraud, determine the implications for the company and its clients, and track the success of recovery efforts.

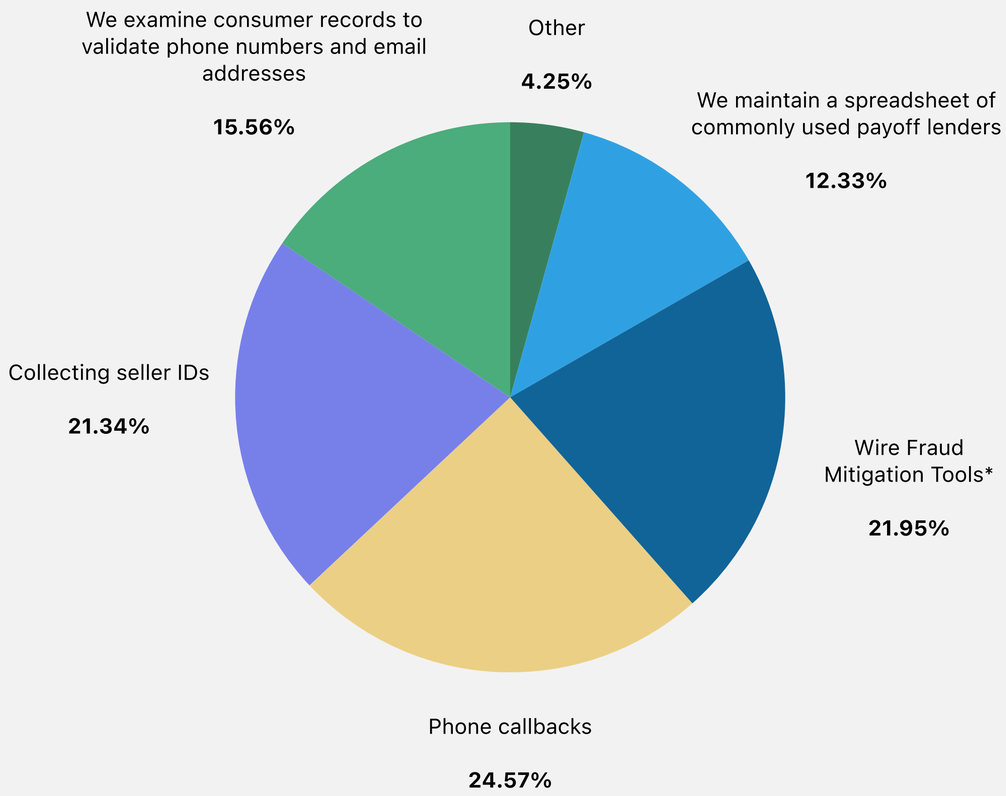


Heavy Reliance Continues on Manual Fraud Prevention

About 22% of respondents say they use an array of digital or automated tools to mitigate the risk of wire fraud. Still, that means three-quarters of title & escrow companies are still relying on manual processes, like phone callbacks and scrutiny of consumer records or seller IDs, as their primary means of detecting and stopping fraud.

Qualia Tip:

Digital and automated tools, such as Qualia Shield and Qualia Connect, have advantages over manual methods. Qualia Shield uses a multivariable assessment process to calculate fraud risks and performs ID verifications. Qualia Connect, a secure portal for exchanging sensitive information and documentation, automates data flows to eliminate rekeying errors, and uses features such as role-based access controls and two-factor authentication to ensure the safe exchange of data on a secure, shared platform.



