



New Report Shows Top U.S. Banks Succeeding in Identity Fraud Resolution, Slower Progress In Detection and Prevention Capabilities

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Javelin Strategy & Research Finds New Alert Technologies, Consumer Monitoring Key to Catching Identity Fraud Early

SAN FRANCISCO--(BUSINESS WIRE)--Javelin Strategy & Research today announced its latest report, the 2007 Banking Identity Safety Scorecard, an annual ranking and study of the top 25 U.S. banks in areas of identity fraud prevention, detection and resolution. This year, financial institutions showed strength in resolution practices, but vulnerability in prevention and detection. Javelin analysts recommend that banks provide more account monitoring tools to its customers and empower them to "watch and catch" identity fraud earlier.

The 2007 Scorecard ranked Bank of America highest, earning 78 points out of a total possible score of 100. Tied in second place are JP Morgan Chase, Washington Mutual and Wells Fargo, each earning 70 points. Citibank ranked third with 69 points; BB&T and Wachovia earned the fourth and fifth highest scores.

On the whole, the average financial institution met 77% of the recommended resolution criteria, but showed slower progress in detection and prevention measures. In the 2007 Scorecard, the average bank achieved only 44% of Javelin's recommended prevention standards and 51% of the detection criteria.

"Banks have done a great job treating the symptoms of identity fraud with their resolution policies, now we urge them to treat the *problem*," said Jean Garascia, an associate analyst with Javelin Strategy & Research. "They must empower customers from the start. Offer them text message account alerts and two-way messaging; let them set limits and parameters on their accounts. The sooner banks provide these tools, the sooner their customers will become identity fraud watchdogs."

"Account holders are the best resource for detection and often more willing and able to proactively monitor their accounts than banks realize," said James Van Dyke, president of Javelin Strategy & Research. Javelin's Identity Fraud study found that 48% of fraud cases were detected by victims, not their financial institutions. "Equipping customers

with more multi-channel account notification options puts them in ultimate control of their identity,” said Van Dyke.

Javelin believes customers can take ownership of their accounts and decrease the likelihood of identity fraud. As a result, Javelin Strategy & Research developed five simple recommendations for customers:

- 1. Enroll in mobile and email account alerts.** Increase awareness of your accounts with multiple-channel alerts to instantly let you know of balance changes or unusual activity.
- 2. Turn off paper statements.** Decreasing the paper trail of sensitive financial information, increases identity security.
- 3. Stay alert for phishing scams.** Do not initiate contact or respond to suspicious emails or text messages. Know your online security authentication process, so you can spot fraud quickly.
- 4. Frequently monitor accounts.** Check your account activity daily. Monitor for new or unusual accounts on your credit report. To request a free report, go to www.annualcreditreport.com.
- 5. Don't use your full social security number.** Only 24% of the surveyed financial institutions *completely* prohibit the use of full social security numbers for security checks. Avoid carrying and disclosing yours when possible.

The 2007 Scorecard reveals a growing trend in identity fraud prevention and detection: Empower the customer. As the everyday consumer plays a more critical role in monitoring their accounts, financial institutions must embrace new technologies and provide its customers with the right tools to fight identity fraud.

Key Findings of the Javelin Strategy & Research Study:

- Multi-factor authentication (MFA) systems in online channels are active in 88% of banks; MFA are active in 48% of phone channels and 12% in mobile channels
- User-Defined Limits and Prohibitions (UDLAP) are available in 36% of surveyed financial institutions
- 76% of banks and credit unions require the use of full social security numbers
- 88% of surveyed banks offer transaction alerts, 56% offer personal information change email alerts
- 28% of financial institutions offer text message alert capabilities, none offer two-way messaging
- 88% of banks maintain a zero liability identity fraud policy for all purchases and transactions

- 24/7 account suspension is available in 60% of surveyed banks, 40% offer next-day availability of stolen or compromised funds

Banks analyzed in the 2007 Banking Identity Safety Scorecard include: Banco Popular, Bank of America, Bank of the West, BB&T, Citibank, City National, Comerica, Fifth Third, Golden 1, HSBC, Huntington, JP Morgan Chase, KeyBank, M&T, National City, Navy FCU, PNC, Regions, Sovereign, SunTrust, Union Bank of California, US Bank, Wachovia, Washington Mutual, Wells Fargo & Company

For More Information

For additional information and a copy of the complete *2007 Banking Identity Safety Scorecard: The Wave of the Future is Multi-Channel Security*, along with other Javelin reports, please visit www.javelinstrategy.com/research or call (925) 225-9100 x 26.

About Javelin Strategy & Research

Javelin is the leading provider of nationally-representative, quantitative research focused exclusively on financial services topics. Based on the most rigorous statistical methodologies, Javelin conducts in-depth primary research studies to pinpoint dynamic risks and opportunities. Javelin can be found on the Web at www.javelinstrategy.com.

Contacts

Javelin Strategy & Research
Luke Albertalli, 925-225-9100 x 26
lukea@javelinstrategy.com

or

Jennifer Fauteux, 617-275-6516
jfauteux@greenoughcom.com