

## Online Banking: Expanding the Channel with Convenience and Security

Virtually every credit union views the online channel as a great tool and very efficient way to serve their members. As online banking grows in popularity, new services are being added to the online channel in an effort to grow and maintain member interest. While key to growing the channel, credit unions must also take into account the role that security plays in gaining member confidence and acceptance, and must make total online security a top priority.

While members are starting to expect a secure online channel, most do not adapt well to change and want their online experience to be "business as usual." When you couple this with the fact that the vast majority of visitors to the credit union's website are legitimate members looking to access their accounts, it becomes obvious that any authentication system must minimize the changes to the member experience. That is why Digital Resolve's Fraud Analyst risk-based authentication solution was built from the ground up to be transparent, meaning that the member's current online banking experience does not change despite the fact that strong protection is in place.

Another factor driving new security measures for online banking is the FFIEC guidelines that are mandating stronger authentication by the end of 2006. While these guidelines do address different options for stronger authentication beyond usernames and passwords, they do not address the impact on members. This is why credit unions must take the bull by the horns and balance the security risks associated with the online channel with the expectations of members to retain the convenience aspects of the channel.

With Fraud Analyst, which is built upon patented technology for online user recognition called IP Intelligence, credit unions have the opportunity to protect members at every online touchpoint from new account opening, to logins, to high-risk transactions—all with minimal disruption to the user experience. IP Intelligence utilizes a member's IP address to non-invasively gather dynamic information such as real-time location, Internet connection information, ISP and much more. Fraud Analyst then uses this information within rules and models to make behind-the-scenes decisions on the risk associated with any given online transaction. Before a credit union even deploys Fraud Analyst, accurate member profiles are created that maintain a record of how each member accesses his or her account, which is then used both when members login and conduct high-risk transactions. For example, if a member usually accesses their account from a certain city and state, via a certain ISP and from a specific domain then suddenly there is an account login attempt that does not match a member's behavior profile, Fraud Analyst will spot the suspicious behavior in real-time and further authenticate the person trying to access the account. This approach allows the credit union to accommodate the desire of members to access their accounts normally, and at the same time provides the strong account protection necessary in today's Internet landscape.



A final consideration, and one which Digital Resolve feels strongly about, is providing a solution that offers 360° protection against online fraud, meaning that we address all online member touchpoints, from new account opening, to logins, to high-risk transactions. We believe credit unions need strong protection across the online channel, and we are the only risk-based authentication application provider that has a deployed and proven solution that addresses new online account opening, as well as offering ongoing protection throughout the member lifecycle.



**Dennis Maicon** is Executive Vice President of Financial Services Solutions at Digital Resolve. Dennis was co-founder of Digital Envoy, the parent company of Digital Resolve, and has more than 18 years of financial services experience. Prior to joining the company, Dennis was Senior Finance Manager at Arris Interactive, where he was in charge of treasury functions, financial planning and analysis. Prior to Arris, Dennis spent nine years at Suntrust Bank where he held a variety of positions from credit administration to cash management functions to Vice President of International Corporate Banking. Dennis holds an MBA from Georgia State University and an undergraduate degree from the University of Georgia in Finance.