The Global Invalid Traffic Report 2026

LUNIO

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Introduction & Executive Overview

Nick Morley
CEO, Lunio

Every marketer knows wasted spend is part of the game. But few realize just how much of it comes from traffic that was never real in the first place.

Invalid traffic (IVT) refers to any click, conversion, or website data event that doesn't stem from a genuine user with real intent. It includes bot activity, fraudulent engagement, automated scraping, and accidental clicks. And while not always malicious, it's always wasteful. It represents one of performance marketing's most persistent, yet least visible, drains on ROI.

Across our analysis of billions of ad clicks, we found the average invalid traffic rate across all channels combined to be 8.51%, a figure that should make any performance marketer pause.

With total global digital ad spend expected to exceed $740 billion dollars in 2025[1], an overall average IVT rate of 8.51% means that $63 billion dollars were lost to invalid traffic. And we expect that figure to increase significantly in 2026 with the rise of AI agents and more sophisticated bot traffic.

Invalid traffic creates four critical problems:

1. Wasted ad spend
Invalid traffic consumes budget without driving business outcomes.

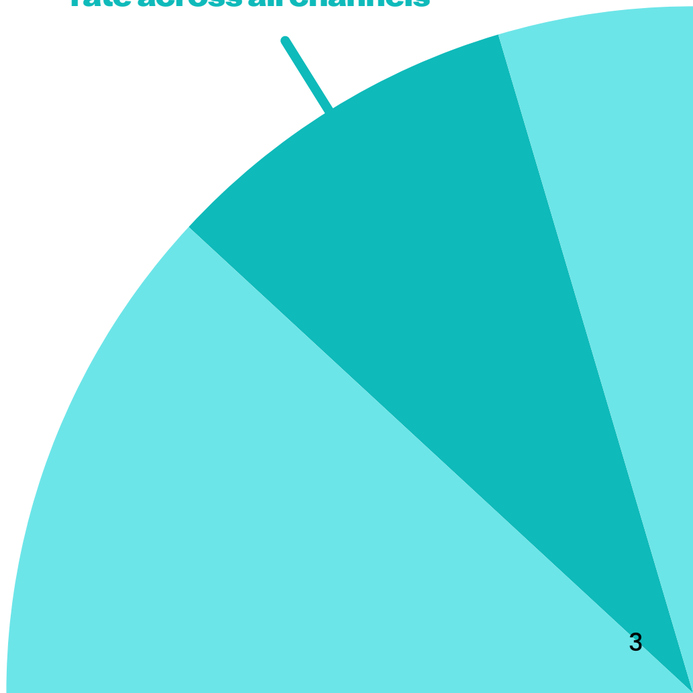
Bots and automated systems can click ads, trigger campaigns, and even complete basic conversion actions (e.g. form fills) - but these interactions don't translate into revenue. They can also drain daily budgets early, slowing momentum during peak performance windows and preventing real customers from seeing your ads when they matter most.

2. Distorted reporting & campaign optimization
When analytics platforms register fake users as real ones, every downstream metric becomes polluted. If 1,000 landing page visits include 85 bots, then the subsequent conversion rates, engagement signals, and attribution models are all built on false assumptions. Campaigns are optimised against muddied performance data, causing more budget to be funneled into campaigns polluted with high levels of invalid activity.

3. Missed revenue opportunities
The return on ad spend for an invalid click is always 0:1, which further stifles business growth. Even based on a conservative average ROAS of 3:1, this means every dollar lost to invalid traffic results in $3 of lost revenue opportunity. Added up over the course of a quarter or year, this often becomes incredibly costly.

4. Wasted time and operational cost
For lead-gen businesses, the impact of invalid traffic goes far beyond the click. Bots and low-quality sources often submit fake forms or trigger CRM workflows. Sales teams chase leads that were never real, SDR queues clog with junk, and pipeline velocity slows. This wasted time compounds into lost productivity, inaccurate forecasting, and reduced sales efficiency.

8.51%
Average invalid traffic rate across all channels



$63 billion

was lost to invalid ad traffic in 2025

Tech Giants Aren't Incentivized to Solve the Bot Problem

Ad platforms do filter invalid traffic. They tend to catch the easy stuff: duplicate clicks, basic bot patterns, and clear publisher malpractice. Some platforms issue limited refunds when fraud is undeniable, but beyond that, their detection systems fall short. Sophisticated invalid traffic and coordinated schemes still slip through at scale, with these interactions reaching your site, completing forms, triggering marketing automation, and distorting your understanding of campaign performance.

The challenge is intensifying. AI-powered bots can now navigate websites, solve CAPTCHAs, and mimic human browsing patterns with remarkable precision. The expected rise of Agentic AI i.e. autonomous digital agents that browse, compare, and transact on behalf of users, will complicate matters further. Many of these agents won't be fraudulent, but they'll still create new questions about what counts as "real" traffic and how we measure genuine customer intent.

Performance marketers need visibility and additional safeguards to protect their investments. Those who act proactively will unlock missed revenue, make decisions based on cleaner data, and ensure they don't continue to pay a stealth tax on their digital ad spend.

That's why we've created this report. Our goal is to give marketers a clear view of the scale and patterns of invalid traffic across channels, industries, and regions - using real, campaign data. By showing what's really happening beneath the surface, we hope to help you make smarter investment decisions, challenge unreliable platform signals, and recover performance that's currently being lost to bot activity and outright fraud.

Nick Morley
CEO, Lunio

Discussing the growing prevalence of obvious bot activity online, one user commented the following in a Y Combinator forum thread:

> ***Bots are getting creepily good at mimicking engagement. I wrote up my findings, including some of the bizarre patterns I saw and the off-the-record conversations I had with ad tech insiders. It seems like a massive, open secret that nobody wants to talk about because the whole system is propped up by it.***

- Comment from user simul007

Source: Y Combinator[2]

Methodology

Invalid traffic is a quiet but persistent drain on digital performance. It reaches every industry, every ad platform, and every region, often without marketers realising the extent of the problem.

About the Data

This report analyzes 12 months of data, from 1st August 2024 to 31st July 2025, covering 2.7 billion clicks across 6 ad platforms, 8 industries, and 10 countries.

Industry & Country Selection

This report focuses on a selected subset of industries and countries within our dataset. While click data was collected for a much wider range of industries and countries, we focused on those where ad spend (and therefore traffic volume) was high enough to provide sample sizes large enough to produce statistically significant results.

Ad Platform Selection

The report covers the most popular and widely used ad platforms including Google (across Search, Shopping, PMax, Display, and Demand Gen), Meta, Bing, TikTok, LinkedIn, and X / Twitter.

