CompoSecure

First Tap-to-Authenticate Report Released by PYMNTS Intelligence and Arculus by CompoSecure, Highlighting Top Security Concerns for Financial Institutions

December 5, 2024

87 percent of financial institutions report a rise in stolen credentials as fraud cases surge, according to new survey

SOMERSET, N.J., Dec. 05, 2024 (GLOBE NEWSWIRE) -- CompoSecure, Inc. (Nasdaq: CMPO), a leader in metal payment cards, security, and authentication solutions, released the industry's first tap-to- authenticate report in collaboration with PYMNTS Intelligence, a leading payments analyst organization. The report identified the top security challenges facing financial institutions (FIs), reporting that 87% of financial institutions saw a rise in stolen credentials as fraud cases surge.

"The PYMNTS Intelligence report underscores that the time for decisive action is now, with nearly 70% of FIs recognizing the urgent need for improved security measures," said Adam Lowe, Chief Product and Innovation Officer at CompoSecure. "There is growing sentiment among FIs that passwordless and physical authentication methods represent the future of financial security as credential-based fraud continues to accelerate."

The report highlights that the current inconsistency in authentication methods across various transactions has proven inadequate for FIs, creating both security gaps and a poor user experience. The report survey found 69% of FIs are prioritizing improvements to their authentication systems, with 77% considering tap-to-authenticate metal cards. Tap-to- authenticate payment cards, such as CompoSecure's Arculus Authenticate, a multi-functional security solution on a chip-enabled card, doubles as both an authentication passkey and payment card to offer a simpler, more secure alternative to other authentication methods.

According to the report, 87% of heads of fraud believe Arculus-like devices will reduce fraud and false positives, and 81% of heads of product see reduced friction in customer authentication. Arculus Authenticate tackles identity challenges directly: users tap their card on their phone for secure logins or transactions, eliminating the need for SMS or app-based verification. Among FIs already using metal cards, 96% believe they would see improved customer experience and loyalty, 92% perceive ROI potential, and 84% anticipate higher profits and improved security by adding tap-to-authenticate technology.

"The report highlights a significant challenge for financial institutions and signals that current security measures may no longer suffice in today's digital landscape," added Lowe.

The PYMNTS Intelligence report used quantitative data and feedback from 200 financial institution executives in fraud prevention, product development, and cybersecurity roles. The analysis evaluated current fraud patterns, authentication protocols, and the anticipated ROI of advanced authentication strategies. By examining these findings in-depth, the report sheds light on effective countermeasures and the potential of next-generation security tools.

For more insights, download the full report here.

About CompoSecure

Founded in 2000, CompoSecure (Nasdaq: CMPO) is a technology partner to market leaders, fintechs and consumers enabling trust for millions of people around the globe. The company combines elegance, simplicity and security to deliver exceptional experiences and peace of mind in the physical and digital world. CompoSecure's innovative payment card technology and metal cards with Arculus security and authentication capabilities deliver unique, premium branded experiences, enable people to access and use their financial and digital assets and ensure trust at the point of a transaction. For more information, please visit www.CompoSecure.com and www.GetArculus.com.

For CompoSecure
Anthony Piniella
Head of Communications
(917) 208-7724
apiniella@composecure.com