

## Mobile banking ready, but security jitters remain

You’d think enough has been said already about security and mobile banking, but here’s the Federal Reserve commenting just last week in its survey on mobile financial services:

“The survey’s findings suggest that the use of mobile banking is poised to expand further over the next year, with usage possibly increasing to one out of three mobile phone users by 2013. However, the survey indicates that many consumers remain skeptical of the benefit of mobile banking and the level of security associated with the technology,” the Fed says. [Read more about the Federal survey.]

The Fed isn’t the only one wringing its hands regarding perceptions of mobile security. Phone Factor, in its poll of IT security professionals, uncovered an abiding, and discouraging, belief that corporate networks in general are vulnerable to security lapses from remote access and/or personal devices. And a Harris poll found that many people really want the latest technology, namely smart phones, but are not comfortable with using the advanced features that come with them, namely storing credit card information.

[Read more about the PhoneFactor survey.]

[Read more about the Harris Poll survey.]

It goes on. A spate of studies by unrelated authorities and analysts just within the last month drive home the same conclusions regarding the promise of mobility and the threat of bad actors. Here are some observations from these (links at end of article):

- From Accenture—“Two thirds of CIOs and other IT professionals believe mobility will impact their businesses as much as or more than the internet did in the 1990s…The study also found a few areas of concern complicating the adoption of mobility by enterprises. Of note, security and cost led the list of IT professionals’ biggest concerns.”

- From Assurant Solutions—“When it comes to financial transactions, consumers remain wary about opening their mobile wallet. Adoption remains low among the countries surveyed, as the majority of consumers

expressed serious security concerns.”;

• From CompTIA—“Innovations that make data more accessible and devices more mobile also create new challenges for information technology professionals responsible for cybersecurity. The vast majority of business and IT executives (83%) believe the security threat level is on the rise.”;

• From Edelman—“Shopping and banking are the most popular online activities, and while data security in these industries is important to many consumers, far fewer said they actually trust banks and online retailers to protect their personal information. So, while 92% of people globally consider data security and privacy important in the financial industry, just 69% trust financial institutions to adequately protect their personal information.”;

• From Radius Global Market Research—“The more the consumers know about smart phone technology, the more they worry about the security of mobile transactions. While marketers have done a good job at promoting convenience, they will also need to boost messaging efforts to address security concerns in a way that convinces digitally savvy consumers.”;

Hopefully, we get it already. Something has to be done to (1) ensure the security of mobile devices and (2) convince everybody that they are, in fact, secure.

Such a simple premise has not gone unnoticed. Just as the number of studies and surveys has proliferated, so have the responses from vendors offering the latest in security solutions, many with jawbending names somehow intended to convey confidence. It’s become a distinct cottage industry. Here are some examples of new releases, again, from just within the past few weeks:

• Experian Data Breach Resolution announced a new feature of its product ProtectMyID, called ExtendCARE, which promises to give victims of a data breach direct assistance from highly trained agents.

• RSA introduced additions to the RSA NetWitnessLive platform to enhance situational awareness and shorten the time to respond to potential threats.

• American Megatrends will partner with Wave Systems to develop Windows 8-compatible solutions to assure that platforms remain free of advanced persistent threats and malware.

• FiTeq Technologies launched a payment card that incorporates an approved EMV payment applet in combination with the FiTeq Energizer Stripe that ensures dynamic authentication whether the card is used at EMV terminals or legacy magnetic stripe terminals.

• Verafin and TriNovus will partner to deliver combined fraud detection and anti-money laundering software to financial institutions.

It should be noted here that ABA's Corporation for American Banking endorses: Trustwave for information security, compliance management, and data loss prevention solutions; LexisNexis for its InstantID identity verification tool; Affinion for identity theft protection; Patriot Officer, from GlobalVision Systems Inc., for anti-money laundering and anti-terrorist financing transaction monitoring software, as well as its Guardian Officer anti-fraud, anti-identity theft, and internal control monitoring software; and no doubt other partners who help deter or mitigate online criminals. [Go to [www.aba.com/cab](http://www.aba.com/cab) for more information.]

How to make sense of it all? Perhaps one observation from the recent blizzard of surveys and studies says it as well as any: "When it comes to their wallets, protection matters," says Martin Jenns, senior vice-president at Assurant. "Consumers expressed an exponentially higher interest in mobile transactions if secure protection products were an option. Additional protection for devices and data will play a key part in unlocking the potential of the mobile wallet."

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Sources for this article include:

Impact of Mobility On Business Could Exceed That of The Internet, Accenture Survey Finds

Assurant Solutions Mobile Services Releases Multinational Consumer Survey on Protection and the Mobile Wallet

Innovations that Bring New Benefits also Bring New Security Risks, CompTIA Research Reveals

Data Security and Privacy Concerns Impacting What People Buy, Where They Do Business

FiTeq Introduces Dynamic Authentication Solution with Unparalleled Security and Fraud Protection Readable by both EMV and Magnetic Stripe Terminals

American Megatrends and Wave to Extend UEFI Support in Windows 8 for BIOS Malware Detection

ProtectMyID ExtendCARE from Experian Data Breach Resolution gives extended life to the identity protection provided to consumers affected by data breaches

Radius Global Market Research survey shows that even among those most likely to make mobile payments, security concerns hamper widespread use

RSA Unveils Industry-Leading Capabilities for Threat Information Sharing

TriNovus and Verafin Partner to Deliver Combined Fraud Detection and AML Software Solution to Financial Institutions

#### About the Author

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