These platforms were selected because they represent the most widely used channels by Lunio customers, each with sufficient traffic volume to produce statistically reliable IVT measurements. Smaller or region-specific platforms were excluded due to limited sample sizes.

Lunio's Traffic Analysis

It's important to note all data comes from campaigns and accounts operating in unprotected, monitor-only mode. This means Lunio was analysing every site visit, but active protection via automated IP blocking and audience exclusions was switched off.

This provides an unfiltered view of the ambient levels of invalid traffic businesses are exposed to without any dedicated protection in place. In short, the data captures the IVT that is currently able to bypass the less-stringent native defenses put in place by ad platforms.

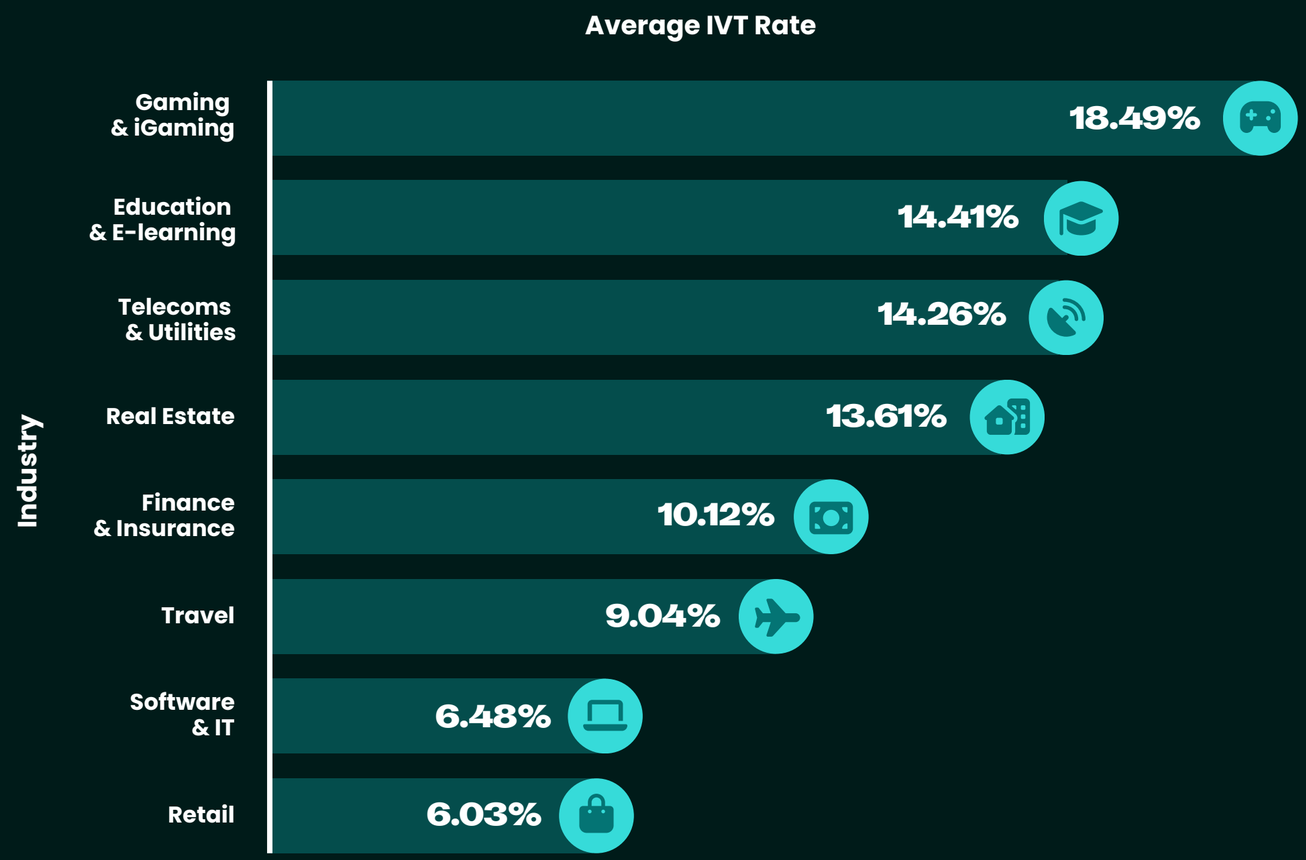
Invalid Ad Traffic
Industry Impact

Invalid Ad Traffic
Industry Impact

Invalid traffic affects every corner of performance marketing, but not every industry feels the pain in the same way. Some face chronic exposure to spam lead submissions while others are hit hardest by the cost of every fake click - especially in high-CPC sectors where each invalid interaction carries a disproportionate financial impact.

The result is universal: distorted data, inflated acquisition costs, and hidden inefficiencies across the marketing mix.

Across the entire dataset, **the average invalid traffic rate stood at 8.51%**, but individual industry averages tell a more complex story.



Why is the Gaming & Gambling Industry disproportionately affected?

High-value transactions, sign-up rewards, aggressive CPC competition, and strict regulatory requirements make iGaming accounts irresistible targets for sophisticated fraud operations. We're seeing coordinated bot networks specifically designed to drain gambling ad budgets, alongside click farms that exploit affiliate programs and bonus hunting schemes. The financial incentives are massive, and the technical sophistication required to bypass detection is becoming increasingly accessible in the AI era.

Chester Scott
VP Partnerships, Lunio

Gaming and iGaming topped the chart at 18.49%, followed by telecoms and utilities (14.26%), education (14.41%), and real estate (13.61%). Financial services and insurance recorded 10.12%, while retail sat nearer the lower end of the range at 6.03%.

High-value sectors like gambling, finance, and insurance are natural targets for bad actors. They combine aggressive cost-per-click competition with strong commercial upside, creating fertile ground for bot networks and click farms seeking fraudulent profit.

Software & IT

Software's average IVT rate of 6.48% looks comparatively low. But additional costs come from the volume of fake leads that make it into funnels. SaaS businesses rely heavily on form submissions, trial signups, demos, and gated content - all of which are prime targets for bots and automated activity.

If a single spam lead costs a sales rep 5 - 10 minutes of follow up time, then if even 5-10% of inbound leads are invalid, the wasted labour, pipeline clutter, and reporting distortion can quickly rival (or exceed) the wasted ad spend itself. That's why even relatively low average IVT rates in Software can create disproportionate commercial impact.

Software's digital ad spend in the US alone was estimated at $12.2B in 2024[4]. With an average IVT rate of 6.48%, that equates to more than $790M in wasted spend across the industry.

