

## Pay Now or Pay Later: Obtaining ROI from Security Solutions

Security is not just about keeping the bad guys out. It is also about making members feel more secure about doing business with the credit union. Online banking depends on consumer confidence because consumers will choose the banking channel they feel is the safest, simplest, and most reliable. The expenditures credit unions make in their online banking security should be viewed as a business investment and an opportunity rather than a security cost because online transactions cost far less than transactions through other delivery channels. Without a doubt, the online channel is the most cost-effective and secure way to deliver services, and insuring the security of the online channel can boost consumer confidence and adoption rates.

Actual fraud losses from phishing attacks pale in comparison to potential revenue losses credit unions bear from slowing adoption rates of online banking and online services such as bill pay, e-statements and email communications. Research from the Boston Consulting Group and other research firms have shown that online banking users are over 30% more profitable than offline users, while bill payers are nearly 100% more profitable. These kinds of numbers show the real value of securing and promoting the online banking channel.

Credit unions should not look upon the NCUA guidelines for stronger authentication as burdensome – in fact, they should view them as an opportunity to increase member confidence and overall usage by removing the main concern many people have about using the online channel: security. At PassMark Security, we have developed the most comprehensive and widely adopted method of strong authentication for e-commerce. Our patent-pending Two-Factor Two-Way Authentication™ Suite delivers strong security, without requiring end-users to install new software or carry anything they do not already have with them. PassMark techniques can also be used to authenticate outbound email.

We realized from the beginning that software installations are fraught with support issues and hardware tokens are impractical and far too expensive for consumer use. We have created an affordable system that is easy to use and non-intrusive, while still delivering rock-solid security. Also, by personalizing every user log-in, we make the member feel more confident about moving forward and positive about the security behind the credit union's online banking system. It is a very powerful reinforcement every time the member logs-in. But the real strength of the system lies below the surface where a thorough analysis of the member's machine, network connection, and behavior is performed during every log-in.



**Steven W. Klebe**  
Vice President

PassMark's Two-Factor Two-Way Authentication™ Suite can be deployed in credit unions of all sizes. It can be purchased directly from PassMark or in many cases from your existing online banking provider. Our strong authentication solutions are simple for the credit union's members—plus they have multiple layers of real-time risk assessment, fraud detection, and manageability built in for the peace-of-mind of the credit union's senior management team and Board of Directors.



**Steven W. Klebe** is Vice President of Business Development at PassMark Security. Steve has over 27 years of experience in strategic alliances, product marketing and sales in the Electronic Funds Transfer (EFT) industry. Specific areas of his focus include fraud prevention and payment processing. At PassMark Security, a provider of two factor, two way authentication solutions for ecommerce, Steve is leading the sales and business development activities. He continues his role as a member of the board of the Electronic Transaction Association and a member of the NACHA Internet Payments Council. Steve has spoken at over 50 technology and financial services conferences during his career as well as taught classes at the NACHA Payments Institute.