

# PSD2

## DRIVING THE NEED TO SECURE MOBILE BANKING APPS

### Situation Overview

Mobile banking apps are increasingly becoming the primary channel for customers to manage their finances, transfer funds, deposit checks, pay bills, etc. Unfortunately, this trend has not gone unnoticed by cyber criminals, who have upped the ante on targeting mobile app users. This is driving increased regulation, mandating additional security for mobile banking and payment apps.



### Key 2018 Statistics

**50%**

INCREASE IN MOBILE-ONLY BANKING USERS<sup>1</sup>

**68%**

MILLENNIALS WANTING TO REPLACE WALLET WITH SMARTPHONE<sup>2</sup>

**600%**

INCREASE IN FRAUDULENT MOBILE APP TRANSACTIONS FROM 2015 - 2018<sup>3</sup>

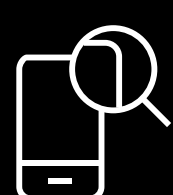
**65%**

OF ALL FRAUDULENT TRANSACTIONS TAKE PLACE ON MOBILE<sup>5</sup>

**87%**

CONSUMERS THAT PREFER TRADITIONAL BANKING VIA MOBILE<sup>2</sup>

### Key EBA Security Requirements Set for PSD2



#### DETECT MALWARE

Banks must implement transaction monitoring mechanisms that detect malware at the point of authentication

*(PSD2, Regulatory Technical Standard, Article 2)*



#### SECURE EXECUTION ENVIRONMENT

Banks must have security measures such as secure execution environments to mitigate the impact of compromised devices

*(PSD2, Regulatory Technical Standard, Article 9)*

### Real World Examples<sup>4</sup>

**15/100**

DEVICES WITH TOP FINANCIAL SERVICES APPS THAT ENCOUNTERED A THREAT

**62%**

OF THE POPULATION BELIEVES VENMO APP IS NOT VERY SECURE

**56,000**

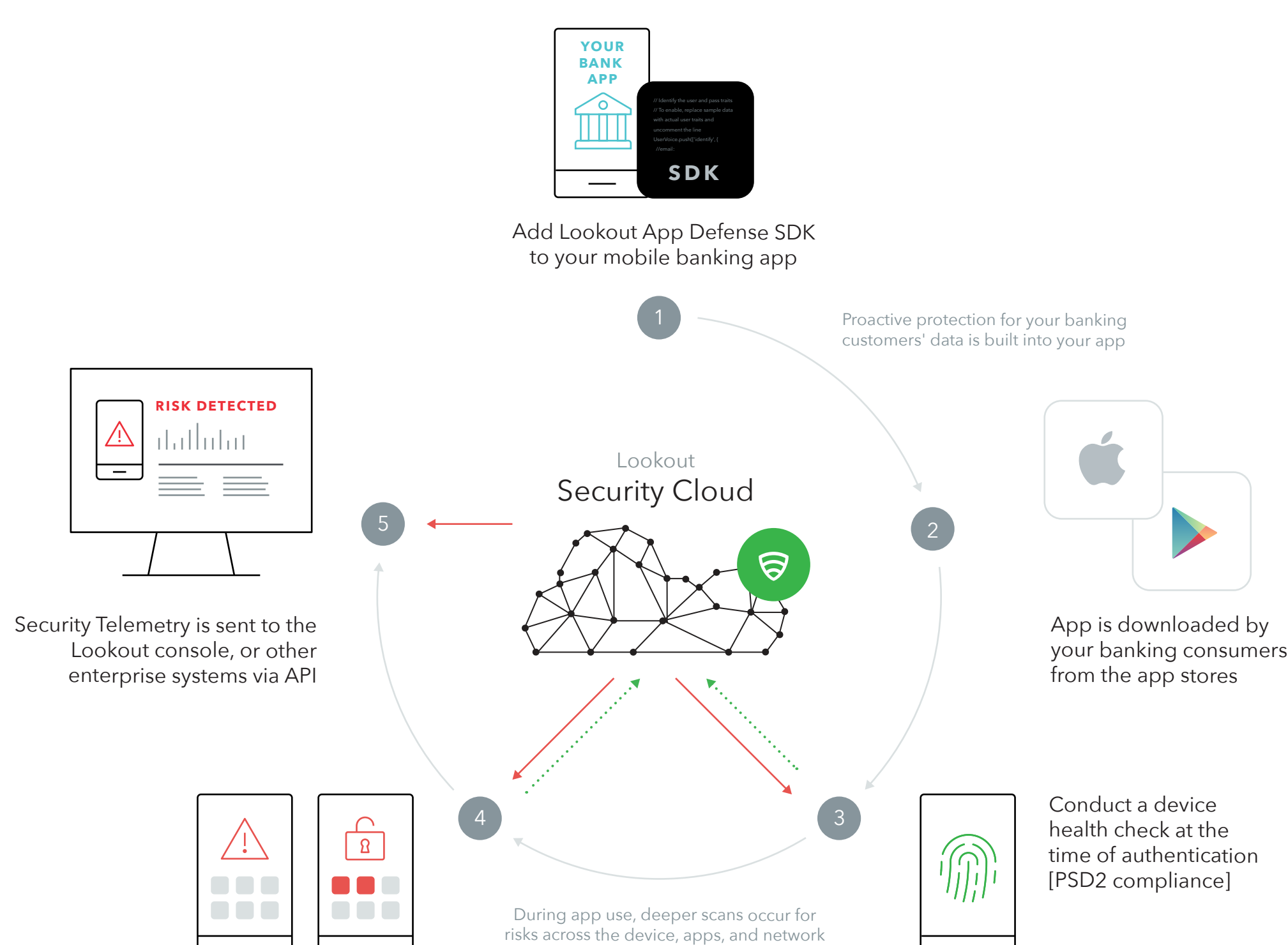
DEVICES WITH A TOP 5 BANK APP THAT ENCOUNTERED A TROJAN, SURVEILLANCEWARE, OR SPYWARE