Software Industry Case Study:

PLAION

PLAION, a global videogame publisher, illustrates just how impactful IVT protection can be for software companies. During a key launch window, PLAION identified IVT rates as high as 50% in some territories, leading to inflated click-through rates, inaccurate performance reporting, and wasted spend across multiple channels. With Lunio protection enabled, invalid traffic dropped by 42.47%, and lead conversion rates increased by 15%, directly improving ROI.

Retail

Retail's 6.03% rate may appear modest, but the commercial impact tells a different story. Retail operates on some of the tightest margins in digital commerce, often single-digit profit percentages. When you're working with 5-8% margins, even a 6% IVT rate can consume a significant amount of your profit per transaction. At the scale most retailers operate, this translates to millions in lost revenue that could otherwise fuel expansion, inventory investment, or more competitive pricing.

With retail advertisers spending $83.09B on digital ads in 2024[3], a 6.03% average IVT rate means $5.01B was wasted in the retail sector alone over the course of the year. And the financial losses stack up even further when you consider the lost revenue opportunity, had those fake clicks converted at normal rates.

Understanding Variation Across Industries

In lead gen verticals such as finance, education, utilities, and travel, the downstream impact of higher average invalid traffic rates is even more severe due to junk form fills polluting CRMs and wasting the time of sales teams.

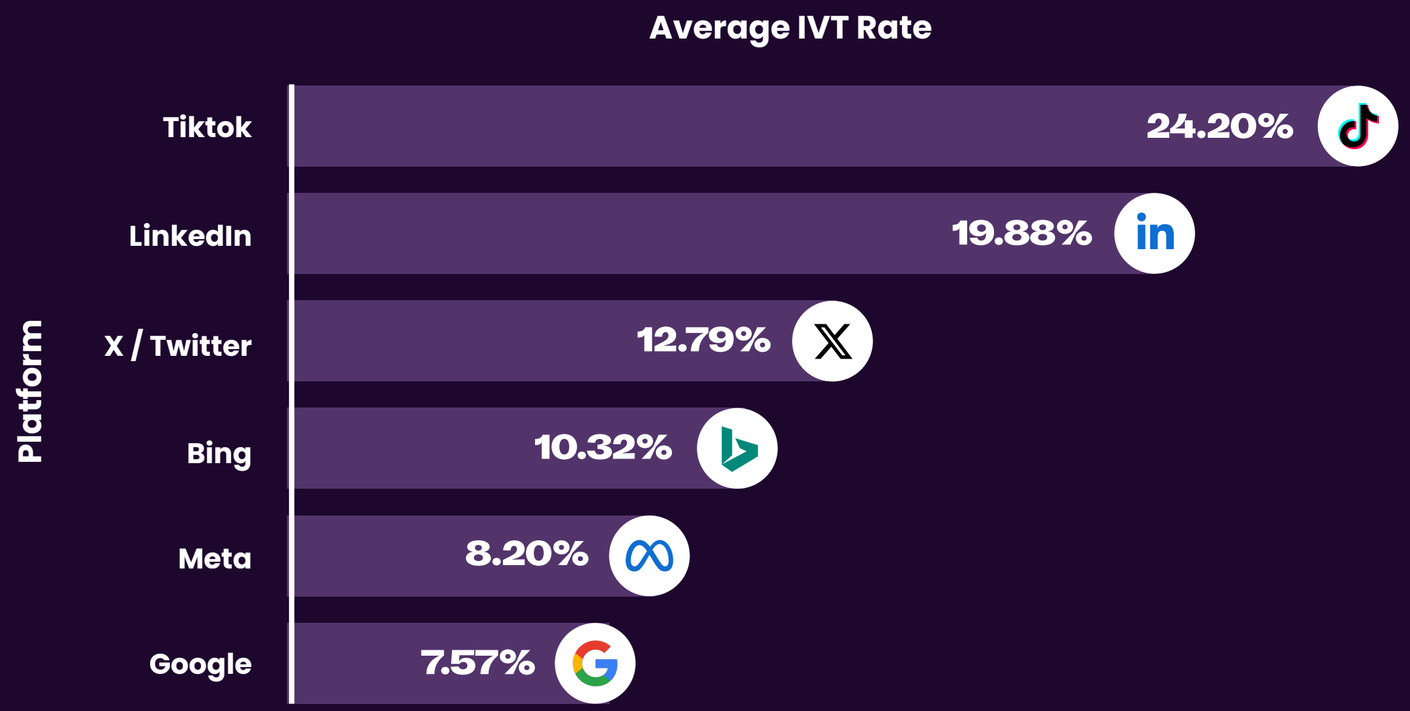
In our dataset, industries with lower IVT rates typically show fewer inherent vulnerabilities: simpler funnels, tighter targeting, and shorter conversion paths. The nature of the business model, campaign format, and inventory exposure are the dominant drivers of variance in average IVT rates.

Each Business has Unique IVT Exposure

However it’s important to note there is still significant variance within each industry too. So while average rates provide a helpful benchmark, IVT exposure profiles are unique to each business. This means even for direct competitors targeting the same market, IVT rates can be significantly different.

The difference between a 6% and 10% IVT rate may look small in isolation. But when scaled up to enterprise-level budgets, that gap can represent millions in potential revenue regained when bot activity is identified and blocked.

Invalid Ad Traffic
Ad Platform Overview



Invalid Traffic
Ad Platform Overview

Every ad platform promises transparency and protection. Each claims to filter invalid traffic and prevent fraud. But our data clearly shows those protections only go so far. The volume and sophistication of invalid activity across platforms varies sharply, revealing just how uneven the digital playing field is when it comes to IVT.

Broadly speaking, the variance between platforms is shaped by how they manage user identity, ad placement control, and automated engagement. And the top-level findings shown in the graph opposite are revealing.

TikTok

TikTok's average IVT rate of 24.20% is striking. As the youngest major social platform, TikTok simply hasn't faced the same decades of public scrutiny and litigation that forced older platforms such as Google and Meta to invest in fraud detection to shore up advertiser confidence.

TikTok's less mature anti-fraud systems clearly make it more vulnerable to bot farms, automation tools, and affiliate arbitrage networks that inflate engagement artificially.

LinkedIn

LinkedIn's 19.88% rate often translates into significant financial losses due to the platform's high CPCs. Granular job title and company-level audience targeting also attract a specific kind of abuse, coordinated lead form spam designed to exploit B2B advertisers with deep pockets.

