

Nearly Eighty Percent of Financial Customer Accounts and Banks Affected by Recent Data Breaches

ACI Worldwide survey from BAI Payments Connect highlights pressures on financial institutions to protect customer accounts

- 44 percent of customer accounts have been compromised
- 42 percent are more aggressively looking at EMV plans
- 50 percent are currently investing in fraud detection technology
- 42 percent of customers have responded favorably to banks' efforts to respond to breach events

NAPLES, Fla.--(BUSINESS WIRE)-- Recently publicized data breaches are impacting the operations of financial institutions, according to a recent survey by [ACI Worldwide](#) (NASDAQ: ACIW). The survey of financial industry professionals was conducted in March 2014 at BAI Payments Connect and reports that 44 percent of customer accounts have been compromised.

The impact of data breaches

While the headlines continue to highlight data breaches, which involve compromised payment, banking and personal data, financial institutions must stay vigilant in combating fraud loss and maintaining customer goodwill. More than fifteen percent of respondents indicated recent breaches put increased pressure on fraud operations. And another twelve percent indicated that they suffered a negative impact on their brand. Twenty-two percent said they felt no direct impact from breaches.

"Managing fraud in the wake of a data breach involves having the right tools to detect fraud as early as possible and using customer communication programs that proactively address account holders' concerns," said Mike Braatz, Senior Vice President and Product Line Manager, Payments Risk Management, ACI Worldwide. "Without proper proactive and reactive fraud protocols, banks and issuers risk losing customers and trust in their brands, even when the breach occurred through no fault of their own."

Shoring up preventative resources

More than seventy-five percent of respondents said they are looking at additional resources to combat fraud in their organizations. Of those, fifty percent said they are looking to invest in [fraud detection technology](#), more than fifteen percent are investing in more training for their fraud management teams, and ten percent say that they are beefing up staff with new personnel.

EMV's role in protecting customer accounts

As the last holdout of EMV technology and standards, many in the US are re-evaluating their strategies after these recent events. Regions including Canada and Great Britain attribute decreased card fraud to the more secure chip and PIN methods employed as part of their EMV strategies, which were rolled out years ago. More than forty percent of respondents indicated they are more aggressively looking at their EVM plans. Another thirty percent are still exploring options required to meet the 2015 liability shift, and just under ten percent indicated they are already EMV compliant.

A silver lining

Although data breach-related fraud has a negative impact on the bottom line and on the industry in general, more than forty percent of respondents indicated that their customers appreciate the proactive outreach and response to market events.

According to Braatz, "Customers want an open dialogue with their financial institutions when it comes to protecting their payments and personal data. When executed properly, a payments risk management strategy, which keeps customers informed - early and often - in the event of a fraud or data breach will keep financial institutions on the right side of customer satisfaction and ensure trust in their brand."

About the Survey

The survey of fifty financial industry professionals was conducted by ACI Worldwide at BAI Payments Connect in Las Vegas on March 10-11, 2013. The survey includes responses from executive/management decision makers, fraud/risk management, and back office operations at financial institutions.

About ACI Worldwide

ACI Worldwide, the [Universal Payments](#) company, powers electronic payments and banking for more than 5,000 financial institutions, retailers, billers and processors around the world. ACI software processes \$13 trillion in payments and securities transactions for more than 250 of the leading global retailers, and 21 of the world's 25 largest banks. Through our comprehensive suite of software products and hosted services, we deliver a broad range of solutions for payment processing; card and merchant management; [online banking](#); mobile, branch and voice banking; [fraud detection](#); trade finance; and [electronic bill presentment](#) and payment. To learn more about ACI, please visit www.aciworldwide.com. You can also find us on Twitter @ACI_Worldwide.

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