

# How to Protect Cardmembers Against Cybersecurity and Fraud Threats



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Today's slides can be found online at:

<http://bit.ly/2021-04-22-Elan>

# We Encourage Questions

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# How to Protect Cardmembers Against Cybersecurity and Fraud Threats



# Agenda

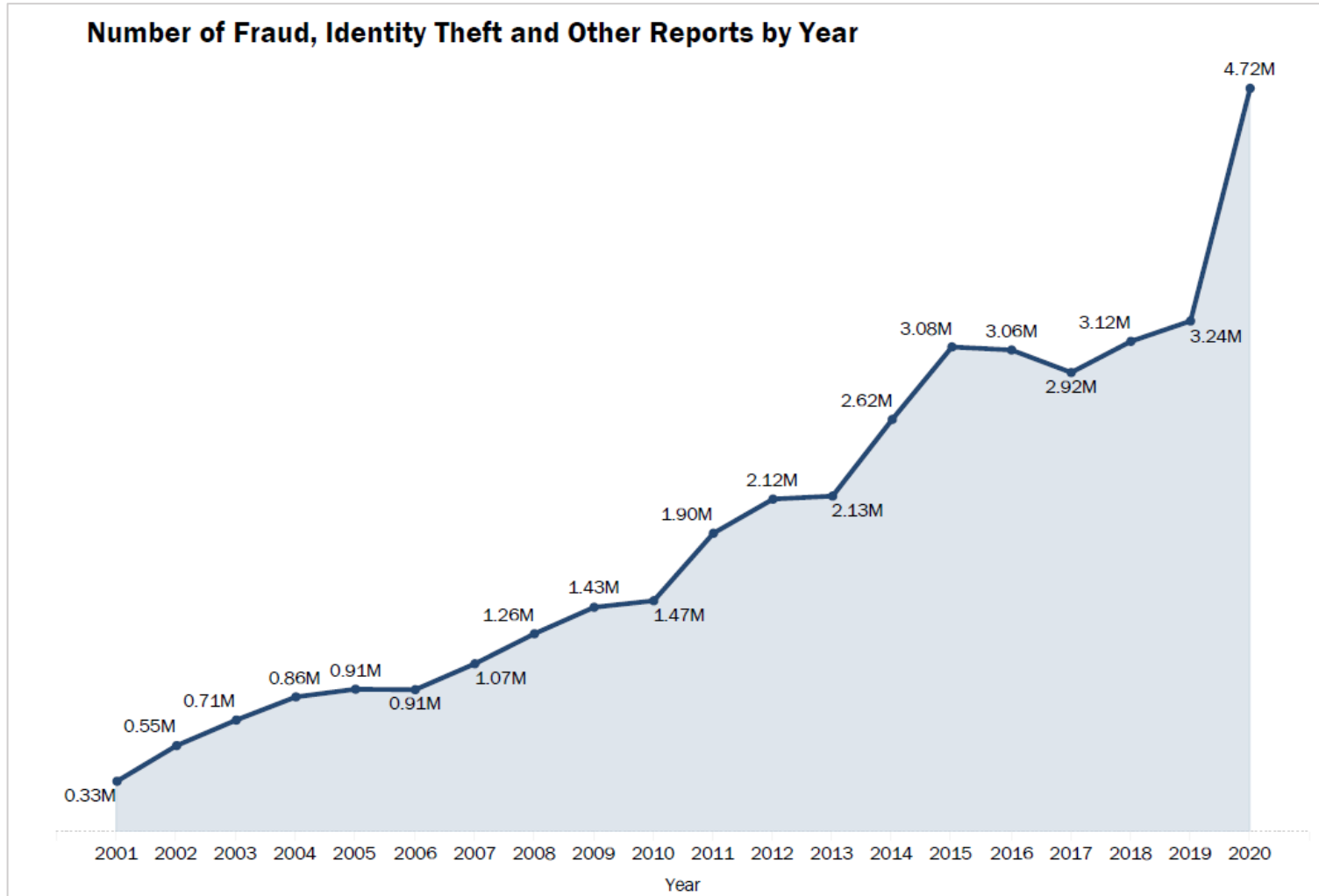
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- 2020 Was Unprecedented for Security Issues
- The New Normal for Security
- Headwinds in Today's Cybersecurity Environment
- What Cybersecurity Threats Are Out There?
- Impact on Cards and Overall Payments Landscape
- What Should Credit Unions do About It?
- Elan's Approach
- Q&A