The platform has long struggled with automated activity: fake profiles, large-scale scraping operations, and engagement bots that mimic real users to fuel outbound sales and prospecting. LinkedIn itself removes millions of fake accounts at registration, but more sophisticated bots increasingly evade detection and interact with ads as if they were real users.

With CPCs often ranging from $10 - $50, these invalid engagements carry a disproportionate financial impact for B2B advertisers.

X / Twitter

X / Twitter's 12.79% rate shows that the platform continues to struggle with fake accounts.

And its open network structure makes it easier for automated activity to blend in with real users. As a result, advertisers often see inconsistent traffic quality and weaker downstream conversion performance compared to more identity-verified platforms.

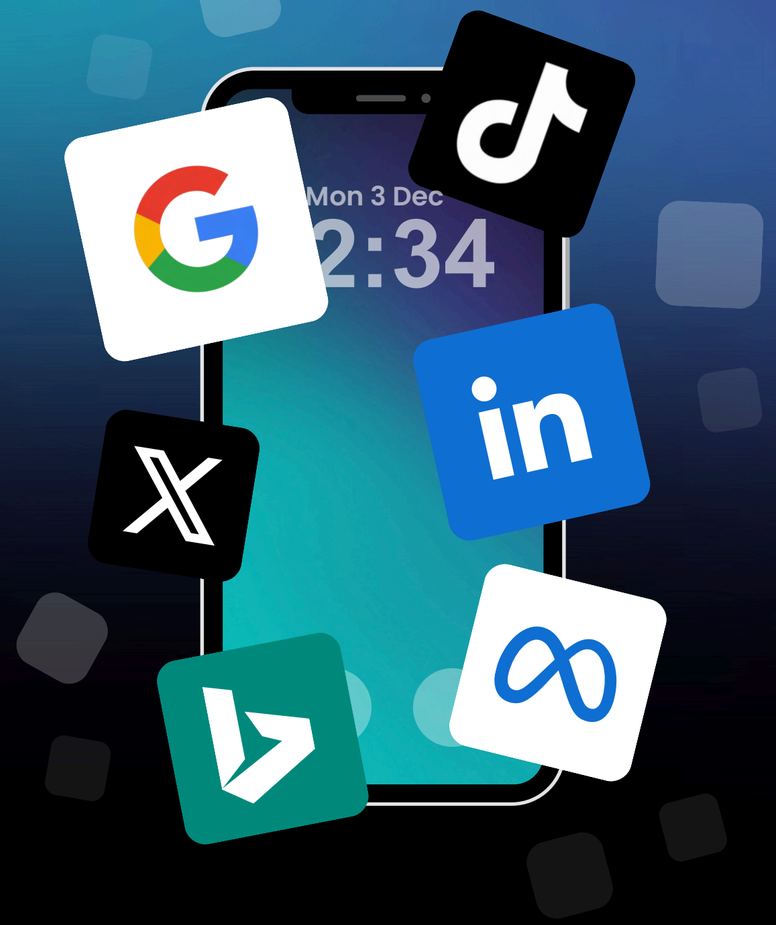
Bing

Bing's 10.32% rate reflects a structural limitation: advertisers have less control over exclusions and placement transparency than they do in Google Ads. Microsoft continues to play catch-up with Google - the platform has made progress in tackling fraud, but the limited control over search partners and placement exclusions allows low-quality traffic to leak into campaigns. We expect this to improve as Microsoft invests in its advertising infrastructure, but for now, Bing requires closer monitoring than other search platforms.

Meta

Meta's 8.20% rate may appear moderate compared to LinkedIn and TikTok, but it's worth noting that Meta is currently facing a Supreme Court case over allegedly inflated reach metrics. The prevalence of fake users and bots on social platforms is now a familiar problem. Many are designed to engage and behave like legitimate users, requiring concerted effort to distinguish at the post-click level.

Social platforms generally focus on banning fake profiles after they're caught, rather than preventing the invalid behavior that happens before the account is removed.



Invalid Ad Traffic
Google Channel Breakdown

Google

Google's lower average IVT rate (7.57%) stems from years of public pressure and litigation forcing the company to invest heavily in detection systems. Google has been challenged by ad fraud lawsuits over decades, driving them to implement stronger in-built filters than other platforms. But even with Google's tighter policies, invalid traffic is far from contained.

“Soft” Invalid Clicks Don’t Get Refunded

Google’s “Invalid Activity Adjustments” refund the most obvious fraud (duplicate clicks, known bot IPs, clear automation patterns). But much of the invalid activity hides in the grey area. These “soft invalids” behave convincingly enough to slip past detection, wasting budget and corrupting the optimization signals that bidding algorithms rely on. These more sophisticated bots clicks also don’t get refunded by Invalid Activity Adjustments.

Analyzing on-site behavior and proactively blocking invalid traffic sources via IP blocking and audience exclusions tackles the issue at the source. Cleaner clicks lead to cleaner attribution; cleaner attribution leads to more confident optimisation. And over time, that clarity produces the one thing every marketer is chasing: predictable growth built on genuine site visitor intent.

Across the entire Google Ads ecosystem combined, the average IVT rate is 7.57%

IVT Rates Across Google Campaign Types

Our analysis found that invalid traffic rates differ sharply between Google campaign types, revealing how traffic quality shifts with ad format and placement exposure.

