

Identity Theft

The recent case where a client's account was stripped of R62 000 after her cell phone SIM card was cloned, caused quite a stir in the media. The bank was, obviously, quick to defend its security measures, and time will tell what really happened.

How aware are we of possible threats?

The poll conducted since last Thursday on our website drew 260 responses at the time of writing, an amazing response for a "no-benefit" cause. Thanks to those who took the time.

In response to the question: "Has recent identity fraud headlines made you more aware of online security", 88% responded positively, while 8% said they were already protected.

A document on the internet called "White Paper: On-Demand Identity Intelligence" by ID Analytics provides very useful information on the current reality, the flaws in the systems in use, and where they see the future.

The problem is of course that there are not only clever good guys – the crooks actually outsmart them every time, and do so regularly.

Businesses and consumers are facing an entirely new genre of risks in large part because so many transactions are now both real-time and impersonal. The reliance on consumer identity information to enable 'customer not present' transactions has put the consumers' need to protect their identity at odds with a business's need to make instantaneous, yet sound decisions. Businesses need sensitive customer data to make accurate decisions about extending credit and completing real-time transactions. By contrast, consumers need assurances that their personal information will be secure and used appropriately. As a result, organizations must manage a much more complex set of demands and expectations: serve customers in real time, protect consumer data from breaches, meet regulatory compliance requirements, and mitigate consumer distrust about data handling and credit reporting errors.

At the core of this conflict is the continued reliance on outdated methodologies for validating modern transactions. Traditional approaches for evaluating the identity and creditworthiness do not provide adequate real-time insight to form accurate credit decisions nor to validate a customer's identity. Furthermore, the tools routinely expose businesses and consumers to data breaches and privacy risks. In today's increasingly connected world, organizations need new ways to identify and verify the business worthiness of customers in real time—before those customers disappear to a competitor's website with the click of a mouse. And, they need methods that will not raise additional privacy risk issues.

A new generation of identity intelligence solutions is now emerging to help organizations meet the challenges of accurately assessing transaction risk in a real-time virtual world, while at the same time maintaining data security and privacy.

These new solutions offer many benefits that effectively address current business issues.