

Third-Party Mobile Financial Apps Cause Corporate and Consumer Concern

As consumers adopt smartphones for convenience on the go, they expect apps they use to be secure—especially financial apps. Rapid development of financial apps by parties other than the financial institutions themselves, nonetheless, has created risks for both consumers and financial institutions.

On March 9, 2011, [Android Market](#) returned results of more than 500 apps with financial or banking functionalities: more than 90 percent of the apps reviewed had been developed by parties other than the financial institutions. Some of these apps are designed to interact directly (on the user’s behalf) with bank and credit card companies’ customer-facing Internet, mobile portals, and SMS. Others are designed to store secure financial information, including login credentials, credit card details, and ATM PINs, in “safe lockers” on users’ devices or in a developer-hosted private cloud.

According to [BankInfoSecurity.com](#), in 2009, a Fortune 500 financial institution “noted vulnerabilities when it learned some banking apps stored sensitive user details in hidden files on smart phones.” Smartphones are increasingly vulnerable to fraudulent activity, spyware, and viruses—several Trojan viruses have affected Android phones in the past year. Developers, too, now can come from anywhere, and many developers of financial apps are located in developing nations.

The financial services industry has little choice but to scale up its monitoring and security operations across the mobile Internet and app stores to protect itself and its customers. With the volume of mobile Internet Websites multiplying, and more than 111 active app stores around the globe today, the task of identifying and mitigating digital threats in the mobile environment is becoming increasingly complex and cumbersome.

WMC Global’s Threat Detection solution, born of more than four years’ experience policing apps and mobile services in several world markets, helps financial institutions identify digital threats, develops mitigation strategies that target the entire value chain, and leads enforcement action to remove the threats from market. For more information, contact info@wmcglobal.com.