Fraud, Data Breaches and Password Crisis Drive CompoSecure's Vision for the Future of Payment Security: CEO Predicts Next Generation of Payment Cards in 2024

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New security, biometrics and authentication payment tools are coming to a wallet near you

SOMERSET, N.J., Jan. 08, 2024 (GLOBE NEWSWIRE) -- CompoSecure, Inc. (Nasdaq: CMPO), a leader in metal payment cards, security, and authentication solutions, today pointed to a growing need that could alter the payment security landscape in 2024. The company's CEO, Jon Wilk, anticipates a new era of payment cards designed to counteract the rampant challenges posed by fraud, data breaches and the prevailing password crisis.

"Banks and other payment card issuers have solutions in the hands of their customers today that can be enhanced to respond to security threats, earning the trust of both consumers and businesses," Wilk said. "Turning a payment card into a hardware-bound passkey that functions as a physical authentication token provides a simple and secure device that is a strong compliment to current multi-factor authentication capabilities available in phones and computers today."

Wilk points to the three threats that could shift payment technology:

- **Passwords:** For years, the pursuit of a passwordless future has been a promise on the horizon. A staggering 80% of data breaches have been attributed to poor password security, while an overwhelming 50% of call center activities are centered on passwords, according to Gartner. Many of the world's leading business and technology companies are promoting passwordless and FIDO technologies because 68% of consumers want to shift away from passwords.

- **Data Breaches:** Data breaches range in size – from personal identity theft to huge corporate espionage and ransomware incidents. According to IBM, the global average cost of a data breach in 2023 was $4.45 million. Over half (51%) of organizations are planning to increase security investments because of data breaches.

- **Fraud:** In a world where credit cards are an integral part of global commerce, the staggering reality of a projected $35 billion in losses due to fraud in 2023, as reported by The Nilson Report, has ignited an urgent need for innovation. Consumers are becoming familiar with terms like "transaction validations," "new device authentications," and "card not present transactions," all of which underscore the prevailing sense of insecurity.

Payment cards, exceeding 25 billion in circulation worldwide according to the Nilson Report, are among the most common consumer products on the planet. In contrast, the number of iPhones, something we perceive to be ubiquitous, are estimated at only 1.5 billion.

There are many use cases where a physical authentication token could add enhanced security and ensure trust, for example:

- High value transaction validation

- Reduction in false declines

- Prevention of account takeovers

- New device authentication

- Passwordless customer authentication

- Reduction in call center handling time.

At the same time, the customer experience is always at the forefront for banks and fintechs. They need to provide a seamless customer engagement process with their brand to ensure a positive experience. Wilk points to payment technologies ready to address these looming security issues, such as security authentication solutions.

For the consumer, this means a new and convenient way to use the trusted and familiar payment card in everyday life. For banks and other card issuers, it would mean leveraging the card to be used even more often, reinforcing the loyalty between the consumer and the financial institutions even further. After all, every time a consumer uses a payment card, a marketing and branding moment is being replayed.

"It is important to remember that the best security is the one people use," added Wilk.

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.

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