

INCREASE TRUST FOR MOBILE BANKING

eBOOK

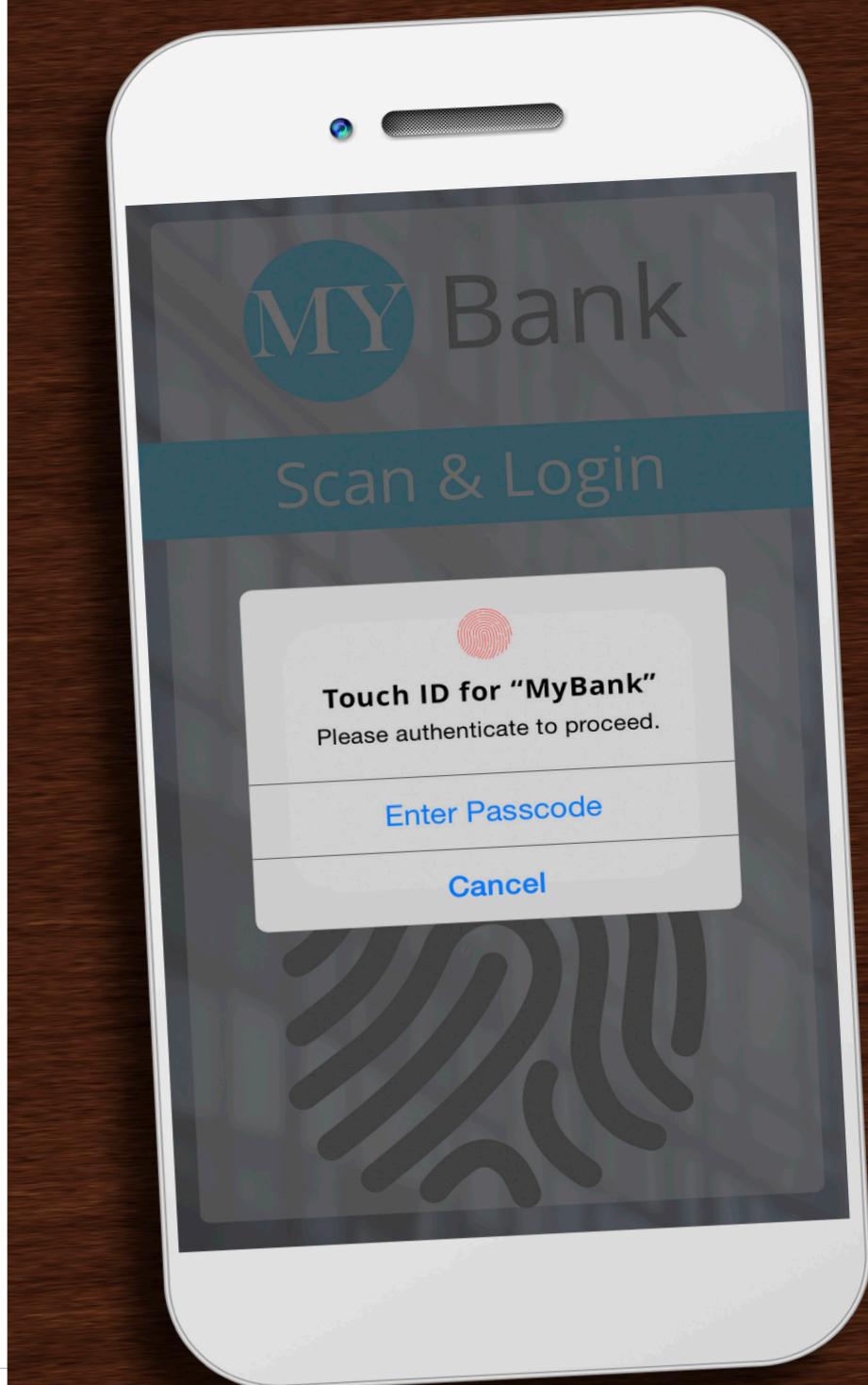


Introduction

With the potential to create everything from new revenue opportunities, to increased customer acquisition to cost savings, mobile is changing the landscape of banking as we know it. The rollout of foundational mobile services is already yielding tremendous success. By increasing security while keeping a keen eye on user experience, leading banks and financial services providers can offer more advanced mobile services, which will play a key role in their growth strategies.