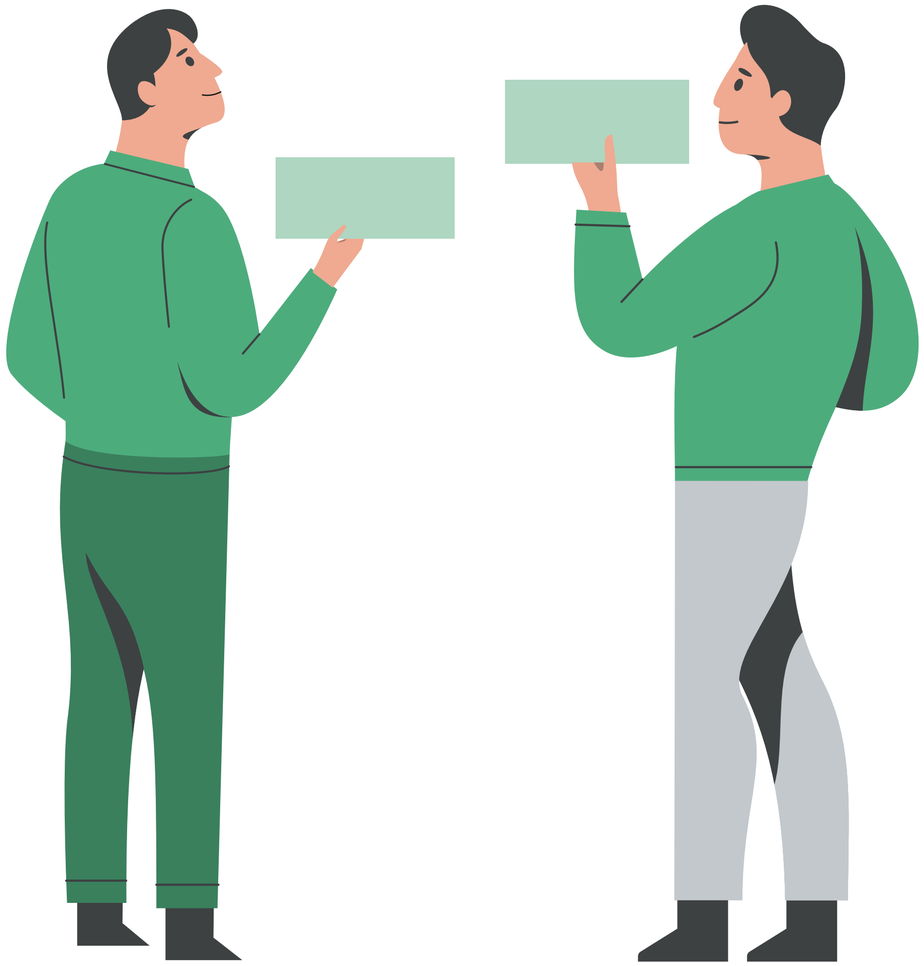
*Includes Qualia Connect and Qualia Shield

Qualia

Wire Fraud Mitigation is Not a “One and Done” Activity

With the threat landscape constantly evolving, there’s a need for title & escrow companies to educate their employees about the latest wire fraud tactics and threats on a frequent, ongoing basis. So, it’s alarming that **16% of respondents** indicated they only train employees on wire fraud prevention or trends **during the new hire onboarding process**.

Smaller percentages said they only provided this training on an annual (5%) or quarterly (13%) basis. Another 10% said they provided initial training during onboarding and then on an annual or quarterly basis thereafter.



More Frequent Training Adds Value

"One-time or occasional training is not sufficient to protect title & escrow companies from the magnitude of the risk they face from wire fraud.

Employees need more frequent refreshers on wire fraud prevention procedures and the latest tactics and techniques used by bad actors. Industry leaders typically offer training on a **monthly** or **weekly** basis during team meetings. Regularly scheduled training can also be supplemented by special education if the company experiences a new type of fraud attempt or if attackers somehow manage to overcome existing defenses and cause losses. Frequent training can help ensure that employees are well-equipped to stop a wide range of fraud attempts and protect the company and its clients."

Jewel Quintyne
Senior Title Operations Consultant, Qualia

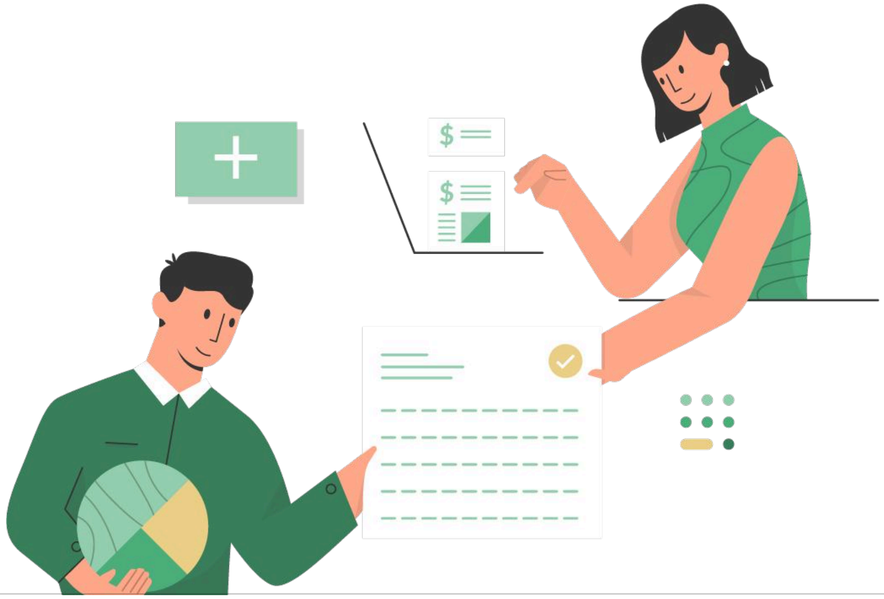
Qualia Perspective: Setting Goals and Sharing Knowledge