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VP, Partnership Development  
Elan Credit Card

# 2020 Was Unprecedented for Security Issues





# The New Normal for Security

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**45 PERCENT**  
of shoppers  
reported shifting to digital  
channels.<sup>1</sup>

The FTC received over **2.1M**  
**FRAUD REPORTS**  
in 2020 resulting in  
total losses of over **\$3.3B.**<sup>2</sup>

Over **350K** fraud  
reports related to  
**COVID-19 AND**  
**STIMULUS PAYMENTS,**  
representing **\$341M** in losses.<sup>3</sup>

<sup>1</sup> PYMNTS + Elan Report, 2021

<sup>2</sup> Federal Trade Commission 2021

<sup>3</sup> As of 2/17/2021. FTC

# Headwinds in Today's Cybersecurity Environment



Working and learning  
from home



Economic strain



Embracing mobile &  
digital channels

# What Cybersecurity Threats Are Out There?

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## BASIC ATTACKS vs. SOPHISTICATED ATTACKS

Basic attacks test a high number of credentials in a short time. Sophisticated attacks target browsers by emulating what a human would do to gain access.

In the first half of 2020, **96%** of attacks on financial institutions were sophisticated in nature.

## IDENTITY THEFT and ACCOUNT TAKEOVER

The greatest number of attacks across all industries happen at **login via account takeover**. Once they've gained access to the account, fraudsters may add information such as their name or a new mailing address in order to perpetuate criminal activities.

# What Cybersecurity Threats Are Out There?

## PHISHING and BOTNETS



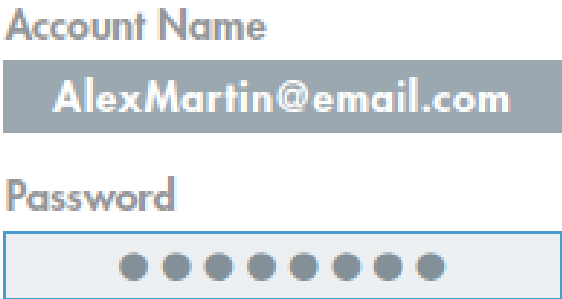
Phishing Email

A fraudulent email is sent masquerading as legitimate.



