

## CASE STUDY

# Nutrisystem Finds a Healthy Approach to Reducing Fraud & Keeping Customers Happy



Our partnership with **Forter** has allowed us to serve customers better, block more fraudsters, and improve our relationships with card providers. In fact, the integration with Forter's trust platform has been so easy, seamless, and effective, we plan on implementing the solution at other companies in the Wellful portfolio.

**- Nitin Chaudhary, Global CTO at Wellful**



## THE CHALLENGE

**Nutrisystem** is a leading provider of health and wellness and weight loss solutions, having helped millions of people lose weight for more than 50 years.

As more customers migrated to digital commerce and a “card not present” transaction process, the finance team faced a real challenge. The inability to identify genuine customers from fraudsters resulted in an incredibly high and growing chargeback rate of more than 1%. This meant potential penalties from Mastercard and Visa totaling more than \$300,000.

Nutrisystem initially relied on a rules-based fraud prevention system. But bad actors found their way around the rules, causing the company to lose numerous products to fraudulent orders. The system also falsely declined many legitimate transactions sending them to manual review. The false declines frustrated customers and the customer service team — customers would often abandon their online shopping carts, and the team spent much of their time investigating each transaction. The existing approach was derailing the company’s efforts to keep customers happy and engaged, while negatively impacting sales and revenue.



## THE SOLUTION

**Nutrisystem** partnered with Forter, moving from a manual to a 100% automated approach to eCommerce fraud prevention. Forter’s solution includes real-time decisioning, accurately identifying fraud before and after payment authorization, significantly reducing the chargeback fraud rate. The finance team no longer has to spend so much time addressing chargebacks or worrying about being placed in Visa or Mastercard monitoring programs and the associated fines. Instead, they were able to focus on the core tasks

that impact areas across the business. Because fraud decisions happen immediately behind the scenes, legitimate customers always have a frictionless and first-class subscription experience, while fraudsters get blocked from the nutrisystem.com website and NuMi app. The ability to also ensure that the right product was getting to the right customer at the right time also helped to alleviate some of the pressure on the supply chain, reduce shipping costs and helped to boost revenue too.



## THE RESULTS

### Approvals



Approval rate increased from **97.0%** to **99.95%**



Declines reduced by **98.3%**

### Chargebacks



Monthly chargebacks decreased by more than **90%**



**\$300,000+** in pending penalties from Visa and Mastercard avoided

### Operations



Approach to digital commerce resulted in **400+% ROI**



Elimination of manual reviews gives teams more time to help customers stay healthy, boosting brand loyalty



At the start of this journey I never set out to be a fraud expert; I knew that I needed a partner who understood my business and would not only solve the fraud problem, but be able to grow with us as a business. Our credit card processors are thrilled with the work we've done to address our chargeback levels, and I no longer have to worry about fraud - which is fantastic.

**- Kathleen Simone,**  
**Chief Accounting Officer at Nutrisystem**





# About Forter

Forter is the Trust Platform for digital commerce. We make accurate, instant assessments of trustworthiness across every step of the buying journey. Our ability to isolate fraud and protect consumers is why Nordstrom, Sephora, Instacart, Adobe, Priceline and leaders across industries have trusted us to process more than \$500 billion in transactions. Our deep understanding of identity and use of automation helps businesses prevent fraud, maximize revenue and deliver superior experiences for their consumers.

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