



3.3 IMPACT OF SOCIAL ENGINEERING ATTACKS

Impact of social engineering attacks

Information security is a significant ingredient for any organization 'to continue to be in business'. If information security is not given importance, especially in the current scenario where the threat of cybercrimes looms in the background every day – any negligence or gap in security can bring an organization down.



In addition to financial losses, companies also lose reputation and goodwill in the market. Consider an example where a criminal gets access to the credit card information that an online vendor obtains from its customers.



In such a case, once the customer identifies that his credit card credentials have been compromised at an online site, the customer may not be willing to carry out any further business with the vendor, as they might consider the website an 'insecure' place. On the other hand, some customers may file lawsuits against the company, which may, in turn, affect the reputation of the company, thereby reducing the client count.



A well-known example is when PayPal, an online payment company, was at the receiving end of one such attack. The customers of PayPal received an email requesting the customers to re-enter their credit card data. PayPal reportedly had trouble with one of the computer systems.

However, the emails received by the customers looked genuine – the emails included PayPal logos, typefaces, security lock symbols, along with a link resembling the official PayPal link. As the account holders provided the credit card information, the attackers were able to misuse the data.



Cybersecurity experts have concluded that the majority of security violations are caused either by unhappy employees or non-employees who have legitimate system access because of their job in an enterprise. The FBI report *Opens a new window* says that nearly 80% of all social engineering attacks are caused by such authorized users.



In most scenarios, an honest individual acts like a criminal, wherein other employees do not view their activity with suspicion. The intruder further takes advantage of such a scene, wherein the individuals with a natural human tendency relax their guard on identifying that things appear secure from the outside.

Hence, social engineering attacks not only create financial losses for an organization but also hamper the organization's market reputation and goodwill.

