# Nate AI shopping app

IMPLEMENTED 2018–2023 · RETAIL AND HOSPITALITY · US · BAND F · PARTLY PROVED
VERSION 1.0 · PUBLISHED 16 NOVEMBER 2026 · UPDATED 16 NOVEMBER 2026 · FACTS CHECKED 16 NOVEMBER 2026

Nate marketed a one-tap checkout app as powered by AI. US prosecutors and the SEC allege its automation rate was effectively zero and that contractors completed purchases by hand. The company ceased operations in January 2023. The charges against its founder are not proved.

**ABOUT THIS SYNOPSIS**

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Facts and figures are as reported by the sources listed below, which may be incomplete, self-reported or out of date. Check the original source before relying on any figure.

The impact band, proof marker and SEAM view are MarLuc's opinion. The organisation is not a MarLuc client and has not reviewed or endorsed this synopsis. Names and trademarks belong to their owners.

NOTICE WORDING LAST UPDATED 16 NOVEMBER 2026

AT A GLANCE

What went wrong: Misleading AI claims; Business or programme failure.

AI-native company: built around AI from the start to bring about transformational change. It has folded, so the case is graded F.

AI and automation used: Claimed AI checkout automation; prosecutors allege purchases were mostly completed by people.

Implemented: 2018–2023.  Grade: band F, Failure, Partly proved.

Headline result, as reported: Prosecutors allege Nate's automation rate was effectively zero; the company ceased operations in January 2023, with near total investor losses, per the indictment

## 1 · The case

The facts, as reported by the 4 sources listed at the end. Where a source is silent, the field says "Not reported".

### Organisation

Nate, Inc.. US e-commerce start-up founded in 2018 that offered a universal checkout app. It ceased operations in January 2023. Canvas block: 8. Governance and risk. Also 3. Customers and proposition, 6. Data and technology.

### Business challenge

The challenge. Nate marketed its app as a way to skip the checkout on retail websites by reducing it to a single tap, per The D&O Diary's summary of the charges.

How it was addressed. Nate told investors its app used AI to complete purchases on retail sites without human involvement, prosecutors allege. According to the indictment, the app relied on hundreds of contractors in a call centre in the Philippines to complete purchases by hand, and in 2021 the founder, Albert Saniger, had engineers build basic bots for some purchases. The SEC alleges that engineers manually processed orders during investor presentations to make the app appear automated. Nate had acquired some AI technology and hired data scientists, per TechCrunch's account of the charges. [1] [2] [3] [4]

### Who implemented it

Not reported. Prosecutors allege a call centre of contractors in the Philippines completed purchases.

### Technology (SEAM pillar E)

SEAM types: not established; the sources do not say how the system works. Deployment: Not reported. Vendors and products: Nate app.

Where it was built in: A shopping app meant to complete purchases on any retail website with a single tap.

### What changed

Before: investors were told the app was automated by AI, prosecutors allege. After: a June 2022 news report cast doubt on the claims, Nate could not complete a pending funding round, and it ceased operations in January 2023. In April 2025 prosecutors and the SEC brought charges against the founder. [1] [2] [3] [4]

### Cost of failure

Investors lost tens of millions of dollars, per The D&O Diary's summary of the charges; near total losses, per the indictment as reported by TechCrunch. The SEC seeks an officer bar, disgorgement and civil money penalties.

### What it saved

Not reported [1] [2] [3] [4]

### Governance and control

Prosecutors allege the founder hid manual processing from investors and employees by restricting access to internal dashboards and describing automation rates as trade secrets. These are allegations: the founder has not been convicted in the sources opened, and he did not respond to TechCrunch's request for comment.

**S2 · Accountable owner · Not reported**
Not reported. Prosecutors allege the founder made the representations to investors. [3]

**A1 · Safe use · Not reported**
Not reported.

**A2 · Human in the loop · Not reported**
Prosecutors allege people completed most purchases in secret; this is an allegation, not a control. [1]

**A3 · Monitoring and assurance · Not reported**
Prosecutors allege access to internal dashboards was restricted and automation rates were described as trade secrets. [3]

**A4 · Vendor AI · Not reported**
Not reported.

**A5 · Agent controls · Not reported**
No agents described.

**A6 · Standards and regulation · Outside scrutiny (a regulator, court, auditor or similar body acted)**
The US Attorney's Office for the Southern District of New York charged the founder with securities and wire fraud, and the SEC filed a parallel civil complaint, in April 2025. [2] [3]

### What worked, what did not, what is unproven

WORKED

– Not reported

DID NOT

– The app's actual automation rate was effectively zero percent, prosecutors allege.

