FIs Share Data To Strengthen Cybersecurity

cyber security risk management

Summary: Cyberthieves are not slowing down. But, the Financial Services Information Sharing and Analysis Center provides an option to help. Thousands of financial institutions have joined an initiative to pool online intelligence information to fight back. Could your institution benefit from this too?

Olympic high jumpers, Gianmarco Tamberi of Italy, and Mutaz Essa Barshim of Qatar, tugged at the world's heartstrings during the 2021 Summer Olympic Games when the two longtime friends and rivals declined a jump-off in favor of sharing the gold medal. The shared medal captured the attention of news organizations and social media worldwide, but it is far from the first time such an outcome occurred. Since the first Olympic Games, competitors have shared 121 medals at Summer Olympic Games and 30 at Winter Olympic Games, demonstrating that many Olympians truly are the epitome of sportsmanship.

If fighting fraud were a sport, financial institutions (FIs) would be flexing their sportsmanship muscles too, these days. Competing financial institutions are setting aside their differences to share data in order to more effectively counter cybercrime. As the banking industry continuously finds itself under siege by cyberthieves, many FIs understand the value of joining forces to more effectively fend off cyber threats through shared information.

The cyber stakes were raised during the pandemic. Realizing that more comprehensive information regarding virtual activities can enhance artificial intelligence (AI) and enable quicker and more accurate identification of potential fraud or security risks, FIs have voluntarily begun sharing their customer data and online intelligence information through a pooled intelligence initiative by the Financial Services Information Sharing and Analysis Center (FS-ISAC). This nonprofit organization is an "industry consortium dedicated to reducing cyber risk in the global financial system." In 2015, the FS-ISAC first tried to foster data sharing among FIs, but it didn't gain traction. The effects of the pandemic ignited interest in finding ways to combat rapidly rising cybercrime.

We covered this idea in an earlier BID article. But, it is more relevant than ever, so we explore this shared experience initiative further today.

Global pooled resources

FIs have awoken to the reality that the value of teamwork extends beyond company boundaries. With that, the FS-ISAC has experienced a major boost in the number of organizations participating in its initiative over the past year. Participation in the platform rose by 60% between August 2020 and August 2021. This growth was driven by the addition of financial services companies from more than 70 countries, seeking to step up their cybersecurity measures. More than 15K users come from behemoths such as American Express Co., UBS, and IAG, and overseas financial institutions such as Chile's Banco Falabella and Australia and New Zealand's Insurance Australia Group. This breadth of membership helps to increase both the quantity and quality of information.

These institutions are sharing their experiences with cybercriminals' latest tactics, money laundering information, and more detailed consumer behavior patterns, potentially allowing greater cybercriminal activity.

The goal is to assist AI software programs with more data to more rapidly identify potential fraud or areas that may be vulnerable to hacking.

How it works

The FS-ISAC provides its members with important cyber intelligence through insights, assessments, and alerts. They also train members, offer industry best practices, and deliver “rapid response” playbooks. Their conferences and webinars also provide additional cyber risk awareness and peer support. As instances of cyber fraud become more widespread and increasingly effective, community financial institutions (CFIs) should investigate how getting involved with FS-ISAC can help enhance their security measures. Other CFIs have done so through the FS-ISAC’s CIAC (Community Institution & Association Council) which is tailormade for CFIs.

Real-world results

FS-ISAC’s initiative and the ability it has created for organizations to better identify behavioral patterns among cyberthieves have already helped some FIs strengthen their cybersecurity efforts. In the case of Banco Falabella, the shared data pool allowed the bank’s cybersecurity group to shore up weaknesses within its security software by identifying attack patterns among the previous hacking efforts of cyberthieves on other organizations. These results are especially reassuring as the rate of detection is a measly 0.05% in the US, as reported by the 2020 World Economic Forum Global Risk Report.

As we near the end of October, Cybersecurity Awareness Month, it is a good time to double-check your institution’s cyber risk protocols, ensure software updates are regularly implemented, and review recent cyber threats. Whether you explore the FS-ISAC initiative or not, staying on top of the current ways to fight cyber threats is imperative. Keep fighting — we are right there beside you.

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ECONOMY & RATES

Rates As Of: 10/28/2021 05:57AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.06	0.02	-0.03
6M	0.07	0.02	-0.02
1Y	0.15	0.07	0.04
2Y	0.54	0.26	0.42
5Y	1.21	0.24	0.84
10Y	1.57	0.07	0.64
30Y	1.96	-0.09	0.31
FF Market	**FF Disc**		**IORB**
0.08	0.25		0.15
SOFR	**Prime**		**OBFR**
0.05	3.25		0.07