By broadening mobile banking offerings, financial institutions will be positioned to increase mobile transactions, shift transactions away from higher-cost channels, and retain and attract more customers.

To be successful with mobile, OneSpan understands that banks need to pay close attention to the security of mobile applications and consumers, without creating challenges for the user experience.



CHAPTER 1

MOBILE TRENDS

Trend 1 Mobile Threats

Hackers and their targeted malware have become an increasing threat to the mobile banking revolution.

Applications continue to top the list of the bad guy's favorite targets. In fact, research suggests that 80% of successful breaches target the application layer. And with the explosive growth of the mobile channel and user demand for anytime/anywhere access to mobile services, mobile apps are stretching the boundaries of security, and putting them squarely in the crosshairs when it comes to malicious attacks.

Consider that 60% of mobile malware specifically targets financial information on mobile devices, and that 95% of the tested apps has at least one vulnerability and you can get a sense for the severity of the problem.

60%

of mobile malware specifically targets financial information on devices

95%

of the tested apps has at least one vulnerability

80%

of successful breaches target the application layer



See the full infographic on www.OneSpan.com/images/OneSpan_mobilemenace_960.pdf
Chart source: Trustwave Global Security Report © 2015

Business Drivers



Trend 2 Higher Value Services

The mobile banking landscape is evolving from basic transactional services (alerts, statements, etc.) to advanced transactional services (fund transfers, bill payment, remote check deposit, P2P payments, etc.).

The next generation of mobile banking is emerging, which includes services such as remote and contactless payments, location-based marketing, and mobile and social media integration.

Improving the overall customer experience, reducing channel costs, and increasing customer share of wallet are the key objectives driving investments in new mobile services.

Trend 3 Customer Engagement

The electronic and mobile banking trend has shifted focus from transaction to customer interaction, as these new channels enable users to engage with your bank anytime, anywhere, and more often.

Research suggests that customers engage with their bank via mobile and online channels on average 27-40 times per month as opposed to visiting a branch 1-2 times per year.

This new level of customer engagement can create “in-the-moment” sales opportunities, enabling your bank to introduce new or enhanced services at just the right time.

Retail Banking Channel Interactions (projected in 2016)