Google Video Partners

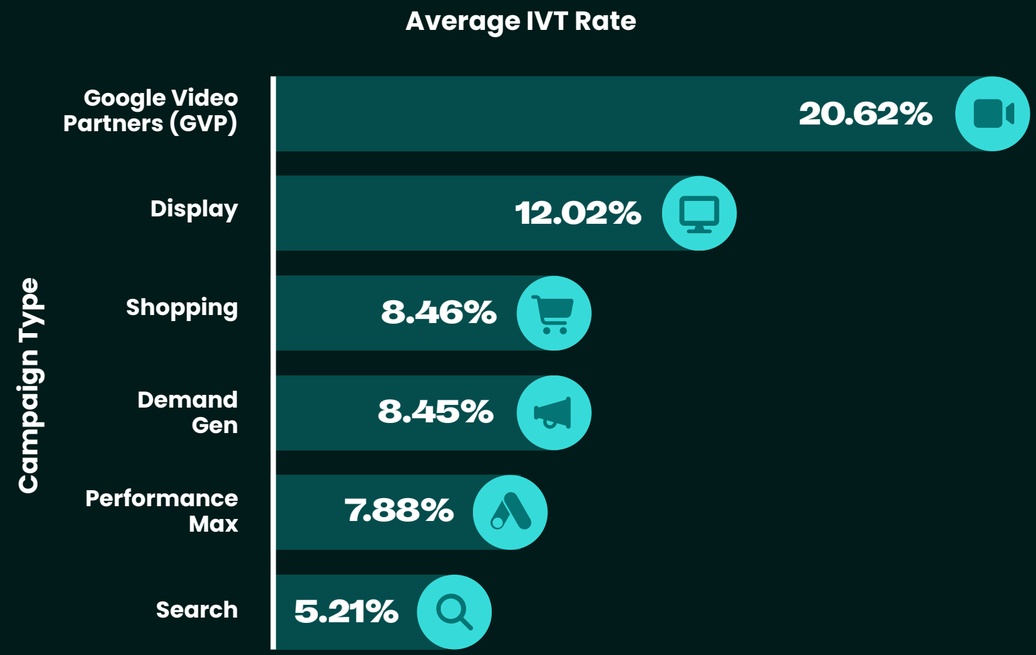
Video campaigns recorded the highest invalid traffic rate at 20.62%. Google runs video ads across YouTube and a vast network of partner sites through the Google Video Partners (GVP) program. In 2023, a major investigation by Adalytics[5] exposed widespread fraud within GVP inventory, showing ads running on low-quality placements, auto-playing muted in small windows, and appearing on made-for-advertising sites that users never intentionally visited.

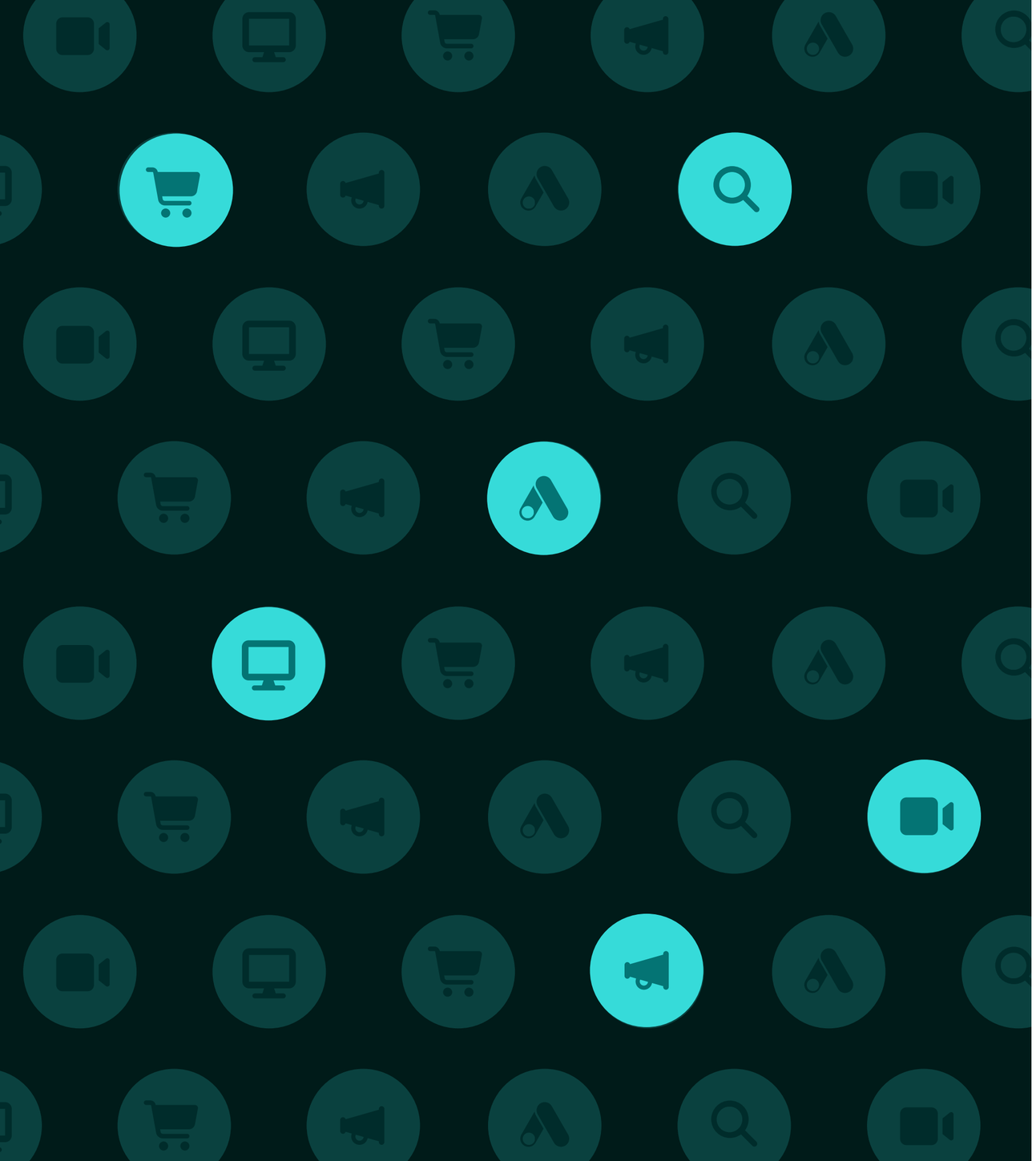
The ad inventory quality on Google's partner sites is far lower quality than native YouTube inventory (e.g. skippable in-stream ads that play before videos start). This is reflected in the much lower IVT rate observed for Demand Gen campaigns (8.45%), which rely heavily on native YouTube inventory.

Display

Google's Display Network remains risky with an average IVT rate of 12.02%. Our data showed that placements on certain gaming and pseudo-content sites drove invalid traffic rates exceeding 50%. Domains such as eclarigame.com (52.19%), oendaction.com (53.21%), kunstgame.com (57.16%), hongzekun.com (58.42%), and oqrsz.com (60.74%) were among the worst offenders. These "made-for-advertising" sites often exist solely to generate click revenue before being cycled out and replaced - a churn-based ecosystem of disposable inventory. Some are spun up and closed down in fast rotation specifically to harvest ad fraud revenue from Google's Display Network before detection systems catch up.

To highlight the contrast, legitimate publishers within the Display Network like nytimes.com recorded just 0.76% IVT, while accuweather.com showed 4.78%. So while there is plenty of high-quality inventory within the network, advertisers need to pay close attention to their placement reports and exclude anything that looks suspicious.





