Banks on Cybersecurity

What is the issue?

As the world goes on to connect more and more digitally, infiltration of cybercriminals have been increasing pushing the need for stringent cybersecurity measures for digital banking.

> *India was the second most cyber-attacked country in Asia-Pacific in 2020, a new study by technology major IBM has revealed. India is now ranked at No. 10 on the Global Cyber Security Index, up from No. 47 in 2019*

What are the threats of digital banking?

- **Malware –** Devices infected with malicious software pose a serious security risk to the bank's cyber security network, whenever they connect with it.
- **Third-party services - ** Numerous financial institutions employ the services of third-party vendors to serve their customers in a better manner which is an easy target for cybercriminals.
- **Spoofing -** Cybercriminals try impersonating a bank's URL with a website that is quite similar to the original one(fake website) to steal the credentials.
- **Phishing -** Attempt to obtain sensitive information such as credit card details for fraudulent activities, by disguising oneself as an authentic, trustworthy entity via electronic communication are known as phishing.
- **Unencrypted data -** whatever data that is stored on the computers, servers or the cloud if unencrypted becomes a gateway for cybercriminals.
- **Denial of Service (DoS)** – blocking access to websites

What are the challenges in ensuring cybersecurity?

- **Lack of awareness -** Digital illiteracy and lack of awareness about cybersecurity is a challenge.
- **Increased use of social media -** With the advent of social media and its

increased adoption, hackers have learned to exploit the medium.

- **Inadequate budget and lack of management -** Budgetary allocations to cybersecurity is often neglected.
- **Weak identity and access management -** Issues such as one hacked credential can give a hacker access to the entire enterprise network.
- **Increase in Malware -** Recent incidents of Pegasus spyware, malware attacks on kudankulam power plant, Colonial Pipeline Cyber Attack, etc. are notable examples for their rise.

What are the solutions to address the issue?

- Integrated security with multiple layers become crucial for regulated sectors like Banking, financial services and insurance (BFSI) as various elements can work and communicate together.



- Data analytics and machine learning are essential for leveraging smart security solutions which aids BFSIs to store and assess high volumes of security-related data in real-time.
- Updated antivirus and anti-malware applications offer best protection from potentially disastrous attacks.
- Financial institutions need to invest in technologies that can enhance the endpoint protection.
- A fool-proof cybersecurity system, that doesn’t compromise with data pertaining to customers and financial institutions has to be the primary focus for a rapidly digitising BFSI system.

Source: Business Line

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