Media Release

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ANZ recognised for Internet Banking security

ANZ was today recognised as a leader in internet banking security for the development of an enhanced fraud detection system which has cut ANZ's internet banking fraud losses by 40%.

ANZ received the award for Innovation in Security and Fraud Management at the 2007 Financial Insights Innovation Awards (FIAA) in Singapore today for its enhanced fraud detection system FraudLink BillPay from a field of more than 60 financial institutions in the Asia-Pacific region.

ANZ Managing Director Banking Products, Mr John Harries said the award recognised ANZ's innovation in technology to provide more convenient and secure Internet Banking for customers.

"Our customers tell us that security is their number one concern," Mr Harries said. "We have been working hard to lead the way with innovative technology to keep Internet Banking secure. It's great to receive this recognition but of course there's no room for complacency when it comes to security."

ANZ implemented FraudLink BillPay developed by Carreker Corporation in 2004. Similar to ANZ's Falcon credit card fraud detection system, FraudLink BillPay operates by flagging suspect transactions and allowing steps to be taken to minimise any potential loss.

In 2006, ANZ introduced two significant enhancements to further strengthen detection capabilities which led to a 40 per cent reduction in Internet Banking fraud losses in the first six months:

- Processing using FraudLink BillPay was switched from overnight to throughout the day to ensure that suspect transactions could be detected more quickly.
- Pay Anyone arrangements were modified to allow timely detection and intervention. Processing was moved to the end of the day for transactions from ANZ to other financial institutions and funds from ANZ to ANZ transactions cannot be withdrawn until the next day.

As a result of ANZ's development work, Carreker has been able to offer this enhanced system to other banks.

Mr Harries said ANZ had also built the functionality to enable 'two-factor' authentication for ANZ Internet Banking and had commenced pilots of this technology. ANZ is using 'one-time password' hardware tokens to provide this second factor for identifying Internet Banking customers.

"We don't see any single technology as the 'solution' for Internet Banking security, but technology is important in a layered approach to security, which also includes raising customer awareness about how to protect their banking and working with the authorities to shut down scams," Mr Harries said.

"Customers have embraced Internet Banking as a convenient way to do their banking and this award should give them further confidence that we are leaders in keeping their transactions safe," he said. "It's another example of how we are delivering more convenient banking for customers."

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