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Are Mobile Devices the Answer to the Strong Authentication Problem?

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Agenda

◆ The Shifting Consumer Security Paradigm

◆ Securing Financial Accounts & Payments

◆ The Impact of BYOD on Enterprise Authentication

◆ Predicting the Future

◆ Questions for the Panel

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The Consumer Security Paradigm

- In deciding on any authentication scheme we face a common conundrum:

  - **How to best balance convenience, cost and effectiveness?**

- For consumer applications, convenience has traditionally weighed most heavily in order to preserve the "customer relationship".

  - **As a result, passwords have remained the dominant scheme, along with other types of knowledge based authentication for most consumer-facing applications.**

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The Shift to Multi-Factor Authentication

◆ To meet growing consumer expectations for greater privacy and security, multi-factor authentication is experiencing increased adoption in consumer applications outside of the financial industry, including for use in e-commerce and social networks.

Question:

Are mobile devices being used effectively for multi-factor authentication in consumer applications as organizations try to balance convenience, cost, and security?

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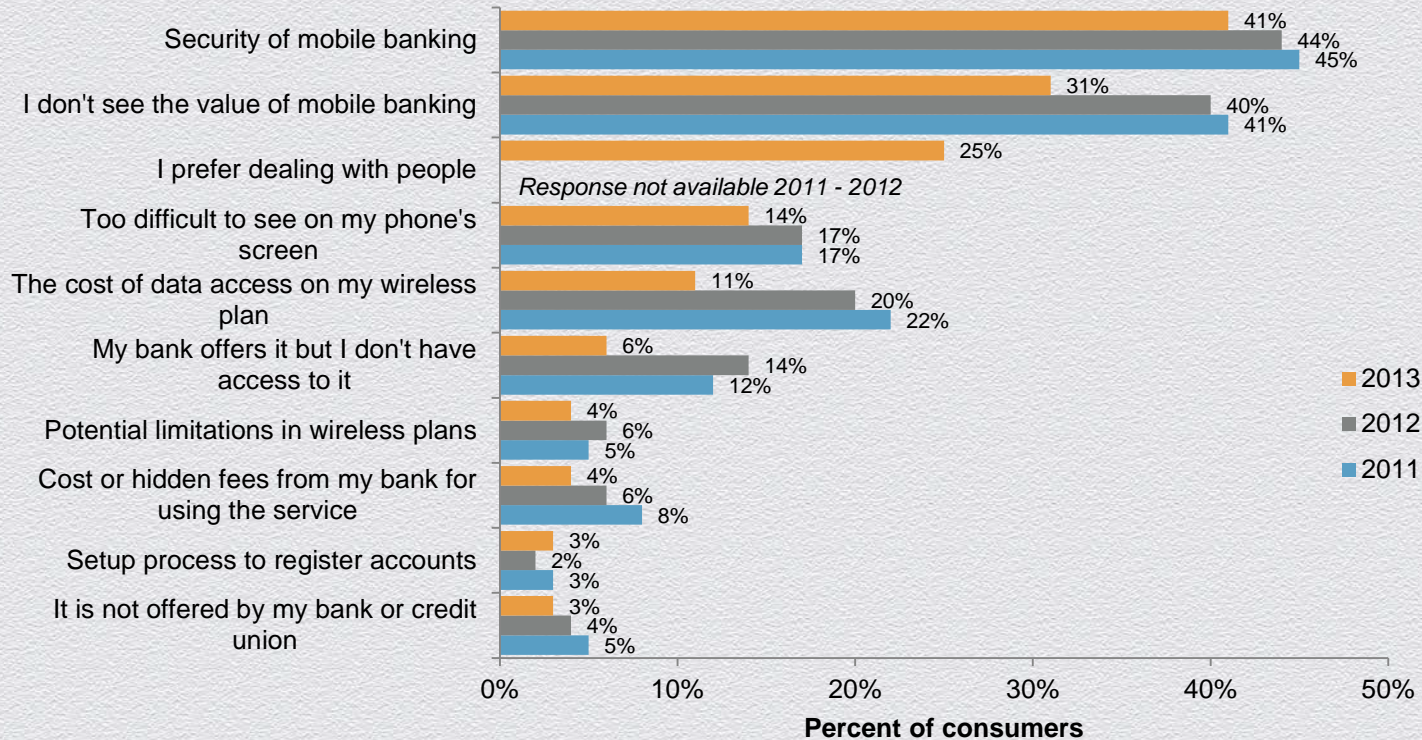FEBRUARY 24 – 28 | MOSCONE CENTER | SAN FRANCISCO

Securing Mobile Banking & Payments

Securing Mobile Banking & Payments

- Banking regulator guidance has driven the adoption of multi-factor authentication and layered security for online financial account access.
  - Federal Financial Institutions Examination Council (FFIEC) authentication guidance includes:
    - *Authentication in an Internet Banking Environment* (2005)
    - *Supplement to Authentication in an Internet Banking Environment* (2011).
  - Neither specifically addressed mobile banking (SMS, browser or app).
    - Institutions need guidance as mobile banking suffers from a security perception problem (well deserved?).