### Steps to Make Mobile Banking Apps PSD2-Compliant

- ✓ Leverage frictionless deployment strategy
- ✓ Add protection against known and unknown mobile app threats
- ✓ Enable faster time to protection
- ✓ Integrate security at the mobile app layer
- ✓ Implement security policies based on a large mobile set
- ✓ Ensure security at customer scale

### How Lookout Protects Mobile Banking Apps

Lookout App Defense conducts a security scan at the time the end user authenticates to check the presence of malware and/or a compromised device



1 Schiff, David, et al. "PwC's 2018 Digital Banking Consumer Survey: Mobile Users Set the Agenda." PwC's 2018 Digital Banking Consumer Survey: Mobile Users Set the Agenda, PwC, June 2018, [www.pwc.com/us/en/industries/financial-services/library/digital-banking-consumer-survey.html](http://www.pwc.com/us/en/industries/financial-services/library/digital-banking-consumer-survey.html). Accessed Jan. 2019.

2 "Mobile Banking One of Top Three Most Used Apps by Americans, 2018 Citi Mobile Banking Study Reveals." About | Citi | Timeline. April 26, 2018. Accessed January 2019. <https://www.citigroup.com/citi/news/2018/180426a.htm>.

3 "Fraud Prevention | RSA Fraud & Risk Intelligence Suite." RSA FRAUD PREVENTION RSA® Fraud & Risk Intelligence Suite. 2018. Accessed January 2019. <https://www.rsa.com/en-us/products/fraud-prevention>.

4 "Lookout App Defense." Mobile Security. Accessed January 14, 2019. <https://www.lookout.com/products/app-defense>.

5 Orem, Tina. "65% of Fraud Transactions Happen on Mobile, Study Finds." Credit Union Times. May 31, 2018. Accessed January 19, 2019. <https://www.cutimes.com/2018/05/31/65-of-fraud-transactions-happen-on-mobile-study-fi/?lreturn=20190022141719>.