PLSA NORTH LONDON GROUP: PENSION SCHEME FRAUD AND CYBER RISKS

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27 November 2018

Pensions fraud and cyber security – a growing threat?

It’s in the National Press…

Savers lose millions to retirement fraudsters

THE TIMES

Andrew Ellson,
Consumer Affairs Correspondent

Surge in cybercriminals targeting pension pots

Savers are being tricked out of half a million pounds every day after a surge in criminals targeting British pension riches, *The Times* can reveal.

People with nest eggs to invest, including those with new freedoms to access their pensions, are falling for well-resourced foreign fraudsters impersonating the identities of legitimate companies.

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Pension Scheme Fraud: our research

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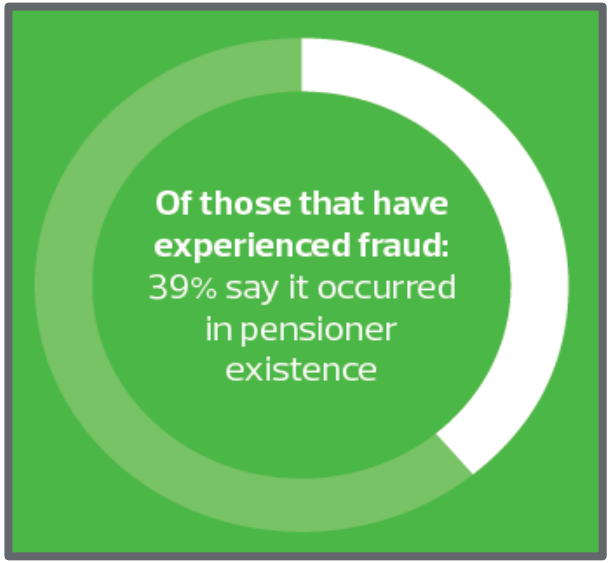
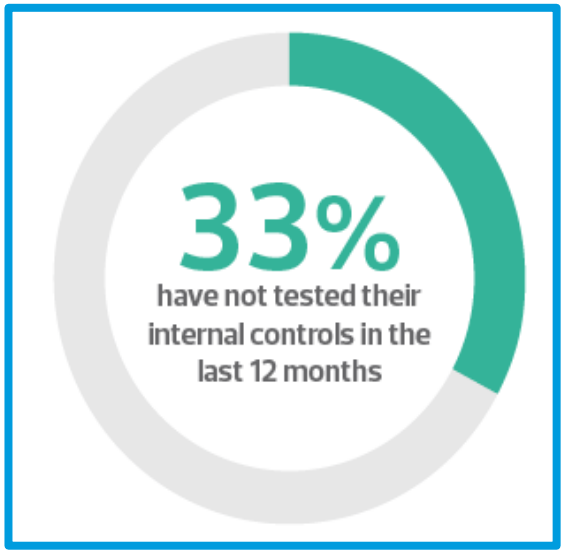


Pension Scheme Fraud: our research



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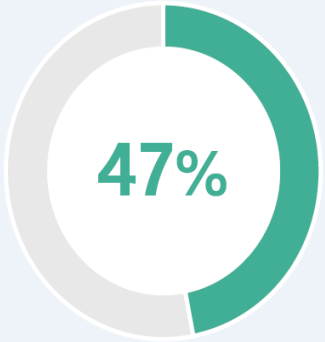
IT systems and cyber crime are the area of most vulnerability but only 47% of respondents have received training in the last year