Mobile

20-30 times
per month



Desktop

7-10 times
per month



Call Center

5-10 times
per month



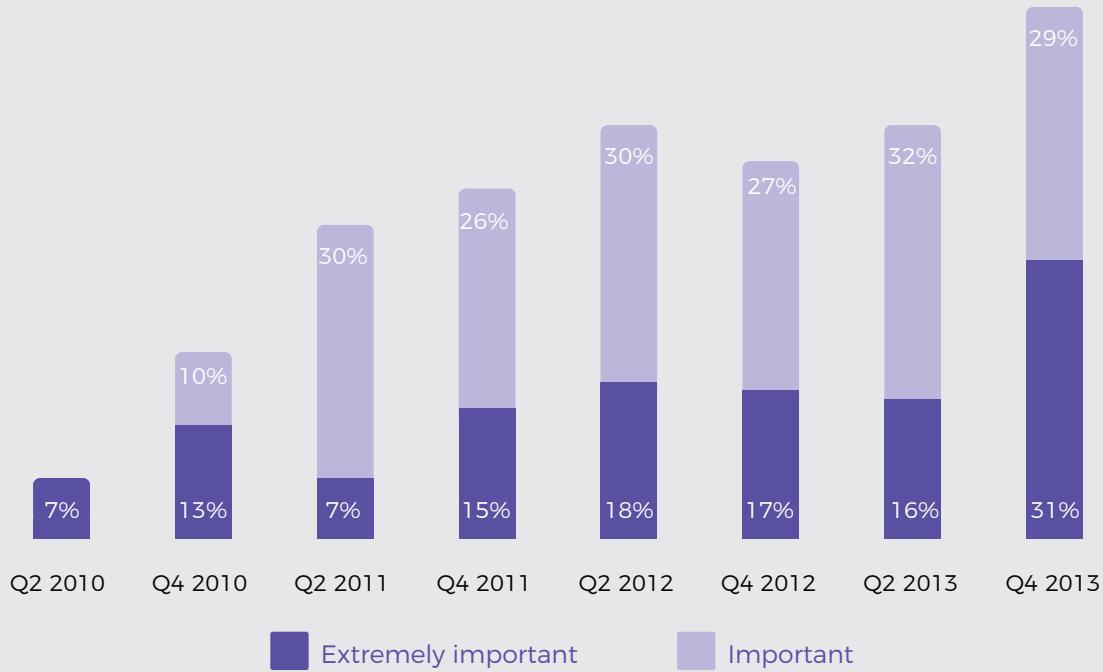
Branch



ATM

Source: Bank 3.0 by Brett King © September 2014 The Financial Brand

Role of Mobile Banking in Consumer Decision to Switch



Source: AlixPartners © March 2014 The Financial Brand

Trend 4 Customer Preference

It's no surprise that when it comes to your customers, mobile banking capabilities are playing an increasingly important role in primary bank switching decisions.

More than 60 percent of smartphone and tablet users reported that mobile banking capabilities are “important” or “extremely important” in their decision to switch banks.

Trend 5 New Demographics

As each new generation become more technologically advanced, and capabilities of mobile devices continue to increase, banks recognize the importance of rapid development and deployment cycles for mobile offerings in response to these new expectations.

Mobile can no longer be considered an add-on channel. As customer demographics shift, we can expect the number of users seeking a mobile-only banking experience to grow. Research estimates that 69 percent of GenZers use mobile banking applications daily or weekly, compared to Baby Boomers at only 17%.^[1]



In the US, millennials wield about \$1.3 trillion in annual buying power.

