



# Top 4 strategic challenges facing the financial services industry

IBM Security surveyed almost 200 industry leaders across Central and Eastern Europe to find out how financial services firms are dealing with complex pain points in the era of digital disruption. Gain insight into key challenges and take inspiration from leading executives and security specialists to shape your 2018 strategy.



## 1. Cybercrime



The financial services industry is a **prime target**



There have been **many well-publicized** hacks and data breaches



Leaders in our study have already fallen **victim** to attacks

**91%**

expect **cybercrime to increase** in next 3-5 years

**1/3**

expect to face **online fraud** and **phishing**

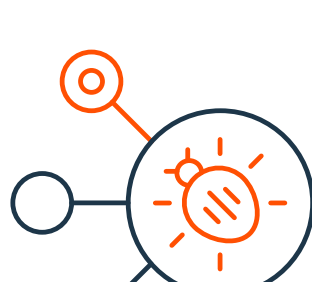
**1/5**

consider **DDos attacks** and **data loss** likely to affect their business

Attacks experienced so far:



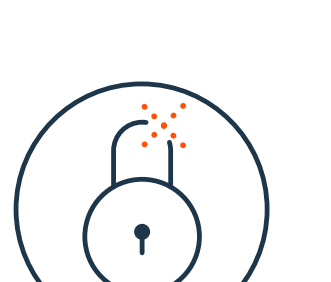
## 2. Cyberattacks



Hackers are constantly inventing **new ways** to strike



Most leaders are **stepping up** their security



But our study highlights **critical vulnerabilities**

**86%**

**intend to invest** more budget in cybersecurity

**3/4**

of the companies use a **fraud management tool** but **only 1/3** are really confident about its fraud detection capabilities

**1/2**

have fraud detection at retail and company level, revealing inconsistencies in security strategy

Fraud management tools are most effective:



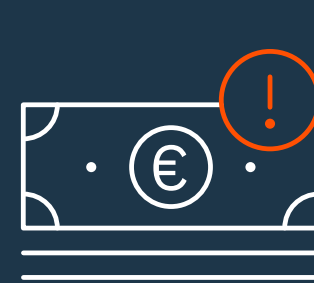
## 3. Game-changing regulations



The financial sector is already **highly regulated**



Institutions need to act fast to comply with **new data privacy laws**



Non-compliance could have **severe consequences**

**43%**

are only partially prepared for the upcoming European directives **GDPR & PSD2**

**32%**

are fully or mostly prepared for the **GDPR**

**16%**

are not prepared or unaware

**Companies who fail to comply with GDPR regulations can incur sanctions of up to 4% of annual turnover or €20 million**

Turn the GDPR challenge into an opportunity

[Learn more](#)

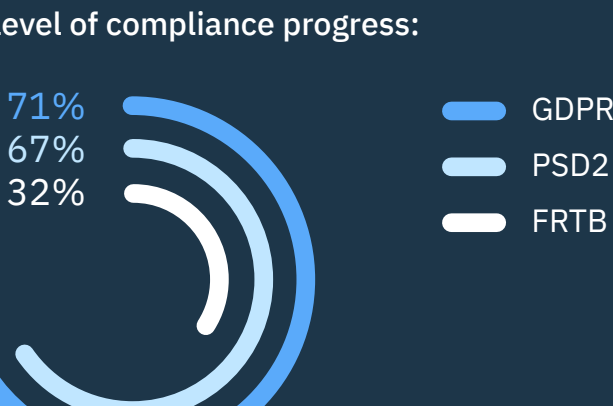
**1/2**

are not aware of the **Fundamental Review of the Trading Book** & only

**2%**

are fully prepared

Some level of compliance progress:



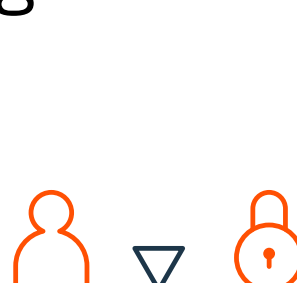
## 4. Seamless consumer digital experiences



Financial services need to be more **client-centric**, especially on digital channels



**Keeping customers happy** long-term can be challenging.



It's crucial to strike a balance between **convenience and security**

**Customer satisfaction** is top priority for

**1/3**

and high on the agenda for over **1/2**

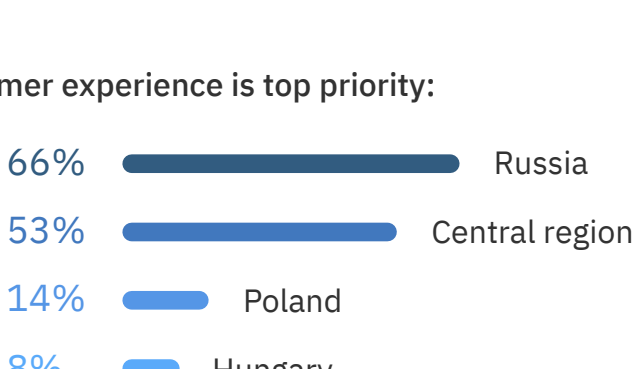
**60%**

are concerned security controls are **inconvenient** for customers

**94%**

say providing a seamless, **online customer experience** is highly important

Customer experience is top priority:



How effective is your organization at dealing with these challenges?

[Take the assessment](#)