– Nate could not complete a pending funding round after a June 2022 news report cast doubt on its claimed use of AI, per The D&O Diary.

– Nate was dissolved without returning funds to shareholders, per The D&O Diary.

UNPROVEN

– The criminal and civil allegations: not proved in court in the sources opened.

– How much of the app's work AI did in practice.

### Timeline

2018 Nate, Inc. founded and launches a universal checkout app [2]

2021 Nate raises a $38 million Series A [1]

Jun 2022 A news report casts doubt on Nate's AI; a pending funding round fails [2]

Jan 2023 Nate ceases operations and is dissolved [2]

Apr 2025 Prosecutors charge the founder with securities and wire fraud; the SEC files a parallel civil complaint [2]

## 2 · Grade and SEAM assessment

MarLuc's opinion, made on the evidence above. How cases are graded: marluc.co.uk/case-studies/how-we-rate

### Level of change and impact

Claimed: Not applicable. Grade: F, Failure. Proof: Partly proved. Level of change: Not graded.

No level assessed: band F, a company that folded; its AI claims are the subject of criminal and civil charges that are not yet proved.

Graded F because the company folded with investor losses. Whether its AI claims were false is alleged in criminal and civil charges that are not yet proved.

### The SEAM view and lessons learnt

Investors relied on the company's description of its automation, and the data that would have shown the real rate was allegedly kept from them. For any organisation buying or funding AI, the evidence of automation, such as rates, logs and dashboards, is what to inspect, not a demonstration.

1. Ask for measured automation rates, not demonstrations.
2. Check who does the work behind an AI claim, including contractors.
3. Treat restricted access to performance data as a warning sign.

### Evidence

Score 1 of 4. Charging documents (indictment and SEC complaint) as reported by the press; allegations, not findings. The company's collapse is documented.

Evaluation method. Criminal indictment and SEC civil complaint, as reported; not tried in the sources opened.

Sources disagree. TechCrunch says Nate raised over $50 million; Digital Commerce 360 reports more than $40 million from the indictment, and The D&O Diary over $42 million.

Status. Open: charges filed in April 2025; outcome Not reported in the sources opened at 16 November 2026.

## 3 · Original sources

Read these in full. To challenge a fact or a grade, use the contact form at marluc.co.uk or the link on https://marluc.co.uk/case-studies/nate-ai-shopping-app-fraud-charges


[1] TechCrunch: Fintech founder charged with fraud after AI shopping app found to be powered by humans in the Philippines
https://techcrunch.com/2025/04/10/fintech-founder-charged-with-fraud-after-ai-shopping-app-found-to-be-powered-by-humans-in-the-philippines

[2] The D&O Diary: Tech Exec Charged with AI Washing-Related Securities Fraud
https://www.dandodiary.com/2025/04/articles/securities-enforcement/tech-exec-charged-with-ai-washing-related-securities-fraud/

[3] Digital Commerce 360: A past ecommerce CEO is charged with fraud over fake AI claims
https://www.digitalcommerce360.com/2025/04/11/nate-ecommerce-ceo-charged-fraud-fake-ai-claims/

[4] Gizmodo: CEO Faces Fraud Charge After AI Shopping App Allegedly Found Using Humans
https://gizmodo.com/ceo-faces-fraud-charge-after-ai-shopping-app-allegedly-found-using-humans-2000588302



Version 1.0 · Published 16 November 2026 · Updated 16 November 2026 · Facts checked against sources 16 November 2026 · Downloaded 26 November 2026. This PDF may be out of date: the latest version, and a way to report an error or a better source, is at https://marluc.co.uk/case-studies/nate-ai-shopping-app-fraud-charges


VERSION HISTORY

v1.0 16 November 2026 First published