Boston Consulting Group

Consumers Currently Using or Considering Mobile Banking Services

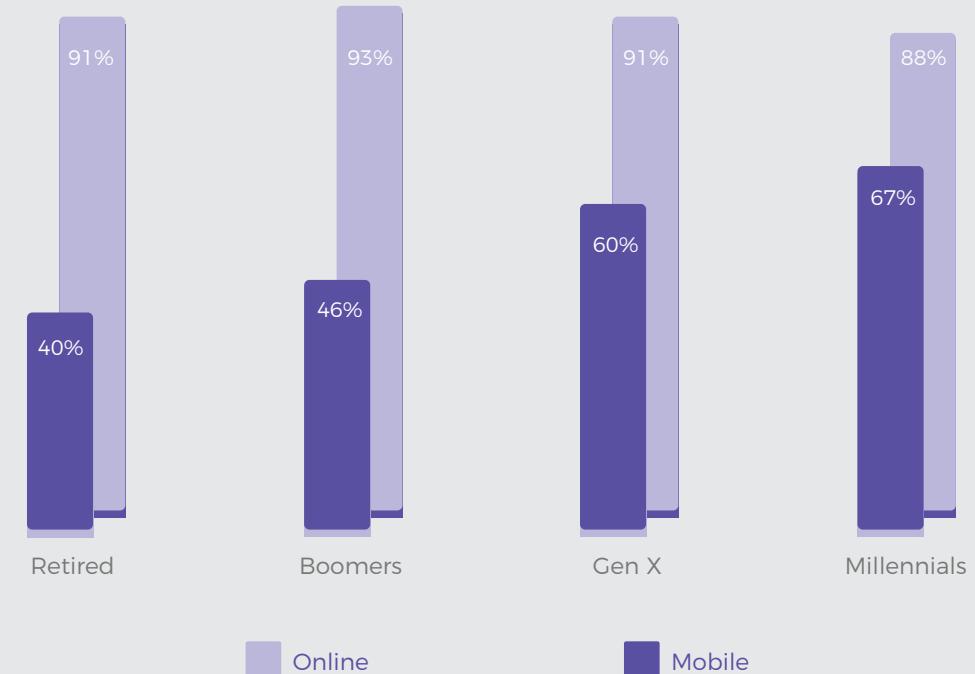
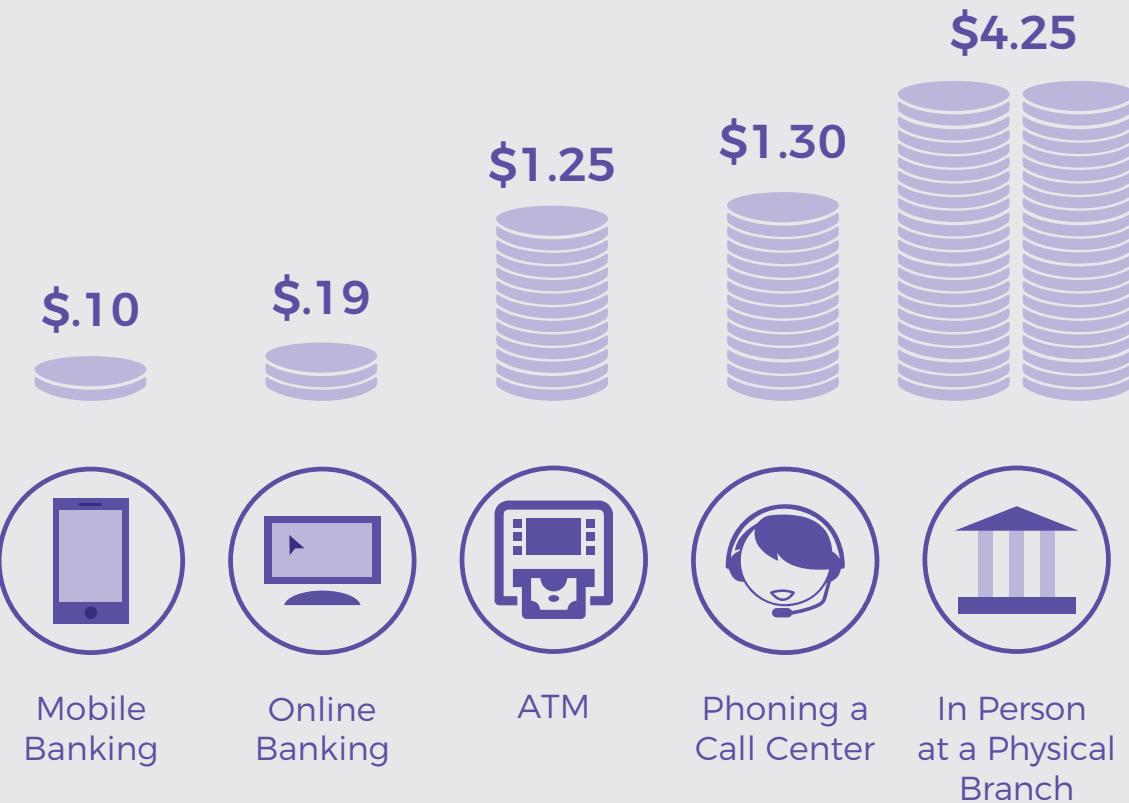


Chart Source: PWC UK

[1] <http://markets.businessinsider.com/news/stocks/according-to-accenture-gen-z-consumers-visit-bank-branches-more-often-than-any-other-age-group-including-baby-boomers-1004758423>

Estimated Cost per Transaction by Channel



Source: Javelin Strategy & research 2013 © August 2014 The Financial Brand

Trend 6 Cost Optimisation

While mobile can enable new services and open up new opportunities for customer engagement, which is critical for customer retention, it can also deliver the added benefit of lowering your cost per transaction – from \$4.25 for at a physical branch, to \$.10 cents for mobile banking.

