



SigALERT

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IS YOUR MERCHANTS' DATA AT RISK?

The sad truth is that in today's world, every merchant is vulnerable to fraud. From fraudsters who gain illicit access to POS terminals to the sniffers who sit in parking lots and hack into Wi-Fi networks, even the most sophisticated retailers are struggling to protect themselves against all of the risks out there. Signature Card Services is here to help you educate your merchants so they can stay safe from malicious attacks and data breaches.

It's possible that your merchants may have fooled themselves into thinking that they are not at risk – but this couldn't be farther from the truth. For proof, look no further than the recent highly publicized attacks on Target, Neiman Marcus and Snapchat, among others.

- Initial reports on the Target attack stated that 40 million credit cards had been compromised – but new reports suggest the range could actually be between 70 million to 110 million. It now appears that the data stolen covers a broad range data, including credit card numbers and personal information such as email addresses, names and phone numbers.
- In the Neiman Marcus breach, it appears that malware in the company's system was scraping payment card data from in-store shoppers. The company reports that 1.1 million credit and debit cards may have been affected. Fortunately, PINs, social security numbers and birth dates do not appear to have been compromised.
- The risks extend to any consumer data, not just credit card numbers. The Snapchat breach involved the leakage of 4.6 million usernames and associated phone numbers. The alleged hackers have gone on the record stating that their intent was not to cause malicious financial damage, but rather to raise public awareness and put pressure on Snapchat to fix their security issues.

These shocking developments have rocked both the payment industry and retailers of every size to their very cores. Your merchants are looking to you for the truth about fraud, and Signature Card Services can help. We believe, based on our experience, that awareness is a critical tool. There are many myths out there that get in the way of merchants protecting themselves, do any of these sound familiar to you?

- Myth: My business is too small to be targeted.** In fact, many experts believe that cyber criminals actually target smaller merchants because they perceive the security to be more lax. For these criminals, the payoff comes from selling whatever customer data they can obtain – meaning no business is safe just because it's small.
- Myth: I don't store data so I'm not at risk.** Data is most vulnerable when it's in transit and unprotected, particularly if the merchant is using an IP address in the terminal or e-commerce system. This is why POS systems and e-shopping carts are extremely popular targets for cyber criminals.
- Myth: My IT person is looking after my business.** Cyber criminals are extremely sophisticated. As many as 40% of internet break-ins occur in spite of firewalls and protection systems. What's worse, 80% of data breaches are caused by insiders; in fact, many suspect the Target breach was an inside job.

- Myth: Data breaches won't have a financial impact on my business.** Should a breach occur, you may be financially liable for damages – and these fines can be astronomical. Case in point: Target may be facing a \$90 fine for each individual compromised data record. This translates to a jaw-dropping \$3.6 billion total liability.

Additionally, it's important to point out that there a security breach could have far-reaching impact, beyond mere financial liabilities. The loss of trust among consumers can be disastrous to a brand and, once lost, can be very difficult to regain. In an attempt to rebuild some of this lost trust, Target recently announced it has invested \$5 million in a cybersecurity coalition and that it will offer all U.S. Target customers one year of free credit monitoring and identity theft protection. It remains to be seen whether this changes the hearts and minds of consumers.

Signature Card Services is working hard to do our part to help your merchants. Our new DataBundle package provides a valuable suite of data services that will help your merchants protect and leverage their data as effectively as possible.

DataBundle includes these important features for your merchants:

- PCI Compliance.** Merchants who choose the DataBundle gain access to a user-friendly online portal that walks them through

the process of becoming PCI compliant, including the required self-assessment questionnaire to identify data vulnerabilities so they can be properly mitigated.

- PCI Protection Plan.** This new and unique insurance program reduces the merchant's exposure to the financial liabilities that may result from a suspected or actual breach of credit card data.
- Data Analytics and Business Intelligence.** Signature Card Services' proprietary process transforms the merchant's transactional data into demographic, geographic, psychographic and economic attributes. These insights allow the merchant to better understand their top customers, which in turn drives smarter, more targeted marketing strategies that generate optimal business results.
- Access to Transaction and Chargeback Data Files.** These files are created daily and made available to subscribers through an SFTP connection to the Signature Card Services SFTP server, allowing merchants to track transactions end-to-end. Merchants can access either full card data, including full credit card numbers, or truncated data if they are not PCI compliant.

This is the time for collaborated efforts to identify the sources of fraud, eliminate vulnerabilities, and protect everyone from falling prey to attacks. The key is education and awareness, and Signature Card Services is here to help you hold your merchants' hands, every step of the way.

We're also interested in learning more about how this issue is affecting you and your merchants. What has your experience been? What stories or insights can you share with us?

Please, reach out to us and let us know. And if you'd like to learn more about the tools Signature Card Services offers to help, including our new DataBundle package, please contact us today at 888-334-2284.