Shopping Campaigns

Google Shopping campaigns recorded an average IVT rate of 8.46%, with a significant portion likely driven by price-scraping activity. eCommerce feeds attract automated systems designed to compare prices, check product availability, and monitor competitor stock levels - behaviors that generate clicks and product page visits without any purchase intent. While not always malicious, these automated price scrapers inflate spend, distort conversion rates, and mislead automated bidding strategies. For retailers operating on thin margins, even a small rise in IVT can meaningfully increase acquisition costs and degrade algorithmic performance.

Demand Gen

Demand Gen campaigns averaged 8.45% IVT, driven largely by traffic coming from the Display Network. Since Demand Gen relies heavily on interest-based signals and wide-reaching inventory, it naturally inherits many of the Display Network’s weaknesses - including exposure to MFA sites and placements optimized for click volume rather than intent. As a result, IVT rates tend to sit above Search and PMax, reflecting the top-to-mid funnel environments these ads run in.

Performance Max

Performance Max sits at 7.88%, higher than Search (5.21%) but lower than Display and Demand Gen campaigns. This makes sense given PMax's structure: it pools inventory across Search, Display, YouTube, Gmail, and Discover. The campaign type is designed to maximize reach by tapping into every available Google network, but in doing so, it inherits the invalid traffic characteristics of the higher-risk channels. However, since it tends to weight spend allocation heavily towards Search, this helps to drive down it’s overall average IVT rate.

Search

Search campaigns perform best with an average IVT rate of 5.21%. This reflects the intent-driven nature of the format and Google's tighter controls on search inventory. But even here, invalid traffic exists.

The losses here can be substantial for enterprise businesses who heavily weight their budget allocation towards paid search. With an annual spend of $3M on Google paid search, our data indicates that more than $156,000 will be lost to invalid clicks alone. And the losses stack up further when you consider the lost revenue opportunity had those fake clicks converted at normal rates.

With an annual ad spend
of $3M on Google Paid Search,

$156,000

is wasted on invalid clicks.

Emerging Data:
IVT Rates for AI Max

As Google leans further into automation, AI Max signals the “keywordless” future of PPC is already here. But with broader reach comes broader risk.

As the campaign type was only made widely available in late 2025, we have yet to collect a large sample of AI Max click data. However, we ran an analysis on a Lunio customer within the luxury retail space who took part in the open Beta for AI Max, which began in May 2025.

From January to May 2025, their standard search campaigns maintained a stable 3.7% average IVT rate. Then on 6 May, AI Max was enabled across roughly half of their search activity, creating a natural split between Standard Search vs AI Max Search.

In total, 895 search campaigns were included in the analysis.

- 404 of those campaigns had AI Max enabled
- 491 of those campaigns did not have AI Max enabled

Campaigns without AI Max maintained a consistent IVT rate of around 3.7%

But those with AI Max enabled saw the average rate rise from 3.7% to 5%, with highs of up to 6% recorded. This equates to a 35% average increase in IVT after enabling AI Max.

AI Max widens query matching significantly, relying heavily on blended signals and automated decisions. This broader net inevitably increases the likelihood of capturing low-quality or non-human traffic coming from queries associated with higher rates of invalid activity.

Google’s Defences Have Blind Spots
Google's long history with ad fraud litigation has made it more rigorous than most platforms. But "more rigorous" doesn't mean immune. Its vast display and video inventory remains an easy target for fraudulent activity, and campaign types like Demand Gen, Performance Max and AI Max increase exposure to IVT by casting a much broader net within the Google ecosystem.

For advertisers, the takeaway is simple: Google's ecosystem is still the most efficient path to scale. But only when you can see what's driving your results. Traffic visibility and validation need to evolve at the same pace as automation; otherwise, more waste will creep into campaigns year on year.

Average increase in IVT rate after enabling AI Max

Invalid Traffic
Lead Generation, Spam Leads

Invalid Traffic & Spam Leads

In our analysis, lead generation businesses experienced 32.07% higher invalid traffic rates than transactional models.

This figure comes from comparing two distinct cohorts in the dataset: advertisers whose conversions rely on form submissions (including finance, insurance, education, utilities, and software) versus those with direct on-site transactions.

When averaged across each group, lead-gen accounts showed a significantly higher IVT uplift, reflecting the greater vulnerability of complex funnels and high-CPC environments.

These industries are particularly exposed because their conversion paths give bots and low-quality sources more opportunities to distort results. Multi-step lead flows create more surface area for automated systems to imitate legitimate user behaviour. And the financial losses stack up quicker due to higher CPC values compared to eCommerce.

Lead Gen Case Study: Culligan Harvey

Culligan Harvey, a water treatment specialist, was experiencing a sharp rise in low-quality and spam leads across paid search. Form fills and click-through rates looked healthy, but the sales team were spending hours chasing leads that went nowhere.

Using Lunio, they uncovered repeated invalid clicks from a local competitor. These sources were subsequently blocked, the click log data was used to secure a refund from Google, and Lunio protection was built into their ongoing ad strategy.

Key results (April 2024 - April 2025):

- **54%** reduction in invalid traffic
- **42%** increase in lead-to-demo conversions
- **10%** uplift in lead-to-MQL rate

Culligan Harvey's results reflect a wider trend: once invalid traffic is significantly reduced, every downstream metric - from conversion rate to sales efficiency - starts to improve.

> ***"If we were to remove Lunio, I can say with full confidence that MQL rate would fall again. The amount of suspicious and invalid activity Lunio identifies and removes gives us a real advantage."***

Oliver Smith
eCommerce & Digital Manager, Culligan Harvey

Lead Gen businesses experience 32.07% higher invalid traffic rates than transactional models.

Invalid Traffic
Breakdown by Country

Country	IVT Rate	2024 Digital Ad Spend	Estimated Wasted Spend
China	16.37%	$143B[6]	$23.4B
Brazil	14.70%	$6.7B[7]	$1B
United States	8.44%	$300B[8]	$25B
United Kingdom	7.97%	$36B[9]	$2.90B
Australia	7.87%	$16B[10]	$1.26B
France	6.63%	$10B[11]	$663M
Germany	6.34%	$14.5B[12]	$919M
Canada	6.29%	$16B[13]	$1.01B
Japan	6.07%	$25B[14]	$1.52B
India	5.50%	$16B[15]	$880M

Global average: 8.51%

Invalid Traffic by Country

Different markets are impacted differently. This is true for overall IVT rates, but also when rolling out new campaigns in different regions. The global nature of digital advertising means invalid traffic flows across borders. But it concentrates in predictable patterns shaped by infrastructure, enforcement, and financial incentives.

China and Brazil are hotspots for organized click fraud operations. These aren't amateur setups - they're sophisticated businesses with employees, infrastructure, and revenue targets.