The potential return on investment for mobile will increase as consumers shift to the faster, more convenient and less expensive mobile channel to pay bills and make deposits.

To reap all the benefits of mobile banking

You need to:

- Stay protected against threats and fraud
- Offer more high value services, in a secure manner
- Deliver an experience your customers will love

So you can:

- Continue to reduce costs, and keep your brand reputation intact
- Drive more business, more revenue, and more advantage
- Acquire, engage & retain the next generation of customers



CHAPTER 2

MOBILE BANKING

BEST PRACTICES



“

It took 13 years to get two million customers using Internet banking; it took just two months to reach that number for mobile banking.

Barclays Bank

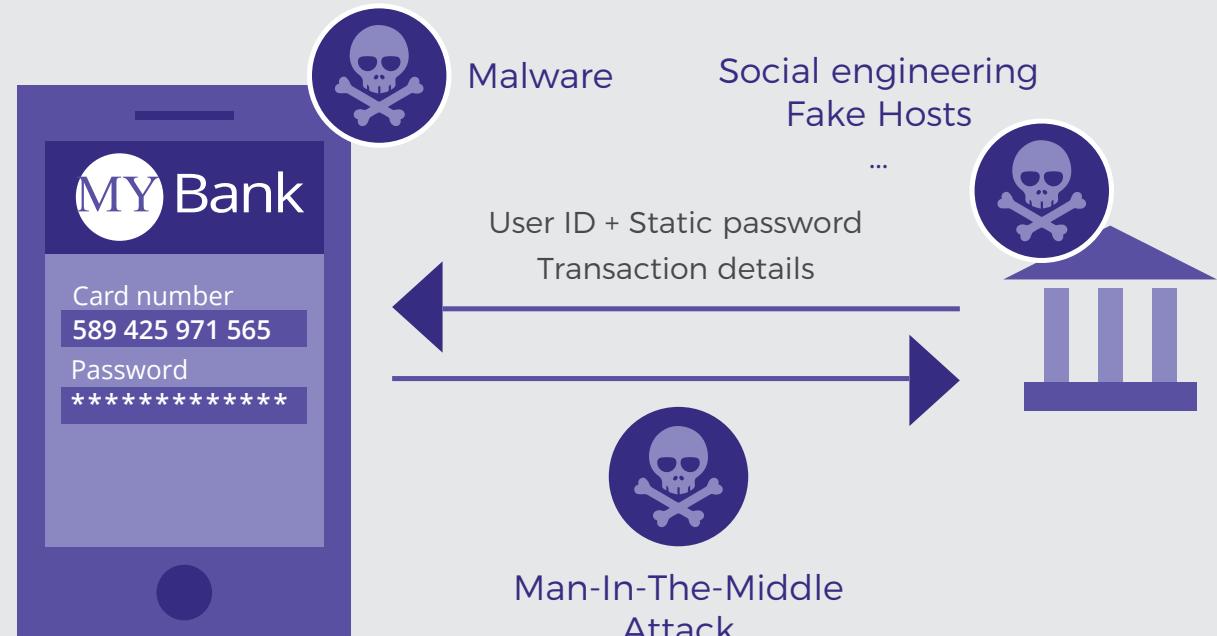
Shortcomings of Traditional Mobile Banking

Let's take a step back for a minute and take a look at the traditional mobile banking experience.

The customer typically logs in to a mobile banking app with a static user ID and password. Complex passwords for login and transaction signing are not appropriate for the new world of mobile banking apps.