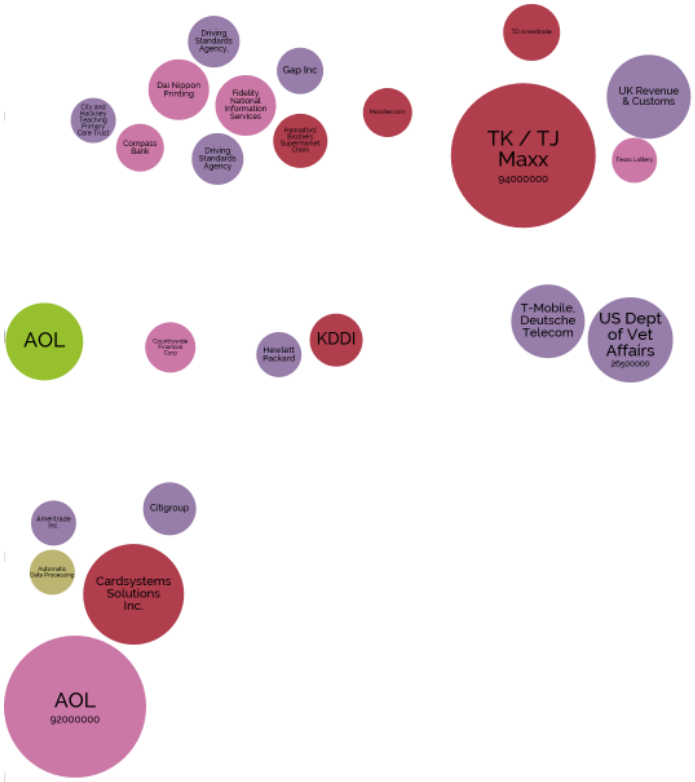


have a 24–hour incident response plan to react to a breach

Cyber - why is the position changing?

World’s biggest data breaches – 10 years ago

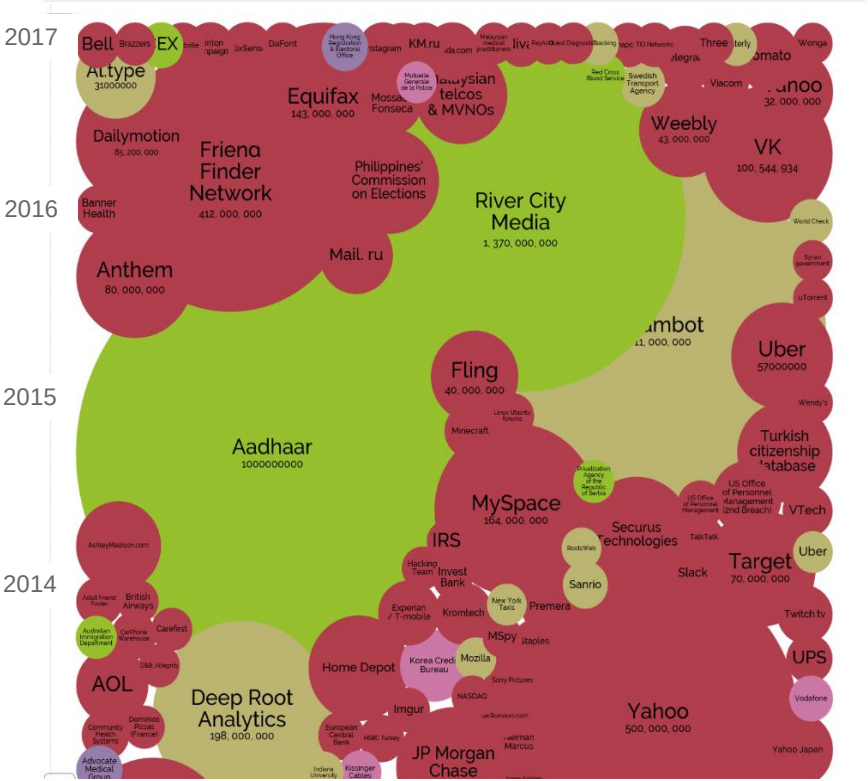
- 2007
- 2006
- 2005
- 2004



- accidentally published
- hacked
- inside job
- lost/stolen device or media
- Poor security

