

Javelin's 2014 'Identity Safety in Banking' Award Winners

October 2014

Over 13.1 million U.S. consumers experienced identity fraud in 2013 — the second highest level on record. A litany of consumers' personally identifiable information (PII) was made available to criminals in several years of massive data breaches. This led to the tripling of existing non-card fraud (ENCF) incidents in 2013, with checking and saving accounts compromised in the majority of these cases. Because numerous types and combinations of PII can be used to access retail bank accounts, financial institutions need to layer security features to address every scenario. It is no longer sufficient to focus on just a few salient threats. This year's award winners are prepared to confront the broadest array of fraud threats and to manage the damage when all defenses fail.



For nine years, Javelin Strategy & Research has evaluated FIs' performance of providing information on their consumer-facing security feature in order to thwart fraudsters. Javelin evaluated the Top 50 U.S. FIs by deposit size, according to three stages of fraud depicted in the Protection, Detection, and Resolution Model™. The criteria and scoring system are updated each year to reflect top industry standards and emerging fraud trends.

Best Overall Identity Safety in Banking:

Bank of America

Bank of America maintains its 9-year running title of Best Overall, scoring 81% of the possible points. Bank of America offered the most comprehensive packages of authentication and mobile prevention solutions, as well as account-related and personal information change alerts.

Identity Safety in Banking:



Prevention

Prevention category

The winners of Identity Safety in Banking in the Prevention category include Union Bank, Bank of America, Bank of the West, HSBC, and USAA, in order of ranking. Top performers stood out for having the most comprehensive packages of security features on basic checking accounts. Union Bank emerged as the leader in fraud prevention, scoring 78% of the possible points in this category. Bank of America and Bank of the West were close behind, scoring 69% and 67%. HSBC made a remarkable jump to fourth place from 15th place in the previous year. A newcomer to the Identity Safety in Banking Scorecard, USAA made fifth place with 61%.

Protecting the mobile channel is increasingly urgent for FIs, as the number of consumers conducting mobile banking has soared over the past two years. All five

award winners offer consumers incentives for dedicated mobile app usage, compared to only 42% of the Top 50 FIs. All of the award winners also offer multifactor mobile authentication.

Identity Safety in Banking



Detection category

Detection

The winners of Identity Safety in Banking in the Detection category include Bank of America, JPMorgan Chase, Wells Fargo, Capital One, and US Bank, in order of ranking. Providing alerts can notify consumers when their information has been compromised and can help them to take action to prevent fraudulent incidents. All the winners in the Detection category offer alerts as in the app notification, compared to only 32% of their peers at the Top 50 FIs.

Bank of America received the maximum possible points for account and personal information alerts, and it offered at least one alert type through each of the five alert channels. JPMorgan Chase and Wells Fargo tied for second place, by offering a broad array of alerts. JPMorgan Chase offers two-way actionable alerts through the mobile device, allowing consumers to respond to alerts to inform the bank that the suspicious activity was fraudulent. Wells Fargo (as well as Bank of America) allows consumers the option of signing up for credit monitoring and personal information monitoring services. Capital One and US Bank tied for fourth place, scoring 80% of the possible points in this category.

Identity Safety in Banking



Resolution

Resolution category

This year it was a newcomer to the scorecard — Ally Bank — that provided the most comprehensive resolution capabilities among the examined FIs, while the broader field revealed that many still have considerable opportunity to improve. Ally Bank placed first in Resolution scoring with 94% of the possible points, followed by Bank of America in second place with 83%. Citibank, HSBC, and Navy Federal Credit Union all tied for third place with each having scored 78%. These five FIs scored considerably higher than the rest of the top 50, who scored an average of 50%.

Besides helping fraud victims to continue to be active customers, FIs can also empower them to actively help bring fraudulent activity to a standstill. Of the winners in the Resolution category, 100% offer 24/7 account suspension to mitigate fraud, compared to only 70% of the Top 50 FIs.

