

# 2026 Fraud Insights Report



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# Understanding Canada's Evolving Risk Landscape

Fraud in Canada is not a new issue—but its scale, sophistication, and impact continue to grow. Over the past decade, reported incidents have nearly doubled, financial losses remain significant, and digital channels have expanded the reach of fraudulent activity across industries and communities.

At the same time, fraud is evolving. Traditional impersonation tactics are giving way to more complex schemes involving social engineering, phishing, artificial intelligence, and payment redirection. As financial and real estate transactions become increasingly digital, both individuals and organizations must adapt to a risk environment that is persistent and constantly shifting.

This report examines long-term fraud and extortion trends in Canada, analyzes financial losses across scam types, explores reporting gaps and underreported losses, and considers emerging risks tied to cybercrime and digital payments. Together, these insights provide a clearer picture of how fraud is changing and where vulnerabilities continue to develop.

While the data offers an important snapshot, numbers alone do not tell the full story. Our subject matter experts provide perspective on what these trends mean in practice—particularly within real estate, mortgage, and title transactions, where large financial transfers and identity verification processes create unique exposure points.

Understanding how fraud is evolving is the first step toward strengthening prevention strategies. As tactics change, controls, awareness, and collaboration across the industry must evolve as well.



# Our subject matter experts



**John Tracy is Senior Legal Counsel at FCT**, where he oversees the investigation and resolution of title insurance claims with a focus on fraud. Called to the Ontario Bar in 1993 after completing his studies at McGill and Queen's Universities, he has been with FCT since 2004. With more than two decades of experience in title insurance and fraud-related matters, John plays a key role in strengthening FCT's fraud prevention efforts and is a respected speaker on emerging fraud risks within the real estate industry.



**Marie Taylor, CFE, is Director, National Underwriting at FCT** and a Certified Fraud Examiner with more than 20 years of experience in residential title insurance. Since joining FCT in 2002, she has provided risk-based guidance to underwriting teams and contributed to the development of underwriting policies and processes. A recognized subject matter expert on title fraud, Marie regularly speaks to lenders and legal professionals across Canada on fraud trends, red flags, and prevention strategies.



**Cory Woods is Director, Information Security & IT Risk at FCT**, where he leads cybersecurity and technology risk management initiatives. He brings extensive experience in enterprise security leadership across financial services, retail, manufacturing, and global organizations, including senior roles at Canadian Tire and BMO. Cory has overseen cybersecurity operations and risk mitigation programs designed to protect sensitive data and strengthen organizational resilience in complex technology environments.

# Police-Reported Fraud Rate in Canada

Police-reported fraud in Canada reached 501 incidents per 100,000 people in 2023, nearly double the rate reported a decade earlier.<sup>1</sup>

This sustained increase reflects the growing presence of fraud across the economy, driven in part by the rapid digitization of financial activity and personal transactions. While reporting awareness has improved over time, the long-term trend signals that fraud is not only more common, but more embedded in everyday interactions.

**From 2013 to 2023,  
Canada's fraud  
rate nearly  
doubled**

**93%**



## Insights from John Tracy

From a mortgage and title fraud perspective, this trend is not surprising. Significant progress has been made in addressing identity theft, particularly through electronic identity verification. These measures are beginning to reduce fraud based on traditional impersonation tactics. However, fraud prevention remains a constant cycle of adaptation.

As certain methods become more difficult to exploit, fraudsters pivot quickly. We are seeing increasingly sophisticated false identification, as well as cases where criminals target people close to a victim to gain access to legitimate identity documents. At the same time, fraudsters are shifting toward wire fraud, attempting to divert funds during otherwise legitimate real estate transactions. These schemes rely heavily on social engineering and phishing rather than forged paperwork, making them harder to detect and reinforcing the need for layered controls and sustained vigilance.

# Top Fraud Types by Volume

Fraud reporting in 2024 reveals a broad range of fraud types affecting Canadians, with identity fraud, service fraud, and investment fraud among the most frequently reported.<sup>2</sup> Some fraud types occur at high volume with lower individual losses, while others occur less frequently but result in substantial financial harm. Together, these figures illustrate both the scale and diversity of modern fraud activity.