- Source: Information is Beautiful

World’s biggest data breaches – now



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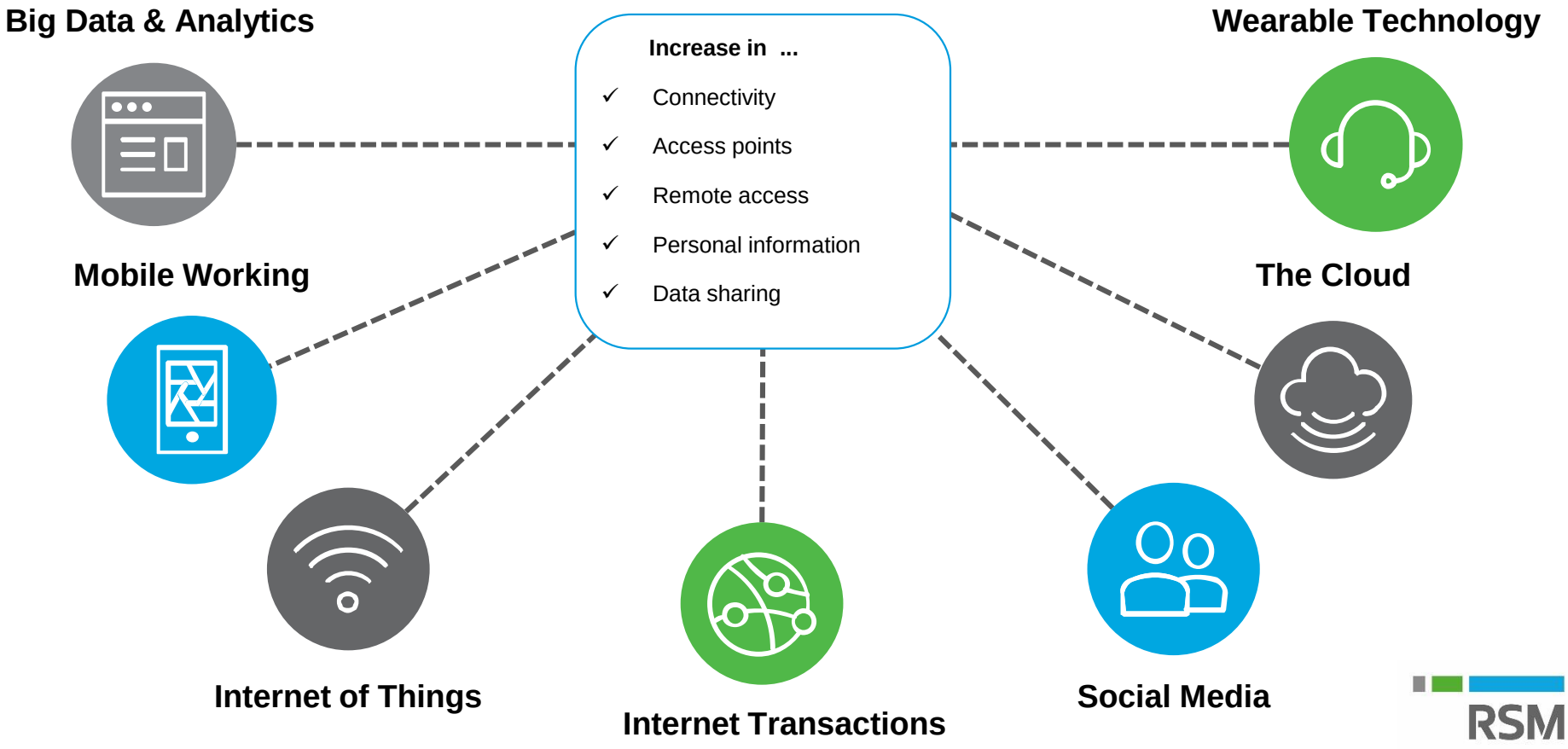
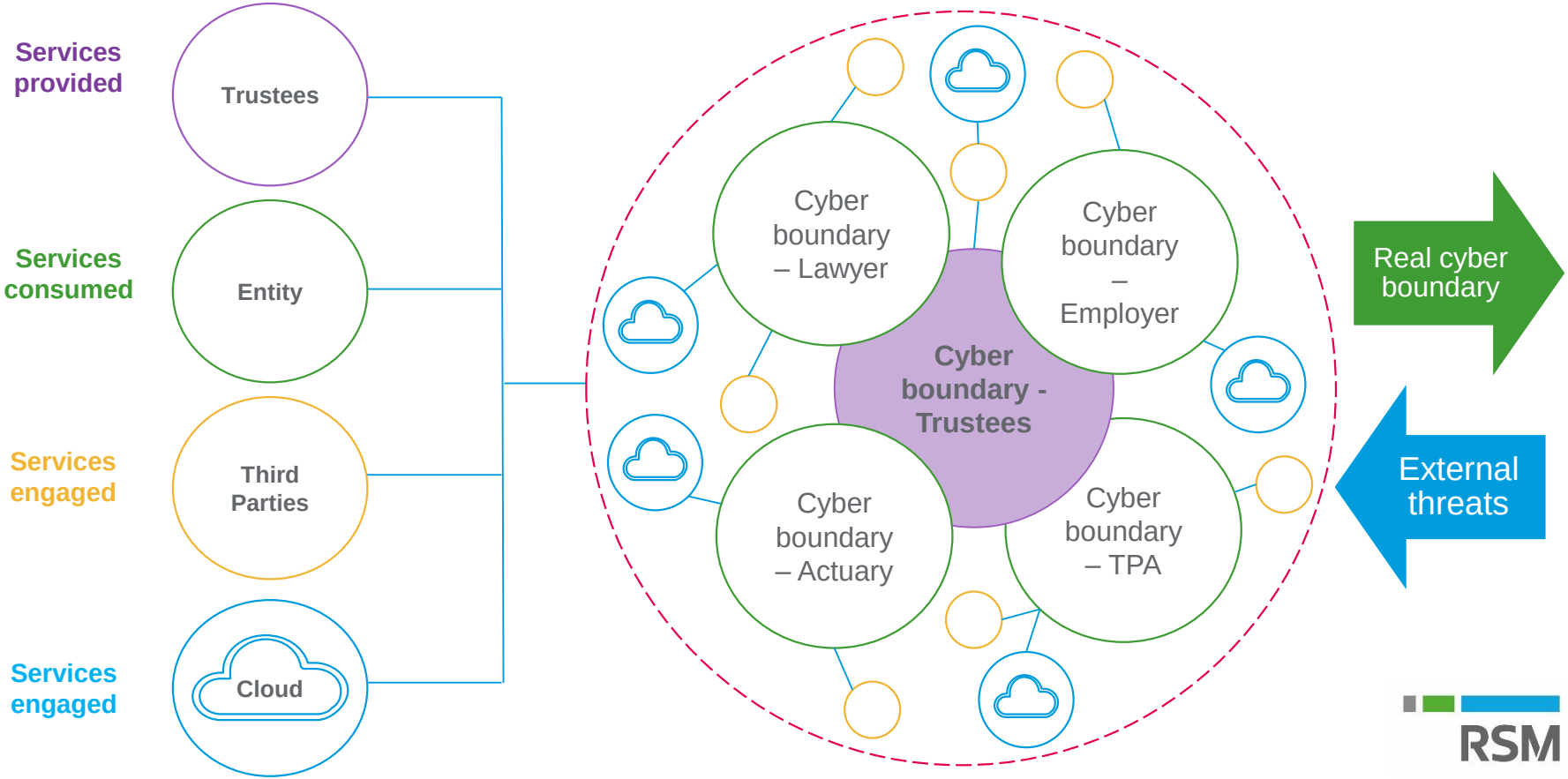
Why the increase in risk?