These credentials are often difficult to remember, and on a mobile device, entering a user name and password becomes even more difficult, creating a very burdensome experience. Another challenge is the aggressive mobile threat landscape, with rootkits, MitM attacks, and Phishing creating a hostile environment for your mobile services and users.

The Risks of Traditional Mobile Banking





Solution: OneSpan Mobile Security Suite

With the OneSpan Mobile Security Suite, OneSpan delivers unified security across all components of your mobile application through a single integration.

The OneSpan Mobile Security Suite elevates trust across the mobile banking ecosystem, so you can securely deliver more high value mobile services, improve mobile user experience, and extend consistency for security and the user across multiple channels.

“

The Mobile Security Suite is a unique single framework that give developers all the necessary building blocks required to secure their mobile applications.”

Stay Protected Against Threats and Fraud

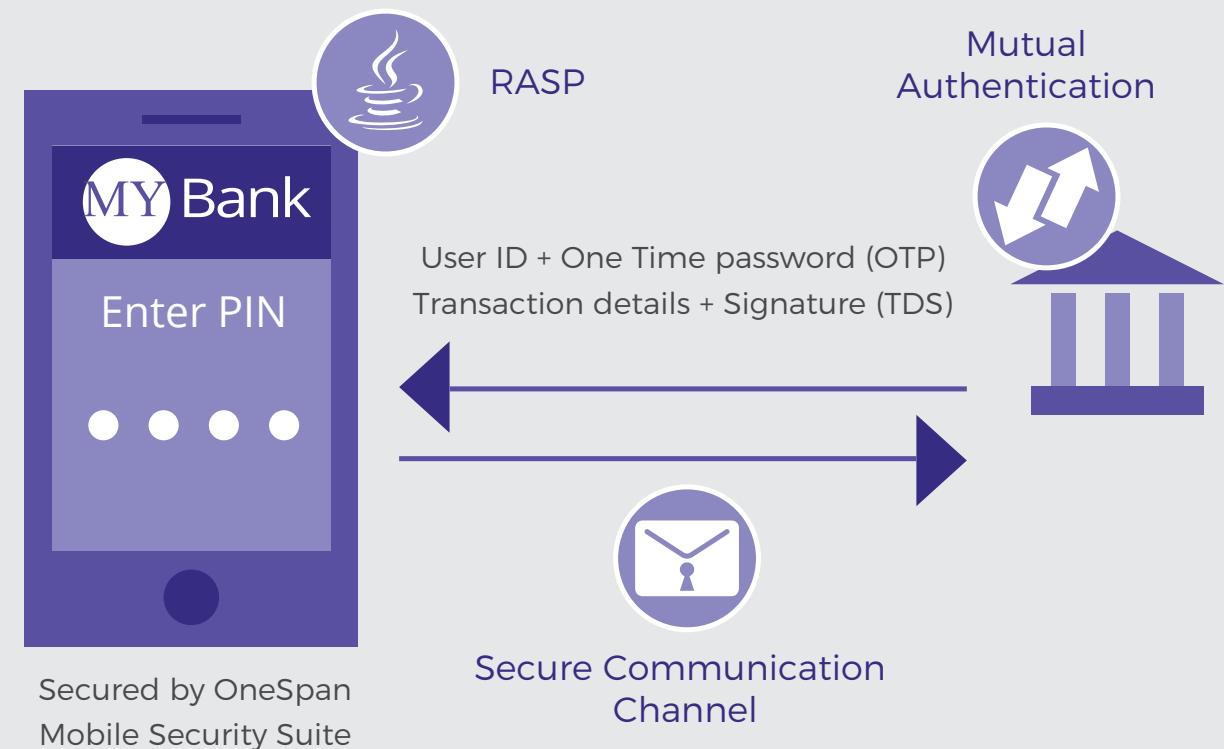
The OneSpan Mobile Security Suite improves on both the security and user experience of traditional mobile banking models.

