

Commonwealth Bank of Australia authenticates its online users using VASCO's DIGIPASS technology

The Commonwealth Bank of Australia, one of Australia's leading providers of integrated financial services, implemented two-factor authentication to address key concerns regarding the security of its online banking channel. The bank rolled out VASCO's DIGIPASS technology in combination with VACMAN Controller to secure its common online infrastructure for both retail and corporate customers.

CommonwealthBank

The Commonwealth Bank of Australia (CBA) is one of Australia's leading providers of integrated financial services. The bank provides a full range of retail banking services including home loans, credit cards, personal loans, transaction accounts, and demand and term deposits. In order to raise security awareness, Commonwealth Bank instigated a program with initiatives and quickly implemented measures such as extra passwords, delayed payments, email alerts and better back-office systems.

"While these measures helped, it really was a case of extra protection while we rolled out stronger authentication", comments Drew Unsworth, General Manager Online Banking, Direct Channel and Operations at CBA. "As the largest bank in terms of customers, we had to approach strong authentication in a phased rollout." After investigating numerous options, CBA chose VASCO's authentication technology using DIGIPASS client authenticators and a complementary SMS solution to secure its online banking services.

According to Unsworth, CBA chose VASCO for its flexibility, the breadth of authentication options including sophisticated multi-level authentication and the ease of upgrade to the latest innovative solution. "VASCO's DIGIPASS devices don't have an expiration date. Yes, the battery is eventually depleted, but depending on usage, that could be in five or ten years time", Drew Unsworth states. "This gives us more flexibility in the logistics process for physical distribution. It also makes it a less complex experience for the customer and reduces the number of calls to the help desk about tokens that suddenly stop working."

NETBANK AND COMMBIZ: ONLINE SERVICES SECURED BY DIGIPASS

Commonwealth Bank of Australia offers different services to its retail and corporate customers. CBA's retail online banking service is named Netbank. Available 24/7, Netbank allows the bank's retail customers to conduct their day-to-day banking in the comfort of their own home. Customers are able to view up-to-date account balances, pay their bills, transfer money and have access to a wide arrange of services to manage their banking affairs.

Corporate and institutional customers use CommBiz, the bank's premium online banking service designed for businesses whose finances are managed by multiple staff members. Companies can enhance their cash flow management by viewing online account balances, making direct credit payments, paying their bills and transferring money overseas. Staff access and a permissions model can be set up, improving internal control.

To log-on to either service, retail and corporate customers must first register

their DIGIPASS device by entering the serial number on the back of the device and answering two personal identification questions. Once this process is completed, users can log-on with their client number, static password and one-time password generated by DIGIPASS.

Corporate customers using DIGIPASS 260 are obliged to enter a PIN code before a dynamic password can be generated. No software needs to be installed on the end-users' PC.

DIFFERENT DEVICES BUT ONE BACK-END AUTHENTICATION PLATFORM

Retail and institutional customers use a different authenticator to conduct their online transactions. Retail customers use the small DIGIPASS GO 6 with simple push button operation to produce a one-time password. Business customers, who typically have larger monetary transactions, use DIGIPASS 260 with one-time password and e-signature functionality.

CBA's authentication program also caters for visually impaired customers



using the VASCO voice-enabled DIGIPASS 300 Comfort Voice. "We consulted externally to ensure DIGIPASS 300 Comfort Voice would meet the needs of the visually impaired", says Drew. "The device provides speech based user guidance and converts one-time passwords into spoken word; making strong authentication available for everyone."

VASCO's solution provides CBA with a common infrastructure for both retail and institutional banking using its VACMAN core authentication platform, leveraging cost advantages and similar processes for both areas. While the back-office infrastructure is the same, the DIGIPASS authenticators in the hands of customers differ dramatically.

"Additionally, with the breadth of authentication solutions from VASCO, the institutional bank could easily accommodate its sophisticated security requirements on the same platform as the retail bank – leveraging the same back-end infrastructure and one vendor relationship", Drew adds.

Authentication devices are provided free of charge as part of CBA's commitment to make online banking even more secure. "Two-factor authentication is so important to our overall security strategy that our plans incorporate every single customer using two-factor authentication at our expense", Drew Unsworth states. With the largest customer base in Australia, this is a large undertaking

on both logistical and budgetary fronts. CBA however justifies the investment in terms of decreased fraud levels and improvements in customer confidence.

