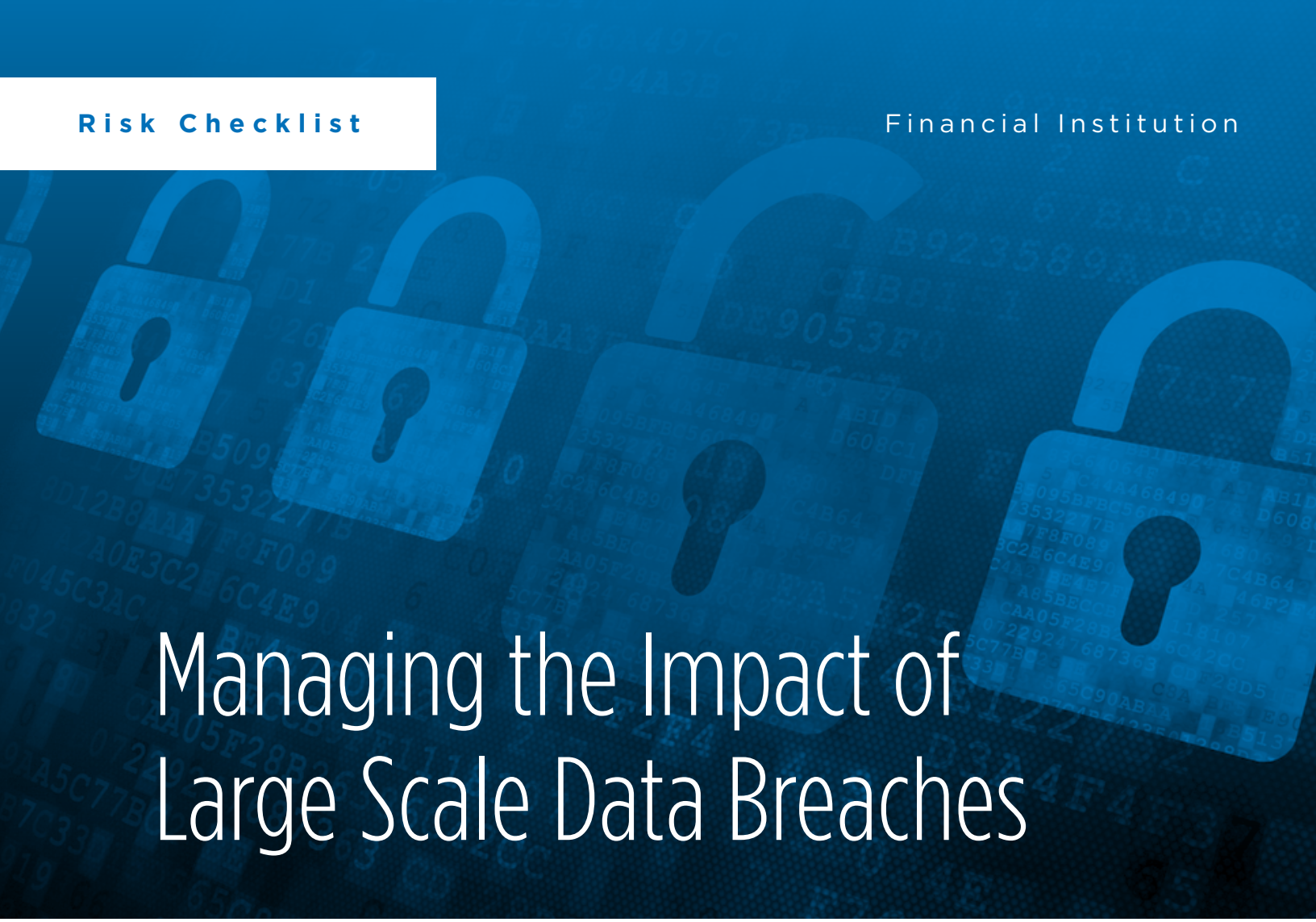
Risk Checklist

Financial Institution



Managing the Impact of Large Scale Data Breaches

Ongoing data breaches experienced by top brands is alarming for both financial institutions and consumers. The enormity of back-to-back attacks targeted toward T-Mobile, Hobby Lobby, Kroger, Experian, Microsoft and many other brands have resulted in the identity theft of countless consumers.

In situations like these, you need to take immediate action to protect your business and consumers from identity fraud exposures.

Below are a number of steps you should take to better manage the impact of a massive data breach.

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Data Breach Risk Mitigation Checklist for Financial Institutions

- ☐ Be swift to recognize any uptick in identify fraud and take immediate action to diffuse the impact.
- ☐ When authenticating an account user, require identifying information along with hard-to-guess security questions, e.g. high school crush, best friend from childhood, first pet's name.
  - Require that accountholders have a password or passcode to access their account.
  - Use multi-factor authentication:
    - *Who you are:* inherent factors such as biometrics
    - *What you have:* Possession factors such as card numbers
    - *What you know:* Knowledge factors such as password, PIN or secret question
  - Don't just rely on SSNs, birth dates, home addresses or driver's license numbers for granting account access.
  - Adopt advanced tools like biometric authentication for verifying the identity of accountholders.
- ☐ Verify you have up-to-date contact information for all of your accountholders, including consumer cards and online accounts.
- ☐ Dedicate a section of your website to provide timely information to accountholders in the event of a breach.
- ☐ Share contact information to consumers so they know where to go to have their questions or concerns addressed.
- ☐ Share educational resources and tools with your accountholders that aim to help them identify, prevent and manage identity theft and fraud.

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- ☐ Train staff on fraud warning signs and job-relevant fraud prevention/response procedures.
- ☐ Proactively build a response plan, so you can swiftly implement the plan should any fraud exposures occur.
- ☐ Monitor likely points of entry for fraud, such as:
  - New account requests
  - New products or services requests
  - Change of information for existing accounts, such as change of address
- ☐ Purchase institutional coverage that insures your financial institution in the event of a cyberattack.
- ☐ Consider partnering with an identity theft vendor that offers immersive fraud monitoring services for consumers, namely:
  - Dark web monitoring
  - Social security monitoring
  - Address change monitoring

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Data Breach Risk Mitigation Checklist for Consumers

- ☐ Closely monitor all credit accounts and loans.
- ☐ Immediately report any suspicious credit or loan account activity – no matter how remote the suspicion – to the financial institution and/or lending institution.
- ☐ Sign up for one or more fraud alerting services offered by the credit bureaus to receive notifications about potentially fraudulent activity.
- ☐ Sign up for a card/transaction monitoring service to monitor and report unauthorized activity.
- ☐ Place a freeze on all three credit bureau accounts to prevent fraudsters from opening new accounts.
- ☐ Sign up for email/text alerts through your financial institution(s) or your card company(s) to receive live transaction and card activity.
- ☐ Speak with a representative of your financial institution about their identity theft protection solutions.
- ☐ Visit the FTC's identity theft website to learn what steps to take in response to proven identity theft.
- ☐ Assure all of your accounts are safeguarded by complex passwords and security questions.

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