

Finding a Balance between Security and Convenience

In addition to finding a balance between security and convenience, credit unions must consider a third factor: cost. Any security solution must be simple to use and include affordable ongoing maintenance or it will be rejected by consumers in favor of alternate ways to access their accounts. Credit unions must consider their upfront technology costs, along with the labor costs for their IT employees to implement and maintain any security solution.

There is so much at stake for the online banking channel because just a few dollars in fraud losses can add up to much larger repercussions for the credit union's reputation. If trust is lost, then members may leave the credit union, or remain members, but refuse to add new services and products. This loss of wallet share and product penetration can be devastating in this hyper-competitive marketplace.

This problem can be solved with a robust security suite protecting the online channel. Arcot Systems provides the ArcotID and Arcot RiskFort multi-factor authentication solutions that can increase member confidence, allow for more powerful online features, and reduce costs. Credit unions that deploy Arcot RiskFort can detect fraudulent access in real-time and feel comfortable offering more capabilities online. For example, credit unions can allow higher wire transfer limits to their members knowing that they are protected by a powerful risk management solution. If members are confident that their accounts are well protected online, they will use the low cost online banking channel at the credit union, and not make so many frequent – and much more expensive – visits to the branch.

At Arcot, all of our authentication and fraud prevention packages are designed to be easy to use, but extremely robust. Arcot RiskFort provides real time monitoring of transactions. With RiskFort, credit unions have a great deal of granular control over their members' online transactions. Our built-in templates allow credit unions to quickly start their risk evaluation program and customize them to their members' online banking activities and their risk tolerance levels. The system is highly flexible and can monitor any combination of device IDs, IP addresses, geo-location, amount, type and other transaction details.

The next layer of defense is found in the combination of the Arcot WebFort authentication server and the ArcotID. This two-factor solution offers the strongest form of practical digital identity protection on the market. It is the only solution that makes software strong authentication a reality. We call this solution a 'software smart card' and it is protected by our patented cryptographic camouflage technology. This PKI software token is simple to deploy and works behind the scenes to thwart a wide variety of attack vectors today and in the future such as: brute force, phishing, man-in-the-middle, and key-stroke attacks.

The goal of all of our authentication and digital signature solutions is to offer maximum online protection that is easy to use, scalable and cost effective – delivering our customers the right balance of security, cost, and convenience.



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R. 'Doc' Vaidhyanathan is Vice President of Product Management at Arcot. Prior to Arcot, Mr. Vaidhyanathan was Vice President at Majesco Software where he was responsible for global outsourcing. Doc previously held management and development positions at TDICI and Tata Unisys. Doc holds a B.Tech from the Indian Institute of Technology and an M.B.A. from the Indian Institute of Management. Arcot Systems, Inc. is a leading provider of software-based digital signatures and identity solutions. Arcot's solutions combine the ease-of-use, scalability, and cost-effectiveness of a software format with a breakthrough technology approach that offers maximum online protection.