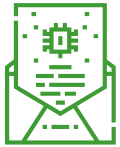


Understand your scheme's cyber footprint



Types of attacks

Insider attacks

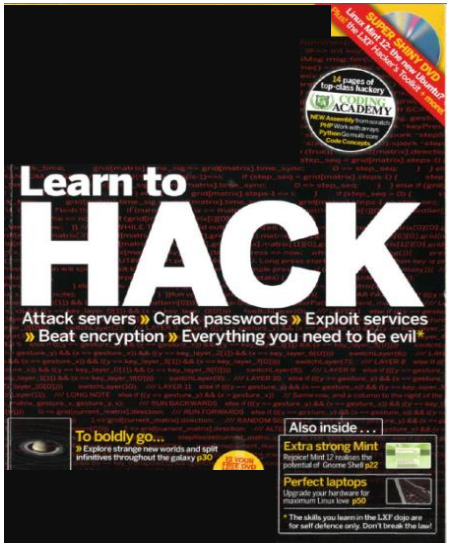


Phishing and whaling

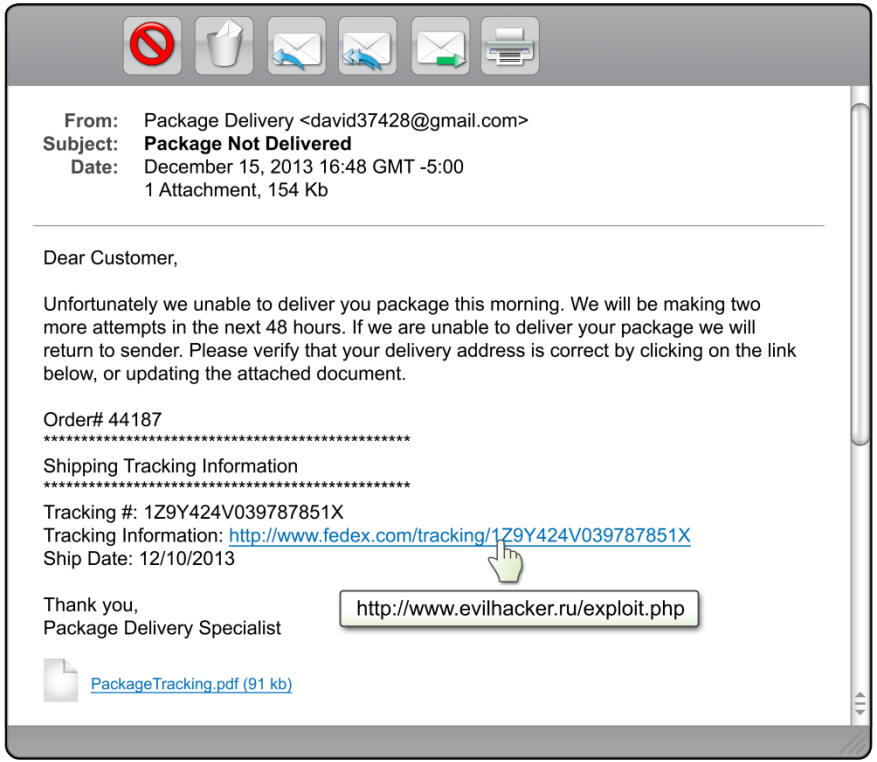
Vulnerability attacks

Ransomware

How easy is it?



Malicious content - ransomware



From: Package Delivery <david37428@gmail.com>
Subject: **Package Not Delivered**
Date: December 15, 2013 16:48 GMT -5:00
1 Attachment, 154 Kb