Bait Taken

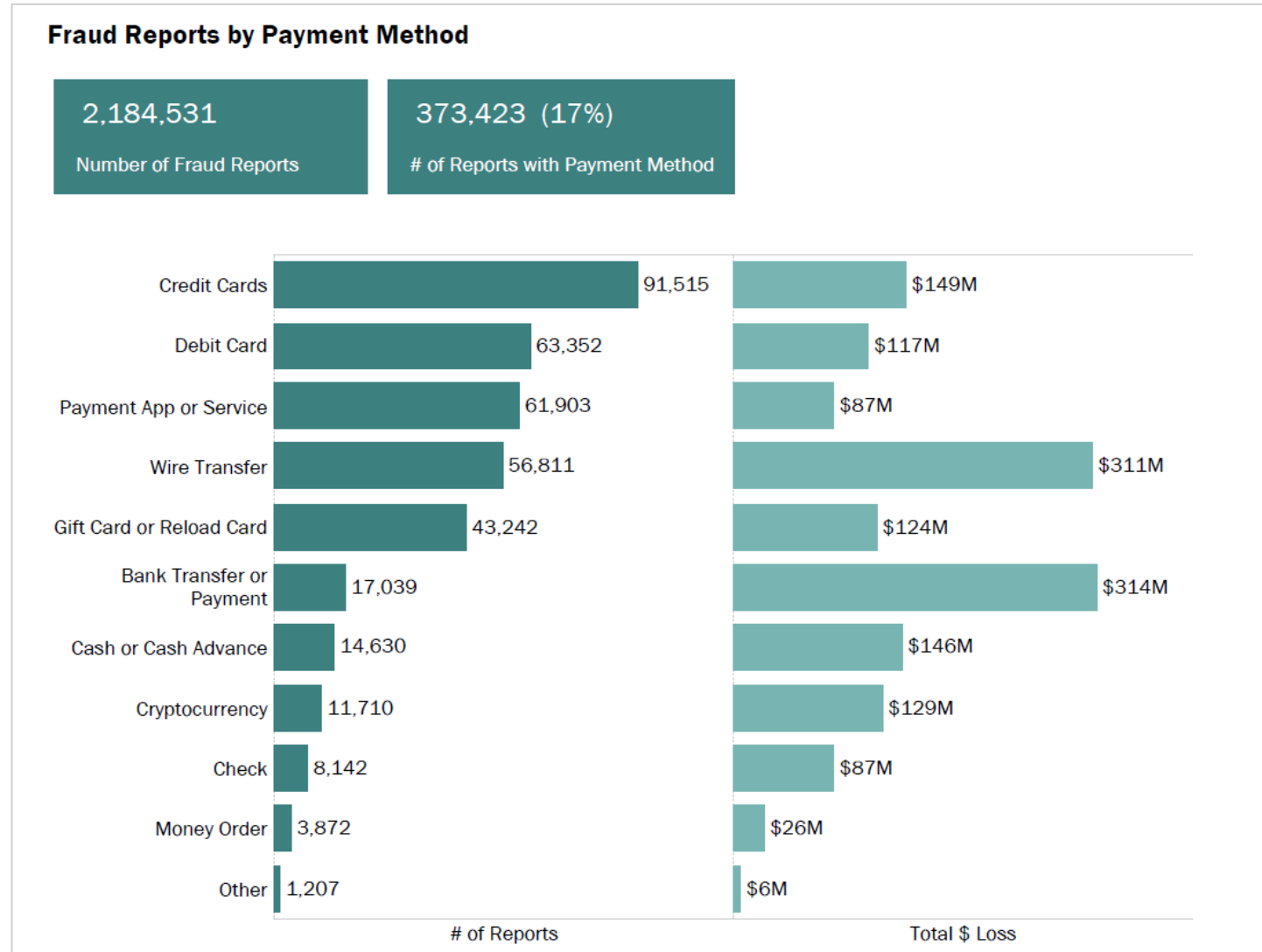
Phisher tries to acquire victim's login credentials or account information.



Credentials Stolen

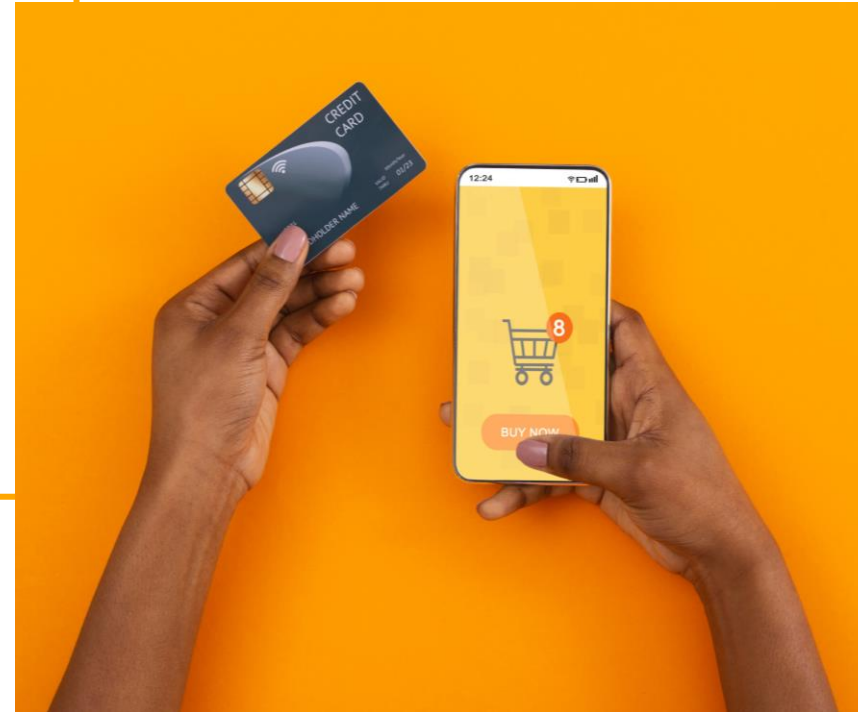
If successful, the phisher can use login credentials or account information for their purposes.