They exploit arbitrage opportunities in programmatic advertising and cash in on affiliate commissions by mimicking real user behavior at massive scale. For advertisers expanding into these markets, the usual assumptions about traffic quality simply don't hold.

Neil Andrew
Co-Founder, Lunio

The US & UK Markets

Two of the world's largest ad spending countries, the US and the UK, are in line with or just below the global average IVT rate of 8.51%.

The United States, with 2024 ad spend exceeding $300 billion, recorded an 8.44% IVT rate. At that scale, the waste is staggering: over $25 billion in ad spend used to drive traffic that was never going to convert.

The United Kingdom, with an IVT rate of 7.97%, faces a similar dynamic at a smaller scale. With 2024 annual digital ad spend in the UK exceeding $36 billion, an estimated $2.9 billion of this was lost to invalid traffic.

These figures aren’t rounding errors. They represent a structural tax on digital ad spend, unknowingly absorbed by advertisers who assume their platform metrics reflect genuine engagement.

The IVT Hotspots: China & Brazil

China recorded a 16.37% IVT rate, while Brazil hit 14.70% both roughly double the rates seen in the US and UK.

For China (the country with the second largest digital ad spend, behind the US) this translates into massive losses. With a digital ad spend of more than $143 billion in 2024, our data indicates that $23.4 billion was lost to invalid traffic.
As Brazil has a much lower digital ad spend, the financial losses are less. Based on our data, in 2024 an estimated $1B was lost due to invalid traffic in the Brazilian market.

It’s worth noting that one of the largest ad fraud operations uncovered by HUMAN Security was operating out of Brazil. At its peak, the “Camu” operation was processing 2.5 billion bid requests per day[16], that were spread across more than 130 domains built to facilitate the deception.

These markets represent massive advertising opportunities, but they also house much of the infrastructure that generates invalid traffic at an industrial scale. Meaning the concentration of IVT in these regions isn't coincidental.

India’s IVT Rate Defies Expectations

India's IVT rate of 5.50% is the lowest among major advertising markets included in this report. This highlights that rapid digital adoption doesn't automatically correlate with higher fraud rates.

India’s regulatory environment almost certainly plays a role here. The country tightened its digital advertising and data-governance rules substantially in recent years. Bodies like CERT-In, the IT Ministry, as well as financial regulators actively monitor cyber-fraud and bot activity because of the country’s growing fintech and eCommerce sectors.

Invalid Traffic
Affiliate Networks

24%

of all affiliate traffic analysed by Lunio was found to be invalid.

Spotlight: Affiliate Fraud
IVT as a Leading Indicator

Our data shows that 24% of affiliate traffic originates from invalid sources, making affiliate programs one of the most exposed parts of the digital advertising ecosystem.

Unlike ad platforms, where the cost of a bad click is immediate, affiliate fraud often hides behind performance-based payouts and automated tracking. This makes it harder to spot until meaningful financial damage has already occurred.

Affiliate fraud works because it exploits the very mechanics that make the channel appealing: scalable partner networks, automated attribution, and payout models tied to measurable actions. Fraudsters can manipulate every stage of the funnel.

Tactics range from click hijacking and attribution theft to synthetic form submissions, fabricated transactions, and purchase-and-cancel schemes designed to trigger commissions while avoiding lasting cost.

The PayPal Honey Scandal

The risks hit headlines in late 2024 when an investigation revealed that PayPal's Honey browser extension was automatically overwriting affiliate cookies to claim credit for purchases it didn't drive.

The controversy sparked class-action lawsuits, which underlines the seriousness and potential scale of affiliate fraud.

The incident highlighted a critical truth about affiliate fraud: it doesn't always look malicious. Many of the most damaging schemes operate in legal grey areas, using technical loopholes to manipulate attribution while appearing legitimate.

IVT as a Leading Indicator

Invalid traffic in affiliate programs serves as an early warning system. When a partner network is driving high volumes of low-quality clicks, it signals behavior patterns that often precede more serious fraud.

Affiliates testing the boundaries of your tracking system will typically start with click inflation before graduating to conversion manipulation. Catching the problem at the traffic level allows you to intervene before commissions are paid and program integrity is compromised.

For advertisers running affiliate programs, the implications are clear: traffic quality monitoring shouldn't be limited to just the major ad platforms. Affiliates should be held to the same standards as any other traffic source - because the financial and reputational risks are identical.

"In my experience, the biggest vulnerabilities in affiliate tracking stem from how easily attribution can be manipulated without triggering immediate red flags. Most programs still rely on last-click models, cookie-based tracking, and opaque partner networks - systems that are inherently susceptible to hijacking, forced clicks, and other attribution-theft tactics. Because these mechanisms were designed for scale and interoperability rather than security, fraudsters can exploit small technical loopholes to generate outsized rewards.

These weaknesses persist largely because the ecosystem prioritizes frictionless participation and partner growth, meaning safeguards are often bolted on rather than built in."

Jake Scrace
Affiliate Fraud Consultant, Lunio

“Agentic systems move far beyond simple bots. They behave like real users, which makes the signals advertisers rely on much harder to trust. When agents scroll, click, and convert like humans, ad platform performance data quietly drifts off-course.

The real risk over the next couple of years is the gap between how fast these agents evolve and how slowly detection catches up. Advertisers will need more powerful tools and tighter protection around the signals that steer optimisation if they want to keep performance grounded in reality.”

Simran Cashyap
Chief Product & Technology Officer, Lunio

Spotlight: Predictions for 2026
The Agentic AI Perspective

A new kind of traffic is emerging. It's not human, but it's not quite bot either.

Agentic AI is the next major disruptor in digital advertising. These autonomous systems browse, transact, and make decisions on behalf of users. They can compare prices, complete purchases, generate content, and click on ads, all without a human being involved.

A recent 2025 report from Conductor AI revealed that AI referral traffic accounts for just over 1%[17] of all website visits across 10 major industries. But as the technology matures, costs fall, and consumer adoption accelerates, we expect to see a notable rise in the proportion of digital activity driven by autonomous agents by 2026.

Many of these agents shouldn’t be classed as fraudulent, but they do blur the boundary between genuine user intent and automated activity. And the performance marketing ecosystem currently isn't ready for that shift.

When AI agents start to browse, search, and interact at scale, native ad platform detection systems will struggle to classify them. Many of these systems mimic human behavior much more closely in terms of cursor movement, dwell time, scrolling, and session depth. This means ad platform analytics are set to become inflated with much more non-human engagement data.

