

# **Identity Theft Issues for Financial Services Firms**

**John W. Moore**

Financial services firms are the targets of 30% of phishing email attacks intended to steal customers' identities and the assets in their accounts. Last year, 285 million records were compromised in data breaches in the US; many of these were linked to organized crime. On the Internet, websites operated expressly for criminals buying and selling stolen credit cards details, bank account credentials, and stolen identities are operated by organized crime. Consequences of this identity theft phenomenon can be severe for both financial institutions and their customers – monetary losses in lawsuits, card reissue costs, and making debit/credit cardholders whole, as well as customers' out-of-pocket costs, the hours spent resolving it, and the customer churn and brand devaluation that usually follow. This paper discusses the threats posed to the payment system, the Internet mechanism used to sell stolen digital assets, and new work that identifies the top banks' incidents of identity theft as reported to the Federal Trade Commission. It includes explanation of how such events are carried out, and provides suggestions to help reduce the risks to financial firms.

## **Major Field of Research: Contemporary Issues in Banking**

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**John W. Moore, Ph.D, CPA, Professor of Accounting, University of Maryland Eastern Shore, Email: [jmoore23225@hotmail.com](mailto:jmoore23225@hotmail.com), Voice: 804.387.1795**