Dear Customer,

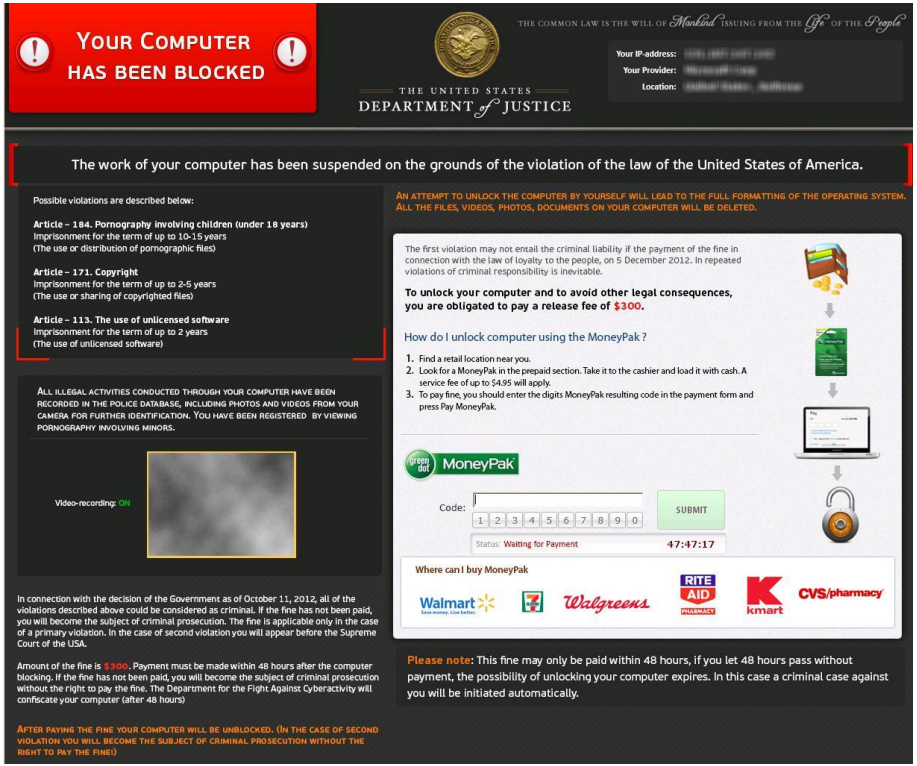
Unfortunately we unable to deliver you package this morning. We will be making two more attempts in the next 48 hours. If we are unable to deliver your package we will return to sender. Please verify that your delivery address is correct by clicking on the link below, or updating the attached document.

Order# 44187
****
Shipping Tracking Information
****
Tracking #: 1Z9Y424V039787851X
Tracking Information: http://www.fedex.com/tracking/1Z9Y424V039787851X
Ship Date: 12/10/2013

Thank you,
Package Delivery Specialist

http://www.evilhacker.ru/exploit.php

PackageTracking.pdf (91 kb)



Example

This is MONEY.co.uk
FINANCIAL WEBSITE OF THE YEAR

HOW ONE GANG SWIPED $1BN FROM GLOBAL BANKS

Up to US$1billion - £650million - has been stolen in approximately two years from financial institutions worldwide.

The fraud was detected by cyber security firm Kaspersky Lab in February 2015.

Gained entry into an employee's computer through 'spear phishing' – infected it with malware called Carbanak.

↓

Sent authentic-looking emails from his account that other staff clicked on, spreading the malware through the bank.

↓

Found the administrator account for the CCTV equipment

↓

They used the CCTV to record everything that happened on the screens of staff who serviced the cash transfer systems.

↓

They mimicked the activity of these staff activity in order to transfer money out.

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Your data risks

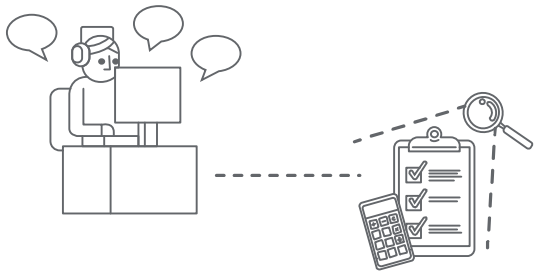
The challenges – the risks for pension schemes

Potential risks

- Lack of recognition/knowledge of data held
- Staff
- Complacency
- Poor internal processes
- Lack of investment and training
- Falling behind the curve

Potential results

- Loss of reputation
- GDPR brings significant fines for loss of data
- Loss of confidential information
- Loss of operational systems
- Loss of members' money – pots or pensions



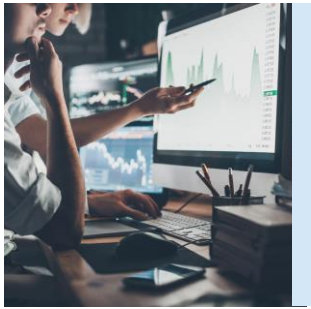
What should Trustees be doing?

Questions to know the answer to

Where is my data?

Where does it go?

Who has access to it?



How is it used?

What about GDPR?

Further information

For more information visit www.rsmuk.com

To download the latest RSM fraud report, visit:
www.rsmuk.com/ideas-and-insights/pensions-fraud-in-2018

Questions

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Thank you

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