

Bank in Eastern Europe Turns to HID Global to Meet Demands of PSD2



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Olivier Thirion de Briel,
 Director of Product Marketing,
 Financial Industry in the Identity &
 Access Management business,
 HID Global

Eastern Europe

Enhanced Security and Multi-Factor Authentication Solution Positions Bank to Thrive in New Environment

The PSD2 regulation has placed a set of challenges in front of banks across the European Union and beyond. The regulation, designed to foster innovation and competition in banking while improving data security, requires banks to open application programming interfaces (APIs) to third party vendors for access to customer accounts. Banks are expected to gather and manage customer consent for third party access, implement strong customer authentication (SCA) and dynamic linking or transaction data signing to ensure customer data and transaction protection.

Recently, HID Global helped a bank in Eastern Europe address these challenges head-on, solving its needs for a strong authentication solution and enabling it to find opportunity in the banking industry’s “new normal.” The bank has a large retail account base, with more than 90,000 customers, as well as many commercial accounts.

Challenges

All businesses share concerns for security and authentication in today’s digital environment. It is an even greater concern for financial institutions, given the confidential and sensitive data that they protect.

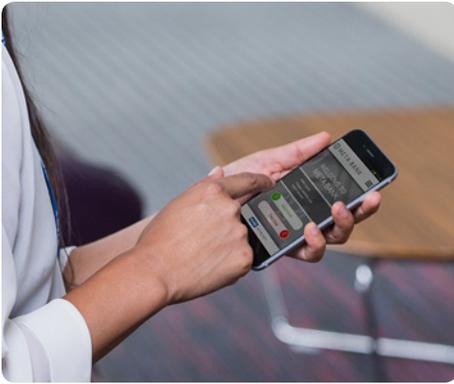
The bank already had an authentication solution in place that only utilized an OTP (one-time password) mechanism via SMS (short message service). This had two significant drawbacks. First, OTP does not provide a high level of security. Second, SMS is not very reliable, due to inconsistent levels of availability, which is not suitable for banking solutions that need to be available when and where the customer needs it.

While the solution provided a base level of authentication, it would not serve the bank or its customers moving forward under PSD2. The bank needed a stronger solution that would be seamless and simple for its customers, as well as easy to deploy and manage for its already-busy IT department.

Solution

The bank partnered with HID Global to deploy a solution that not only meets the [PSD2 requirements](#) but helps it move beyond baseline compliance to improve customer engagement, enabling the bank to retain and attract customers. The deployment includes [HID Approve™](#), which creates a layered, seamless solution that protects the integrity of the bank’s customers’ digital transactions.

HID Approve provides the bank a state-of-the-art secured mobile solution that delivers the necessary two-factor authentication under PSD2. HID Approve combines public key-based cryptography with mobile push technology that creates a simple but secure way for the bank’s customers to validate access and approve or deny transaction requests.



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Miguel Braojos,
Vice President of Global Sales
Identity & Access Management,
HID Global

When a banking transaction that requires authentication is attempted – for example, when a customer accesses their accounts online, initiates an electronic payment transaction or uses a third-party app that consolidates their account information from several banks into a single dashboard – the ActivID Authentication server pushes a notification to the bank customer’s mobile device, asking her or him to confirm the transaction or login attempt. The customer swipes right to approve the transaction or left to reject it – a simple but effective way to deliberately and intentionally provide verification. The solution delivers the appropriate measures of security and usability.

The HID Approve solution is available as an SDK that the bank directly integrates in its own mobile banking application. This leaves the customer in the bank’s environment, reinforcing a smooth user experience and maintaining the trust of the customer.

“The forward-thinking and more versatile banks are going to view the new regulations through the lens of opportunity,” said Olivier Thirion de Briel, Director of Product Marketing, Financial Industry in the Identity & Access Management business within HID Global. “They will ask questions such as ‘how can we use this to provide more service to our customers?’ and ‘how can we turn this to differentiate our offerings from our competitors?’ Those are the banks that we see thriving in this new regulatory environment.”

For its sizable corporate customers, the bank chose to deploy [ActivID One-Time Password Tokens](#). The hardware tokens provide further levels of authentication and protection necessitated by the larger banking transactions.

Benefits

With its deployment of HID Approve and the HID ActivID Authentication Server, the bank is now well positioned to thrive in the new PSD2 banking environment in the European Union. Benefits of the solution include:

- Full compliance with PSD2
- Industry-leading levels of authentication
- Frictionless security
- Intuitive user experience
- Ability to customize the customer app to match branding

“Since PSD2 first appeared on the radar a few years ago, HID Global has been immersed in its requirements and its impact on banks,” said Miguel Braojos, Vice President of Global Sales, Identity & Access Management business with HID Global. “We are now able to provide a level of consultation on the regulation to help banks best understand its precise security and authentication requirements, topics not usually taught in finance courses. We are glad to see the bank opt to deploy an advanced solution that doesn’t only meet the bare requirements but positions it to take advantage of new opportunities.”

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