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The Synergistics Sidebar

Financial Privacy: Understanding What Consumers Want and Expect

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Greetings!

In March, [USA Today reported another security breach involving a major retailer](#). While the numbers of people who do their shopping and banking online continue to grow, so will these crimes. Financial institutions, such as banks, must go above and beyond the call of duty when it comes to security. But they also must go above and beyond with something else, too: communicating with customers and putting their minds at ease.

This month's newsletter deals with just that: suggestions for instilling consumer confidence in financial institutions. While some of the suggestions are pure common sense, they still deserve mention, since it's sometimes easy to overlook the obvious. We hope you find the information and links helpful.

I'd also like to take this opportunity to thank those of you who've been sending me article ideas and actual articles to use in future newsletters. Keep them coming! If you've written about access control systems or other security topics, feel free to email your article to me (articles shouldn't run longer than 700 words) at the address below.

Enjoy the start of spring!

Sincerely,

Financial Privacy: Understanding What Consumers Want and Expect

Truly understanding what customers want and expect from their financial institutions is essential when talking about security, privacy, and access control. The better you understand customers' needs, the better chance you have of implementing a security system that's not only compliant with the law, but also compliant with customer expectations.

The [2005 EDS Financial Services Privacy and Customer Relationship Management Survey](#) is a great source-it documents what's on consumers' minds when it comes to their financial privacy. According to the survey, "consumers will take drastic action-including closing some or all of their accounts-if their financial services provider experiences a security breach."

In addition, the [Federal Trade Commission's 2006 Identity Theft Survey Report](#) says that "1.5 percent of participants, representing 3.3 million American adults, reported discovering in 2005 the misuse of one or more of their existing accounts other than credit cards-for example, checking or savings accounts or telephone accounts."

No doubt, privacy concerns are a legitimate hot-button issue for customers and financial institutions. So what are some steps that can be taken to instill consumer confidence? See the suggestions below.

1. **Promote Consumer Education.** Not every piece of correspondence a financial institution sends to its customers needs to be promotional. Providing useful information--such as alerts on new phishing scams or [tips on how consumers can protect their identities](#) -- will not only help consumers, but also show them that the institution truly values its customers' privacy. Some other good educational resources that financial institutions should pass onto its customers include the [Treasury's "Outsmarting the Crooks"](#) and [The Identity Theft Resource Center](#).
2. **Implement Vulnerability Management Programs.** Maintaining a regular vulnerability

management program-and promoting this fact to customers-is one way to stay ahead of hackers and Internet "thieves." A vulnerability management program shouldn't be mere window dressing. In order to work, it must be effectively managed and executed. Knowing where an institution's weaknesses are is the first step in correcting them.

3. **Make Sure The Current Access Control System Has "Headroom."** A good access control system is one that can be upgraded easily and integrated with newer technology as it's released. For example, while biometrics is still in its infancy in many ways, studies suggest that it will play a larger role in security within the next few years. Prepare for these types of next- generation security architectures now.
4. **Make Sure That The Basics Are Always Covered.** >From firewalls to back-up systems, don't take for granted that everything is "set" and working properly. Test all systems on a regular basis.
5. **Be Prepared for Worst-Case Scenarios.** While no one wants to think about what a security breach might do to a financial institution, it's still important to plan for worst-case scenarios. Having a crisis management plan in place-from how you're going to alert customers to how you're going to deal with the media-should be in place, revisited, and updated regularly.

Remember, having a top-of-the-line access control system, like one from Synergistics, is an integral part in creating consumer confidence in banks and other financial institutions, but it's not the *only* important piece: communicating regularly with consumers and testing existing systems are also essential practices in protecting customers' privacy.

[Learn more about Synergistics by clicking here.](#)

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