**EQUIFAX DATA BREACH AND ITS IMPACTS**

Equifax is one of the three major credit reporting agencies in the United States. It is also known as a credit bureau that collects information about people’s credit history to create credit reports.

May 13, 2017- Attackers exploit the unpatched vulnerability in Equifax’s system.

May – July 2017- attackers gain access to sensitive data, including social security numbers, birth dates, addresses, and credit card numbers of nearly 147 million customers.

July 29, 2017- Equifax discovers suspicious activity and begins an internal investigation.

July 30, 2017- Equifax shuts down the affected web application.

September 7, 2017- Equifax publicly announced the breach.

The 2017 Equifax data breach occurred due to vulnerability in the Apache Struts software on their credit dispute website, which hackers exploited to gain access to internal servers and databases.

**The Equifax data breach had financial impact, reputational impact and operational consequences.**

The Financial impact

The Equifax agreed to a $700 million settlement with regulators and affected consumers. Also agreed to $1.4 billion in security upgrades and breach response costs. The stock price dropped by 30%, wiping out billions in the market value. They faced multiple lawsuits and legal fees. Consumers and partners lost trust which led to loss of business.

The Reputational damage

Millions of people felt vulnerable due to compromised sensitive data, thereby losing customers’ trust. There was a leadership shake-up- The CEO, CIO and CSO all resigned. Equifax also struggled to rebuild its reputation as a trusted credit bureau resulting to damaged brand credibility.

Operational consequences

There was a high call volume and complaints which overwhelmed their response system.

Increased cybersecurity requirements- had to overhaul security systems and polices.

Regulatory scrutiny- subject to new regulations and stricter compliance measures.

Internal restructuring- investment in cybersecurity and leadership changes to prevent future breaches.

**The lessons learnt from the 2017 Equifax data breach are as follows:**

The importance of patching vulnerabilities promptly.

There’s need for stronger cybersecurity measures in companies handling sensitive data.

Consumer awareness about monitoring credit reports and protecting personal information.