	Number of Reports	Approx. Reported Loss
 Identity Fraud	9,487	-
 Service Fraud	5,049	\$19.8M
 Investment Fraud	4,076	\$310.6 M
 Extortion	3,927	\$21 M
 Personal Info	3,902	-
 Phishing	3,390	-
 Merchandise	3,225	\$9.1 M
 Bank Investigator	2,770	\$16.4 M
 Job Fraud	2,649	\$47.1 M
 Counterfeit Goods	1,245	\$0.4M



## Insights from Marie Taylor

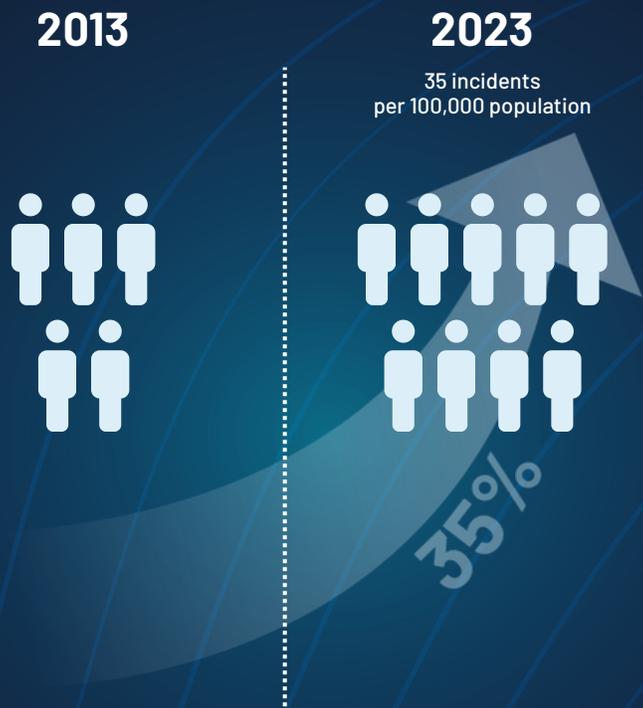
The continued growth across these fraud categories is closely tied to the rapid expansion of artificial intelligence. As AI tools become more accessible, fraudsters are able to operate with greater efficiency and sophistication. At the same time, those same technologies are increasingly being leveraged to detect suspicious activity and prevent fraud.

This creates a dynamic environment where organizations must remain proactive. Implementing strong identity verification measures is no longer optional—it is essential. When organizations invest in modern identity verification tools, they are better equipped to identify anomalies early and reduce opportunities for fraudsters to exploit system gaps, even as fraud tactics continue to evolve.

# Police-Reported Extortion in Canada

Police-reported extortion in Canada increased significantly over the past decade. In 2023, the extortion rate reached 35 incidents per 100,000 population, up from 7 per 100,000 in 2013—a roughly five-fold increase over ten years.<sup>3</sup>

This sustained rise suggests that extortion is becoming more prevalent and more visible within the broader fraud landscape, particularly as digital communication channels expand opportunities for coercion-based schemes.



## Insights from Cory Woods

The sharp increase in extortion reflects how fraud tactics are shifting toward psychological pressure rather than document manipulation alone. Many modern extortion schemes rely on urgency, fear, or reputational threats to compel immediate payment. This approach reduces the need for sophisticated identity fabrication and instead exploits human behaviour.

In real estate and financial transactions, this pattern reinforces the importance of structured processes and verification protocols. When individuals are placed under pressure—whether through threats, fabricated deadlines, or impersonation—controls such as independent verification, documented communication channels, and escalation procedures become critical. The growth in extortion highlights that fraud risk is no longer limited to forged documents or stolen identities; it increasingly involves behavioural manipulation designed to override rational decision-making.

# Reported Losses by Scam Type

Reported fraud losses in 2024 varied widely by scam type.<sup>4</sup>

Investment scams accounted for the largest total losses, followed by spear phishing, romance scams, job scams, and extortion. While these fraud types differ in execution and target audience, the data highlights the substantial financial consequences fraud continues to have across multiple sectors.



## Insights from John Tracy

Most of these scam categories do not directly align with the fraud typically encountered in title insurance. The notable exception is spear phishing, which presents a significant risk in real estate transactions due to the large sums of money that move electronically.

Lawyers routinely transfer substantial funds on behalf of clients. This includes sending the balance due on closing to a vendor's lawyer, paying out existing mortgages during refinances—particularly when private mortgagees are involved—or distributing net sale proceeds while discharging registered mortgages. In each of these scenarios, a successful redirection of funds can result in severe financial loss.

