Electronic payments in the Netherlands

The Dutch approach on Cybersecurity

Gijs Boudewijn
Deputy General Manager

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Agenda

- Facts and figures
- Fraud developments in the Netherlands
  - Situation and trends
- Trends and developments
  - Mobile banking, mobile payments
- The Dutch approach, ‘working together works better’
  - Shared services for the Dutch banks
  - Risk Management services of the Dutch Payments Association
Some facts

- The Netherlands has 12.3 million Internet users.
- 94% of households in the Netherlands have at least one computer. This is the second highest rate in the world.
- The Dutch are heavily using innovative services;
  - 95% of young people are intensively using social media (Twitter, Facebook).
  - Bitcoin
- Netherlands is a leader in the use of Internet banking in Europe.
- Approximately 10 million Dutch bought one or more times online (using iDEAL).
- In 2014 there were some 180 million iDEAL transactions
Usage of mobile internet

Source: Eurostat.

1) Individuals aged 16 up to and including 74 years.
2) Used the internet in the twelve months prior to the survey.
3) Used a mobile device, such as a smartphone, laptop or tablet, to access the internet.
Internet banking in EU countries

The diagram shows the percentage of people aged 16-75 who use internet banking across EU countries. The Netherlands has the highest percentage, followed by Sweden, Finland, Denmark, Belgium, Luxembourg, France, Germany, Spain, Italy, Poland, and Rumania. Bulgaria has the lowest percentage.

% aged 16-75
Fraud developments in the Netherlands

![Graph showing fraud development in the Netherlands from 2010 to 2014, with categories for Skimming, Internet banking, and Total.]
What caused the trend change?

**Skimming**

- EMV migration (1-1-2011 EMV compliant)
- Collaboration
  - Information sharing between Dutch banks
  - Vendors, Payment Service Providers,
  - Retail, gasoline sector, parking sector
  - Police & public prosecutor
- Geo blocking
- Time to relax?
What caused the trend change?

**Internet banking**

- Education consumers & end-users,
- Creating awareness
- Individual measures Dutch Banks
  - Malware protection on pc’s
  - What You See Is What You Sign for authentication and authorisation
  - Transaction Monitoring
  - Detection and blocking of fraudulent transactions
- Sharing and learning
Cyber threats

- Phishing (phone and email)
  - Adapted to recent events (DDoS, malfunction/failures)
  - Personalized (spear phishing)
  - Demanding immediate action

- Malware
  - On desktop computer
  - Windows XP
  - Mobile apps misusage

- New Modus Operandi
  - Misusing payments schemes
  - Prepaid credit
  - Misleading consumers
Decrease of fraud is only one aspect

- Reputational damage is becoming more important
  - DDoS attacks april 2013
  - Availability of internet banking
  - Availability of mobile banking

- Resilience of payments infrastructures
- Leading to legal requirements
- must be further optimized
Trends and developments

- Mobile banking
- Mobile payments
- PSD2
- Access to account
- Instant payments

Chance or Threat?
Working together, the Dutch approach

- **Dutch Banks do not compete on security**

- **FI-ISAC, Financial Institutions Information Sharing Analysis Center**
  - Monthly and quarterly meetings
  - Sharing cyber security incidents and trends
  - Including Government, Police and Public Prosecution

- **Working Group Security**
  - Impact security on society
  - Strategic alignment with the Dutch Central Bank, Important stakeholders for payments

- **ECTF, Electronic Crime Task Force**
  - Banks, Dutch police and Public Prosecutor
Working together, the Dutch approach

• CMIS, Cybercrime Monitoring & Investigation Service
  - Analysis of banking malware, trojans
  - Notice and Take down of phishing sites
  - Trends and early information of new developments

• Banking Liaison officer at National Cyber Security Centre, ensuring Public Private Partnership

• AMI, Account Monitoring Information
  - Sharing rogue accounts
  - Sharing Money mule information
Shared Services Risk Management
Dutch Payments Association

- Strategic alliance Radboud University of Nijmegen
- Skimming discovery and blocking centre Equens
- Certification of payment terminals and payments service providers involved in the payment chain
- Risk analysis and Privacy Impact Assessments
- Publication of fraud figures and trends
- Consumer education
- Facilitating and participating FI-ISAC and Workgroup Security
  - Chairing EU-FI-ISAC
- Crisis management on payments schemes
- Executing and implementing projects
  - Showing availability status internet banking and iDEAL
  - DDoS exercises with financial private and public sector