Given the volume and frequency of wire fraud attempts, it's unrealistic for companies to expect that they will never experience wire fraud. Instead, title & escrow companies should train employees to catch wire fraud and mitigate the damage by responding quickly and properly to maximize the chances of recovering losses.

Tip: ALTA offers a Rapid Response Plan that title & escrow companies can download and customize to ensure they are prepared to react immediately in the event of wire fraud.

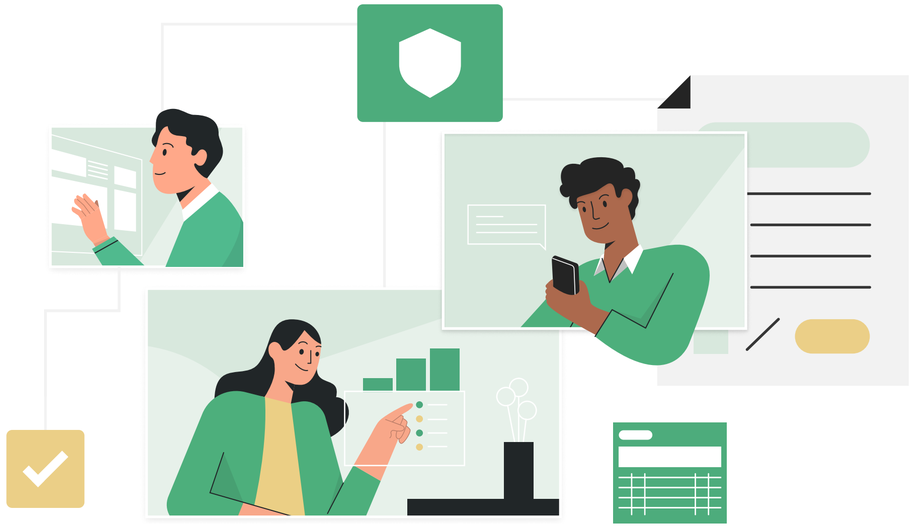
Title & escrow companies sit at the center of real estate transactions, which means they have unique insights into how bad actors perpetrate wire fraud. That makes title & escrow professionals uniquely qualified to educate other parties in the transaction, particularly buyers, on the dangers of fraud and how to reduce risks and vulnerabilities.

By proactively educating consumers about the risks of wire fraud, title & escrow companies can also reduce their own risks. When consumers take proper precautions or agree to use secure portals instead of relying on email, that strengthens the security of the entire real estate transaction.



Three Ways to Bolster Defenses

In light of the challenges posed by wire fraud, it's crucial for title & escrow companies to continuously improve their efforts in mitigating this threat. The path toward better mitigation is multifaceted. Title & escrow companies can bolster their defenses against wire fraud by embracing an approach that integrates people, processes, and technology to tackle current challenges and anticipate future ones.



People

Create a culture of security to ensure every party in the transaction—from title & escrow agent to buyer to vendor—is vigilant, informed, and continuously trained.

Processes

Follow security best practices and build security into everyday workflows to strengthen the security chain from start to finish.

Technology

Leverage the latest technology to enhance security measures and adapt to the ever-changing landscape of wire fraud.

Safeguard Your Closings with Qualia

Wire fraud continues to evolve, with fraudsters leveraging the latest technology to plan their attacks.

Fortunately, title & escrow professionals can also use technology to protect themselves and their clients.

Qualia Shield empowers title & escrow companies to:

- Assess wire fraud risks accurately
- Verify identities with confidence
- Protect eligible wire transfers with $2 million in insurance coverage[1]

Find out how Qualia can help you protect your business against wire fraud at qualia.com/shield.

[1]Eligible wires have been reviewed in Qualia Shield and assessed as "low risk." Additional terms and conditions apply, and are available upon request.


Qualia