



New Forbes Insight Report Reveals Almost 70% of Banking and Finance Leaders Believe AI-Powered Fraud Will Threaten the Security of User Transactions in 2024

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The Forbes survey reports 65% of business leaders have added multifactor authentication to support fraud prevention and customer protection

SOMERSET, N.J., March 27, 2024 (GLOBE NEWSWIRE) -- [CompoSecure, Inc.](#) (Nasdaq: CMPO), a leader in metal payment cards, security, and authentication solutions, today announced its participation with Forbes Insights on a new report, [Security Should Be Simple: Your Road Map for Preventing Fraud & Building Trust](#). The Forbes Insights report highlights growing pressures and expectations for fraud prevention and user authentication based on survey results from 200 business leaders in banking and financial services. Key findings include a majority of respondents (68%) expect to increase spending on fraud detection, nearly half (46%) advocate for updates to security protocols for competitiveness, and over half (51%) identify the challenge of balancing security with user convenience. This is the latest original research from Forbes Insights, which provides actionable intelligence for C-Suite executives and other industry participants.

"Banks and financial institutions are grappling with the dual challenge of enhancing protection while ensuring a seamless user experience," said Adam Lowe, Chief Product and Innovation Officer at CompoSecure. "You often see this dichotomy that either it's secure or it's hard, and anything that's hard is something users won't do. The technology is now available to make the user experience truly seamless and address password problems that only create security holes and increase customer frustration.

Key insights from the report include:

- **Customer Experience** – Improving customer experience is a main driver in implementing new security techniques. The Forbes Insights research shows that companies want to prioritize the customer experience with eight of 10 respondents agreeing that creating a better experience for customer transactions is a key competitive advantage in the industry, and 79% agreed that customer experience is top of mind as they design new security protocols.
- **AI-Powered Fraud** – Proactive measures are crucial to combat emerging threats like AI-powered fraud and social engineering, highlighting the need for continuous innovation in security strategies. Currently, 54% of survey respondents are contending with AI-powered fraud, 50% with phishing attacks and 38% with social engineering, while projections for one year from now indicate a substantial rise to 69%, 44% and 45% respectively.
- **Multi-Factor Authentication** – Despite widespread adoption, multifactor authentication (MFA) faces challenges from sophisticated scammers, necessitating innovative solutions such as FIDO authentication and hardware keys. In fact, 62% of business leaders have future plans for enhancing cybersecurity via hardware authentication (e.g., key card, fob, USB drive).
- **Budgets** – Most (65%) survey respondents stated their annual budget for call center resources dealing with password resets or identity verification will grow over the next year, and the same proportion said that the budget dedicated to password protection will also grow year-over-year. Additionally, more than a third plan to increase spending on FIDO, nearly half plan to increase spending on passwordless authentication and 65% plan to increase spending on multifactor authentication.

As business leaders face increasing threats, innovative solutions like hardware keys are gaining traction. Advancements in authentication technology, particularly through solutions like [Arculus Authenticate™](#), a custom digital security platform by CompoSecure, offer a promising avenue for simplifying secure transactions without compromising convenience. With a simple tap of the card to a mobile phone, customers can authenticate themselves, approve high-dollar transactions, and reduce fraud with Arculus Authenticate™. Arculus by CompoSecure is FIDO2 certified and an approved Microsoft vendor, offering users a reliable and user-friendly secure passwordless authentication solution. Financial institutions can enhance customer trust and differentiate themselves in a competitive market by embracing frictionless authentication methods such as FIDO2, ultimately improving the overall customer experience while safeguarding sensitive data.

Methodology

Forbes Insights surveyed 200 U.S.-based business leaders: 23% of respondents came from banking companies, 23% from brokerage companies, 20% from credit card companies, 20% from fintech companies and 15% from neobanks. Respondents' titles included COO (13%), CISO (13%), CIO (13%), CTO (13%), as well as directors/heads (25%) and SVPs/VPs (25%) in operations, fraud, fraud prevention, risk management, customer experience, technology, cybersecurity, information security, vulnerability and penetration testing and system architecture. All respondents came from organizations with at least \$250 million in annual revenue and 35% of respondents work for organizations with annual revenue of over \$1 billion.

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.

Media Inquiries:
Wes Robinson
wrobinson@olmsteadwilliams.com
310-824-9000



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