The risk is bidirectional. A lawyer may be deceived by fraudulent payment instructions, or their systems may be compromised, resulting in spoofed emails that appear legitimate. This reality underscores the continued importance of fundamental safeguards, including verifying instructions by phone or in person, scrutinizing email addresses, avoiding unexpected links or attachments, and using multi-factor authentication wherever possible.

# Estimated Unreported Fraud Losses

With estimates suggesting that only 5-10% of fraud losses are reported, the true financial impact of fraud is likely far greater than reported figures indicate.<sup>5</sup>

Low reporting rates continue to limit visibility into the full scope of fraud activity, making it difficult to measure trends accurately or understand the scale of the risk. As a result, the numbers available today may represent only a small fraction of the total losses experienced by individuals and organizations across Canada.

only **5-10%**  
of total losses are reported



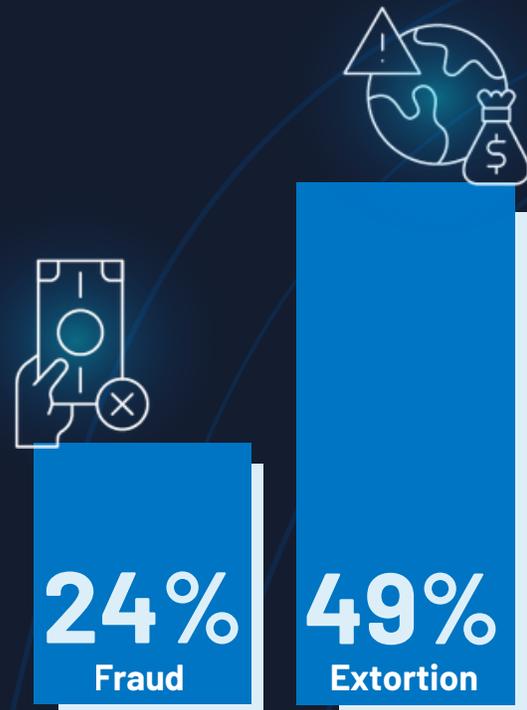
## Insights from Marie Taylor

Fraud often goes unreported for personal and emotional reasons. Victims may feel embarrassed, fear retaliation, or believe that reporting will not lead to meaningful outcomes. These factors contribute significantly to underreporting.

Fraudsters rely on this reality. When incidents go unreported, accountability is reduced and the same schemes can be repeated against others. Encouraging reporting and reducing stigma are critical steps in disrupting recurring fraud and improving the overall understanding of fraud trends.

# Cyber-Related Fraud and Extortion

Cybercrime accounts for a notable share of reported fraud and extortion. In 2023, 24% of all reported fraud incidents and 49% of extortion incidents were identified as cyber-related in police-reported data.<sup>6</sup> These figures highlight the increasing role of digital platforms in enabling and scaling fraudulent activity.



## Insights from Cory Woods

The disproportionate cyber component in extortion cases is particularly significant. Digital channels allow fraudsters to operate anonymously, target victims at scale, and automate aspects of their outreach. Email, messaging platforms, and compromised accounts have become primary entry points.

For industries handling sensitive financial and personal data, this reinforces the importance of cybersecurity as a fraud prevention measure—not just an IT function. Multi-factor authentication, secure email configurations, endpoint protection, and continuous monitoring are essential controls. Equally important is user awareness. Even the strongest technical controls can be undermined by a single compromised credential or successful phishing attempt. The data illustrates that fraud prevention and cybersecurity are now inseparable disciplines.

# Continue Learning:

To continue building your knowledge and resilience against fraud, we invite you to explore our blog articles below, where you'll find practical insights and resources to help you stay ahead of emerging risks:

## For Legal Professionals

Three ways you can protect your customers from title fraud

What's next? The future of fraud prevention

How technology transformed title fraud

## For Lending Professionals

FCT Partners with Interac to Transform Identity Verification in Real Estate Transactions

FCT Acquires Majority Interest in Fintracker to Modernize Identity Verification in the Canadian Real Estate Industry

The ultimate guide to title insurance for property owners

Stay updated on the latest fraud prevention insights from FCT:

**Fraud insights centre**



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