DIGIPASS INSPIRES CUSTOMER CONFIDENCE

To date CBA has provided 1.4 million customers, or 60 percent of its customer base with two-factor authentication via DIGIPASS or SMS. And the numbers keep rising.

“We’ve had no problems with customer uptake and no negative feedback from those using DIGIPASS”, Drew Unsworth tells us. “Each year the growth in authenticated customers outstrips the previous year’s increase.”

“Two-factor authentication is the front-line in our fight against fraud”, Drew continues. “We also have sophisticated back-office monitoring, behavioral trend alerts, delayed payments and a customer education program but it’s DIGIPASS that is most tangible to the customer, inspiring confidence and uplifting customer satisfaction in our security.”

While Unsworth doesn’t see two-factor authentication as the sole reason that will win customers, he strongly believes it reduces customer defections.

“We have already seen how two-factor authentication can reduce fraud which is good for the bank but is even better for the customer. The processes and requirements that fraud victims have to complete to notify the bank, stop all existing accounts, reopen new accounts and get cards reissued is a hassle and creates unhappy customers who will talk about their “bad” experience. If our customers are not affected by fraud, they are more comfortable, less hassled and less likely to defect to a not-as-secure-proactive financial services organization.”

INNOVATIVE ONLINE SELF SERVICE THANKS TO STRONG AUTHENTICATION

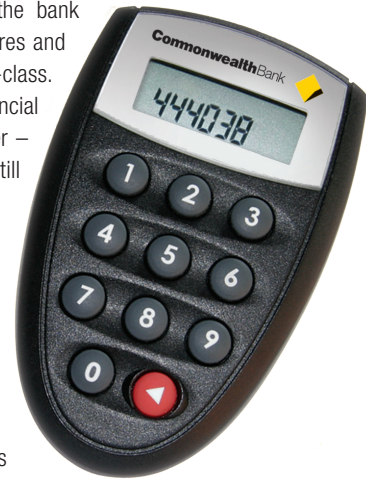
CBA has proactively pursued two-factor authentication which allow it to provide more innovative online offerings than competitors. Widespread customer use of DIGIPASS also opens the way to the introduction of more innovative online services, such as online personal loan applications and home loan top-ups, including online loan contract acceptance.

“VASCO’s two-factor authentication is the key to providing more self service

options so customers can interact with the bank whenever they choose. Our security measures and what we have done is absolutely world-class. Based on observations of overseas financial institutions, CBA is definitely a global leader – in front of many of the banks in US who are still well behind the curve.”

According to Drew Unsworth, the future is in widespread ubiquitous use of authentication devices. “I can see two-factor authentication devices being THE way to interact online with one device authenticating a multitude of online transactions and interactions that are not just associated with one bank”, says Unsworth.

CBA will continue to provide VASCO’s DIGIPASS to retail and business customers; confident that its ‘security front line’ is providing the best fraud defense for the bank and customers.



Objective

Reduce fraudulent activities by implementing a high security solution for Commonwealth Bank of Australia’s online retail and corporate banking services; consequently boosting customer satisfaction.

Challenge

The solution has to be straightforward with a low acceptance threshold, and must be able to secure multiple applications for different user groups.

Solution

DIGIPASS in combination with VACMAN Controller enabled Commonwealth Bank of Australia to roll out a high security solution for different applications using the same back-end platform. Additionally, VASCO’s wide product range allowed the bank to deploy different authentication devices ideally suited to the needs of each user group.

About Commonwealth Bank of Australia

The Commonwealth Bank is one of Australia’s leading providers of integrated financial services including retail banking, premium banking, business banking, institutional banking, funds management, superannuation, insurance, and investment and share broking products and services. The Group is one of the largest listed companies on the Australian Stock Exchange. The Bank provides a full range of retail banking services including home loans, credit cards, personal loans, transaction accounts, and demand and term deposits. The Commonwealth Bank is a leader in online financial services in Australia with facilities that include NetBank, the Group’s internet banking site and CommSec, the country’s most popular online broker.

About VASCO

VASCO is a leading supplier of strong authentication and e-signature solutions and services specializing in Internet Security applications and transactions. VASCO has positioned itself as global software company for Internet Security and designs, develops, markets and supports patented DIGIPASS®, DIGIPASS PLUS®, VACMAN®, IDENTIKEY® and aXsGUARD® authentication products. VASCO’s prime markets are the financial sector, enterprise security, e-commerce and e-government.

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