The OneSpan Mobile Security Suite increases the trust level across all areas of mobile banking - user, device and application - eliminating threats to your mobile banking platform.

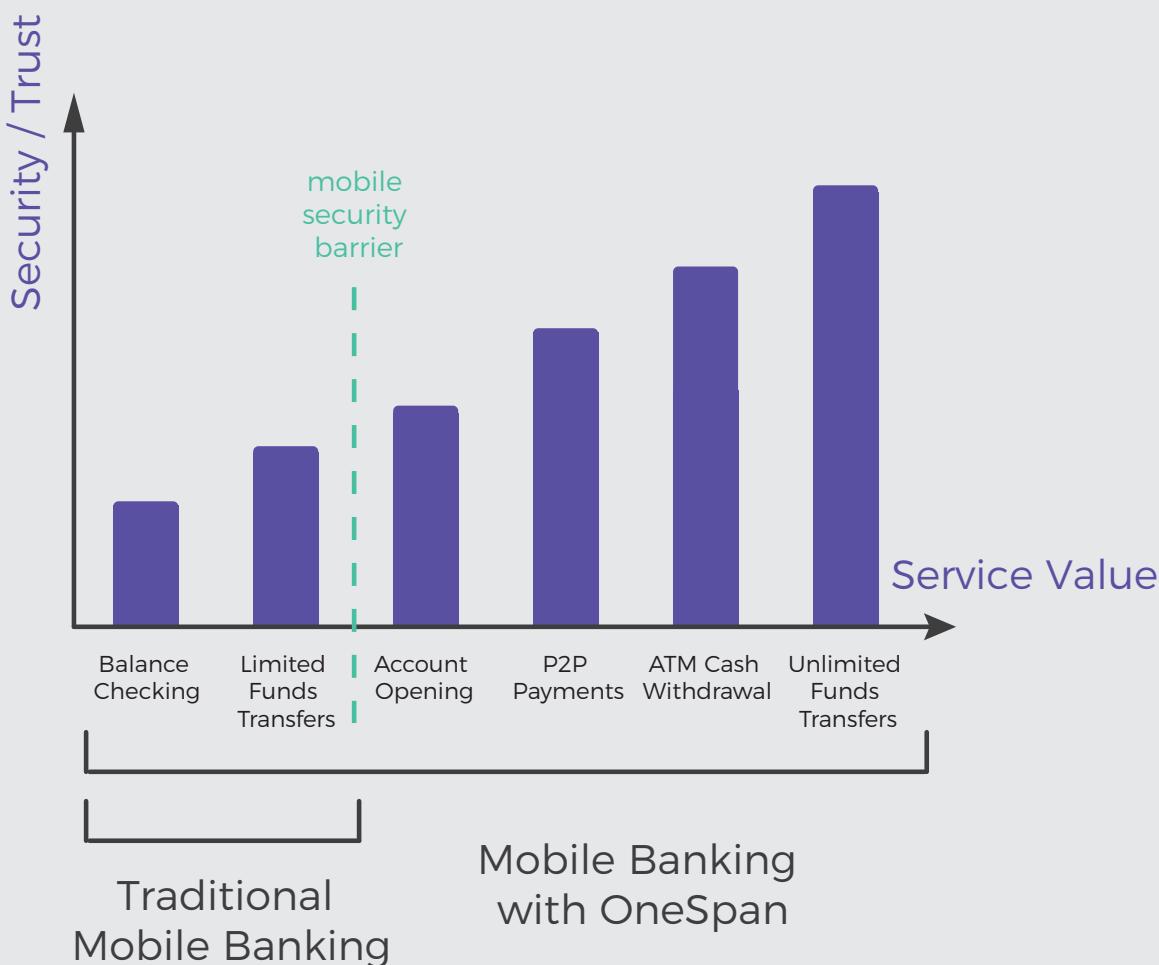
It is also designed to improve the user experience, with innovative authentication options that increase both security and convenience, for example secure and simple biometrics or PIN rather than a user name and password.