This more sophisticated non-human traffic will also significantly decrease the efficacy of legacy click fraud and invalid traffic solutions which rely on simple rule-based blocking protocols (e.g. blocking a particular IP after a very low page dwell time). Modern AI agents used for fraudulent purposes will be able to easily bypass these kinds of protections, which were designed to catch more obvious and less-sophisticated forms of bot traffic. Given this expected shift in the digital ecosystem, distinguishing between a helpful AI shopper and a fraudulent site visit from a bot network may become one of the defining challenges of the next decade. And it all comes down to being able to understand the subtle nuances in on-site behavior which distinguish fraudulent intent from genuine purchase intent.

Separating “Good” AI Agents From “Bad” Bots

Lunio’s early approach to tackling this problem focuses on analyzing behavioral and journey-level intent signals to distinguish between non-human agents that display genuine purchase intent vs malicious bot activity with zero intent.

Our platform already captures a huge number of inputs and behavioural signals from every single site visit. And through advanced algorithmic analysis of this massive and continually growing dataset, Lunio will be at the cutting edge of identifying the key signals which can reliably distinguish between good and bad AI agents. The sheer scale of Lunio’s dataset, combined with algorithmic traffic analysis, will enable our protection to evolve over time, quickly reacting to new bad bot behaviors.

Investing in Traffic Visibility & Verification

The Path Forward

Clarity, Control and Real Intent

Invalid traffic isn't a niche problem or a technical edge case. It's a systemic performance issue that affects every channel, industry, and region.

The data in this report makes that clear. From lead generation to eCommerce, from gaming sites to search campaigns, the waste caused by invalid activity eats directly into growth. And for every click that doesn't come from a real potential customer, it creates a misleading signal that influences both human and algorithmic decision making.

The rise of automation and agentic AI will only accelerate the problem.

As synthetic activity blends with human behavior, the difference between real engagement and simulated interactions will blur. Marketers who continue to rely solely on native platform metrics will face growing uncertainty about what their budgets are truly buying.

But there's another path. The advertisers who invest in visibility - who measure traffic quality, not just volume - are already finding competitive advantage. They make faster decisions, feed automated bidding algorithms cleaner data, and stretch their budgets further. For them, IVT protection isn't just a security measure; it's a performance lever.

“We've seen first-hand what happens when businesses treat invalid traffic as background noise - the cost compounds invisibly, year after year. And we've seen the opposite: when they shine a light on traffic data, waste turns into opportunity, and spend starts to work harder.

The future of performance marketing belongs to those who can separate real purchase intent from digital noise. And the first step is traffic verification.”

Nick Morley
CEO, Lunio

Real-Time Invalid Traffic Detection for Paid Media

About Lunio

Lunio helps marketers eliminate wasted ad spend by detecting and blocking invalid traffic in real time. With ad costs continuing to rise, our mission is to ensure more of your ad spend reaches genuine users who are more likely to convert. By filtering out fake clicks and bots across networks like Google, Bing, and Meta, Lunio ensures your campaigns are optimized for higher-quality traffic and stronger performance.

Our machine learning–powered detection engine provides transparent, click-level insights so you can refine campaigns, exclude low-value sources, and improve bidding strategies. This not only boosts ROAS but also improves lead quality - helping businesses scale sustainably by focusing spend on the audiences that matter most.

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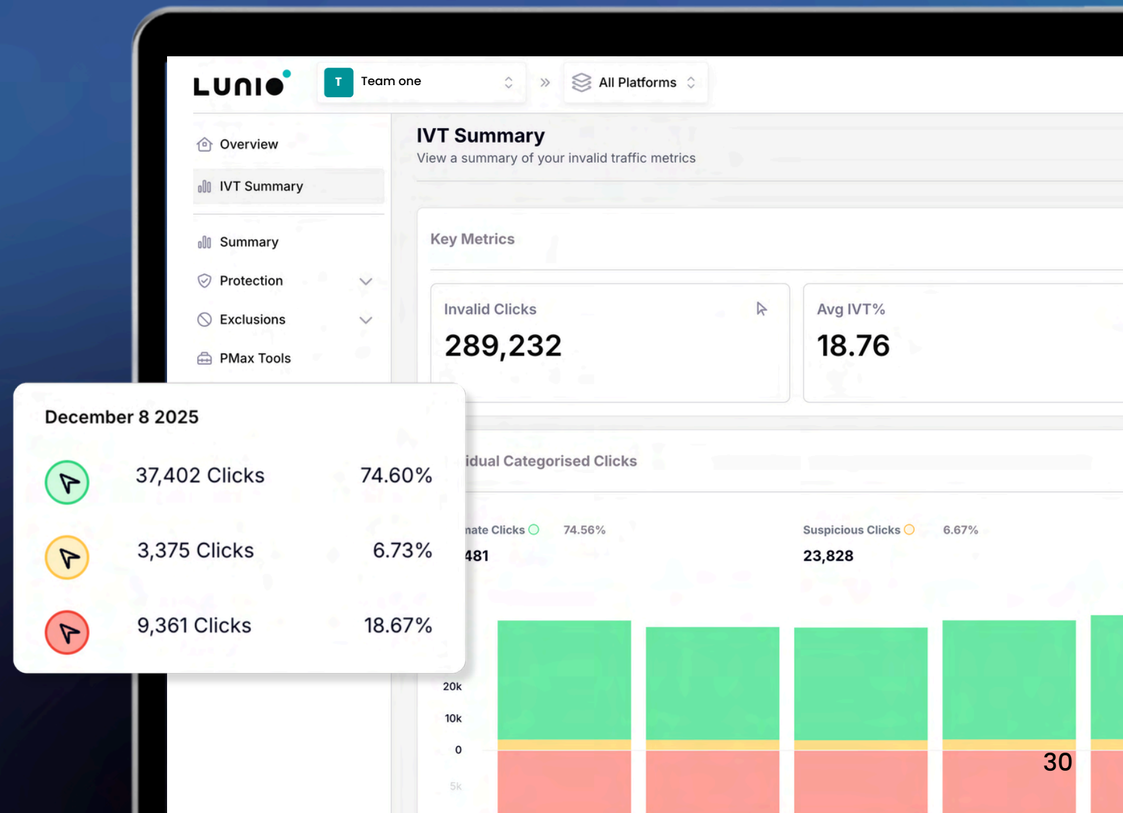
Take control of your ad spend and drive real growth, with Lunio's advanced invalid traffic protection.

Find out how much ad spend you're currently wasting on bots & fraud with a free 14-day traffic audit.

Try Lunio



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