# Impact on Cards and Overall Payments Landscape



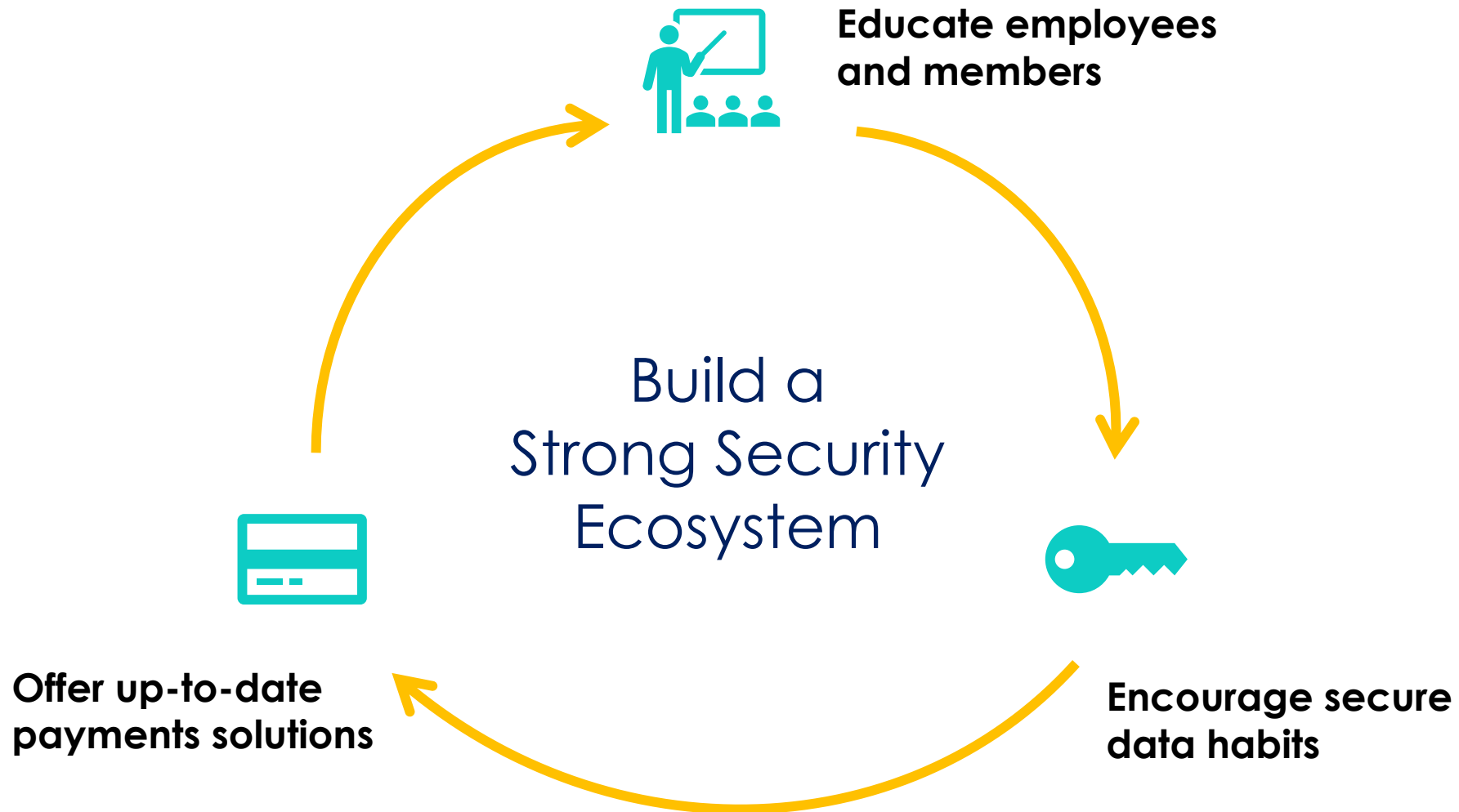
# Credit Card Users Are Concerned About Security

**Protection against theft of funds** is a motivating factor for **35%** of credit card users — **double** the share of debit card users.



# What Should Credit Unions Do About It?

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# Elan's Approach

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## Benefits of a credit card partnership with Elan:

- **Advanced fraud protection** program to keep data safe.
- **Innovative fraud technology** including machine learning capabilities and AI.
- Increased **access to digital innovations**, including text alert capabilities, biometrics authentication, and digital wallets for mobile applications.





# Thank You – Any Questions?

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