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Security Concerns Remain the Greatest Impediment to High-Value, Low-Cost Mobile Banking Adoption

Security of mobile banking
- 2013: 41%
- 2012: 44%
- 2011: 45%

I don't see the value of mobile banking
- 2013: 31%
- 2012: 40%
- 2011: 41%

I prefer dealing with people
- 2013: 25%
- *Response not available 2011 - 2012*

Too difficult to see on my phone's screen
- 2013: 14%
- 2012: 17%
- 2011: 17%

The cost of data access on my wireless plan
- 2013: 11%
- 2012: 20%
- 2011: 22%

My bank offers it but I don't have access to it
- 2013: 6%
- 2012: 14%
- 2011: 12%

Potential limitations in wireless plans
- 2013: 4%
- 2012: 6%
- 2011: 5%

Cost or hidden fees from my bank for using the service
- 2013: 4%
- 2012: 6%
- 2011: 8%

Setup process to register accounts
- 2013: 3%
- 2012: 2%
- 2011: 3%

It is not offered by my bank or credit union
- 2013: 3%
- 2012: 4%
- 2011: 5%

Legend: 2013, 2012, 2011

Percent of consumers

8

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Confronting the Dynamics of Mobile Payments

◆ Mobile payments encompasses a variety of scenarios (m-commerce, mPOS, mP2P, and mobile wallets) and technology considerations (HCE, NFC, QR, SE, etc.), but lacks a central authority for guidance.

◆ Mobile payments suffers from the same security perception issue as mobile banking.

Question:

Are consumer security concerns related to mobile banking and payments justified, and what can financial institutions and payment providers do to assuage these concerns given a lack of guidance?
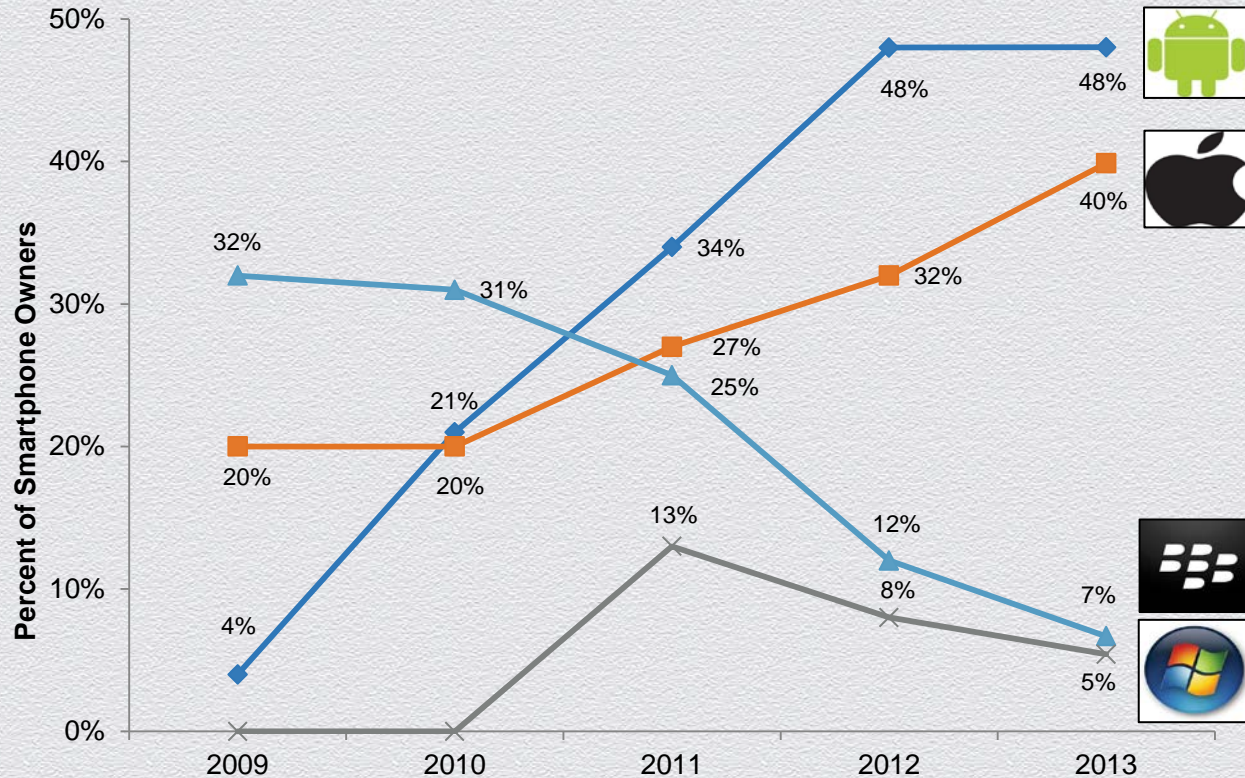
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The Impact of BYOD on Enterprise Authentication

In a Post-BlackBerry World, Businesses Needs to Contend with Android and iOS Smartphone-Wielding Employees

Percent of Smartphone Owners

50%

48% 48%

40%

40%

32% 32%

34% 31%

30%

32%

27%

25%

21%

20% 20%

13%

12%

10%

8%

7%

4%

5%

0%

2009   2010   2011   2012   2013

11

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The Impact of BYOD on Enterprise Authentication

◆ Mobile device management (MDM) has grown in complexity as the mobile world was taken over by Android and iOS, introducing new threats along with new authentication opportunities.

  ◆ BlackBerry devices are being displaced as enterprise facilitates the use of employee-owned devices for business purposes (a.k.a. Bring-your-own-device, or BYOD).

Question:
Have the needs of consumer and enterprise security merged, and are the authentication opportunities of BYOD worth the trouble?

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The Advent of Mobile Changed Authentication

- Authentication has evolved with technology and mobile has been a major catalyst for change, facilitating:

  - Reduced costs (software tokens/one-time-passwords)

  - Greater reliability (true geolocation)

  - Increased practicality (integrated biometrics)

Question:

Which technologies on the horizon do you expect to introduce new means of authentication and how will we benefit?

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Questions for the panel?