Fraud resulting from skimming at ATMs and gas stations is likely to continue for the next few years until the EMV standard for chip cards begins to penetrate these markets — meaning that PINs will continue to face the risk of compromise and misuse. All five Resolution category winners offer customers zero liability for unauthorized ATM PIN withdrawals or PIN debit purchases, compared to 48% of the Top 50 FIs.

Methodology

In 2014, Javelin evaluated the consumer-facing safety features of the top 50 banks and credit unions by deposit size, a 100% increase in the number of FIs surveyed in 2013. FIs without a significant branch system in the U.S. that did not offer demand deposit accounts or were a private bank were not included in this evaluation. For foreign banks that were among the top 25 banks by deposit size, their U.S. commercial bank subsidiary was evaluated.

The dynamic nature of fraud trends requires Javelin to annually update and refine the criteria to reflect the highest standards to combat fraud trends. The criteria reflected Javelin's Protection, Detection, and Resolution Model with a total of 100 points: Prevention (45 points), Detection (35 points), and Resolution (20 points). The criteria used to evaluate these security measures are not intended to encompass all consumer-facing security measures, nor do they cover FIs' back-end security practices.

Data was collected in April and May of 2014. Javelin evaluated identity safety information provided to consumers on the FI websites or supplied by customer service representatives (CSRs). Javelin also implemented mystery shopping of FI customer service representatives through phone and web chats. On average, Javelin conducted 13 calls to each FI. If Javelin researchers had a reason to doubt the information provided by a CSR, the call was terminated without adding to the average number of calls.

- Ally Bank
- Associated Bank
- Bank of Oklahoma
- Bank of the West
- BB&T Bank
- BBVA Compass
- BMO Harris Bank
- Bank of America
- Capital One
- JPMorgan Chase
- Citibank
- City National Bank
- Comerica
- Commerce Bank
- Discover
- East West Bank
- Fifth Third Bank
- First Citizens Bank
- First Hawaiian Bank
- First Merit Bank
- First Niagara
- First Republic Bank
- Frost Bank
- Hancock Bank
- HSBC
- Hudson City Bank
- Huntington
- KeyCorp
- M&T Bank
- Navy Federal Credit Union
- New York Community Bank
- One West Bank
- People's United Bank
- PNC Bank
- Popular Community Bank
- RBS Citizens
- Regions
- Santander Bank
- Signature Bank
- State Employees Credit Union
- SunTrust
- Synovus
- TCF Bank
- TD Bank
- Union Bank
- US Bank
- USAA
- Webster Bank
- Wells Fargo
- Zions Bank

About Javelin's Identity Safety in Banking Scorecard

www.javelinstrategy.com/brochure/335

Javelin's ninth annual Identity Safety in Banking Scorecard evaluates the Top 50 financial institutions by deposit size and assesses the performance of individual FIs on their consumer-facing security features. FIs were scored according to Javelin's Protection, Detection, and Resolution Model. The criteria and scoring system are updated each year to reflect top industry standards and emerging fraud trends.

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JAVELIN STRATEGY & RESEARCH

RECOGNIZES

2014 IDENTITY SAFETY IN BANKING AWARD WINNERS



Among Top 50 financial institutions evaluated

BEST OVERALL IDENTITY SAFETY IN BANKING

IS AWARDED TO:

BANK OF AMERICA

IDENTITY SAFETY IN BANKING PREVENTION CATEGORY

IS AWARDED TO:

Rank	Financial Institution	Total Score
1	Union Bank	78%
2	Bank of America	69%
3	Bank of the West	67%
4	HSBC	65%
5	USAA	61%

IDENTITY SAFETY IN BANKING DETECTION CATEGORY

IS AWARDED TO:

Rank	Financial Institution	Total Score
1	Bank of America	93%
2	JPMorgan Chase	84%
2	Wells Fargo	84%
4	Capital One	80%
4	US Bank	80%

IDENTITY SAFETY IN BANKING RESOLUTION CATEGORY

IS AWARDED TO:

Rank	Financial Institution	Total Score
1	Ally Bank	94%
2	Bank of America	83%
3	Citibank	78%
3	HSBC	78%
3	Navy Federal Credit Union	78%