Lastly, the OneSpan Mobile Security Suite enables you to securely offer more services via mobile, as well as improve consistency of service delivery between your mobile-banking and e-banking systems.

Unified Mobile Banking Security from OneSpan



A Secure Platform for High Value Service Offerings



Offer More Services in a Secure Manner

The OneSpan Mobile Security Suite supports a Mobile First strategy. By elevating trust and improving user experience, you can securely offer more services via mobile, and improve capabilities and user experience for your other banking channels in the process.

While traditional banking apps will support services requiring a low level of trust, like balance checking, limited funds transfers and intra-account funds transfers, a Mobile banking app secured with the OneSpan Mobile Security Suite can cover a wide variety of services, such as unlimited funds transfers, account opening, securities portfolio management, ATM cash withdrawal, credit requests, P2P payments, and many more.

Deliver a User Experience They'll Love

An intuitive, unobtrusive user experience is key to success when it comes to mobile banking.

Digipass for Apps offers the most innovative and convenient solutions for mobile, including 'what you see is what you sign' and Bluetooth-enabled technologies. Users will love the simple experience, the instant access, and the ability to do more than ever with their mobile devices.

Digipass for Apps makes your mobile app more user friendly, because a simple PIN can now be used to securely login.

Dependent on the situation, you can also enable the user to login without second factor (no PIN, no Password) for certain services (e.g. check balance), or the user can choose to use fingerprint instead of a PIN.



CHAPTER 3

USE CASES

Mobile Cash

For cardless, mobile cash, a user simply opens their banking app, enters their PIN, and selects the account and the amount of withdrawal. A secure QR code is generated, containing the details of the transaction.

The user scans the QR code on the ATM with his device. Once the user confirms their request via a mobile PIN, the ATM dispenses cash.





P2P Payments

Person-to-Person payments allow individuals to send and receive cash to each other via a mobile banking application.

To initiate, a user opens their mobile banking app and selects the option to send cash to another individual.

A secure QR code is generated from the banking app, and the user receiving cash scans the code using his own mobile banking app. The cash is then sent directly from one individual account into the other.

Mobile Payments

With mobile payments, a user can make a purchase at their favorite online shop, and use their mobile device to pay. In the checkout window, a secure QR code will appear, holding information about the transaction.

Using their mobile banking app, the user selects “pay by MobilePay”, scans the QR code and receives the details of the transaction in the banking app for confirmation.

The user simply confirms and accepts the details on the mobile device to complete the purchase.



Proven Technology, Proven Results

New customer acquisition, customer satisfaction, new revenue streams and stronger competitive advantage are dependent on your ability to deliver more mobile banking services. This is contingent on your ability to deliver a high level of trust for your apps, combined with a seamless customer experience. OneSpan can help you tick all the boxes. We make it simple for both your developers and users. We deliver the strongest and most comprehensive levels of security for your m-banking applications. And we do it in a way that's cost effective.

More than half of the Top 100 global banks rely on OneSpan solutions to enhance security, protect mobile applications, and meet regulatory requirements. OneSpan's award winning Digipass for Apps secures some of the world's most widely used and consistently top rated mobile banking applications.

Trusted by Leading Brands Worldwide



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OneSpan enables financial institutions and other organizations to succeed by making bold advances in their digital transformation. We do this by establishing trust in people's identities, the devices they use, and the transactions that shape their lives. We believe that this is the foundation of enhanced business enablement and growth. More than 10,000 customers, including over half of the top 100 global banks, rely on OneSpan solutions to protect their most important relationships and business processes. From digital onboarding to fraud mitigation to workflow management, OneSpan's unified, open platform reduces costs, accelerates customer acquisition, and increases customer satisfaction.



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Last Update May 2018