



## Netcode Security Solution

ASB is a leader in the New Zealand banking industry, priding itself on being 'One Step Ahead'.

### Background

With a worldwide increase in the uptake of Internet banking, there has been a direct correlation with a rise in Internet banking fraud. ASB identified a need to ensure its customers were able to access their FastNet Classic Internet banking service with confidence their funds were as safe as possible.



### The Solution

In November 2004, ASB was the first New Zealand bank to introduce two factor authentication for online transactions with Netcode. This innovative approach to online banking security uses a unique single-use code generated for delivery to the customer's mobile phone. The code must be entered into FastNet Classic, ASB's Internet banking website, before certain transactions can be completed.

With one phone call, ASB customers can register for Netcode. Once registered, they have an extra layer of Internet banking security. Even if a fraudulent user gained access to a customer's account, they would not be able to complete certain Internet banking transactions without the unique Netcode number.

Netcode is mandatory for all ASB FastNet Classic customers making certain transactions, for example payments in excess of \$800. This means anytime a customer uses Internet banking to make a payment above this daily limit, they will be sent a unique time-limited authentication code. The customer is then required to enter this code into the website before the transaction can be completed.

Customers can set their own daily Netcode limit to any amount less than \$800 if they choose. They also have the choice of using a Netcode Token rather than their mobile phone, if they wish. This is preferable to customers who have poor mobile phone reach or reception and for customers who don't have a mobile phone.

### The Success

This system of two factor authentication gives ASB customers an added level of security when banking online. By sending a text message to the user's mobile, a second tier of authenticity is achieved.

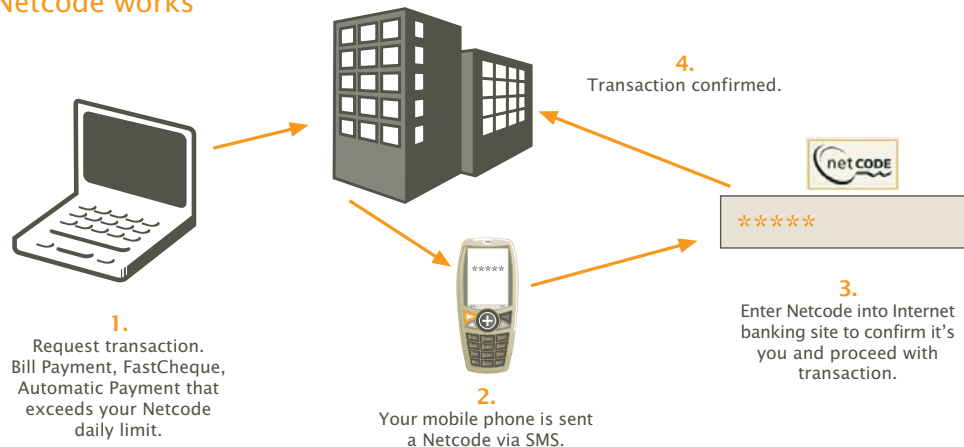
Following the implementation of this two factor approach to Internet security, ASB customers, the media and industry watchdogs commented ASB leads the New Zealand banking industry in taking steps to keep customers safe online.

"ASB are proactive in developing measures to reduce the risk to customers," says Clayton Wakefield, Head of Technology and Operations, ASB. "Importantly, customers themselves have a role to play in protecting their online accounts, just as they would walking down the street with their purse or wallet."

"Since ASB introduced the requirement for Netcode for its customers' larger online transactions, incidents of customer fraud have virtually been eliminated. With more and more people now choosing to reduce their Netcode limit, losses have continued to decrease."

Clayton Wakefield, Head of Technology and Operations, ASB

### How Netcode works



The MessageDirect™ gateway is trusted by ASB, and its direct banking arm BankDirect, to deliver second factor authentication text messages generated by RSA Security's RSA Mobile solution.

### What is two factor authentication?

With two factor authentication customers have a second level of security when they access their bank's Internet banking site from anywhere. The two factor authentication process can be initiated either at log in or when a business rule is triggered - e.g. transfers over a certain value.

Two factor authentication solutions combine two factors, to make it extremely difficult for a third party to assume a customer's identity. The first factor is "what they know" which is their credentials (customer identifier and password). The second is "what they have", which is the unique time-limited authentication code that is linked to the particular customer. If either of these two requirements are not met, the transaction will not proceed. This provides enhanced security to enable customers to confidently bank anywhere.

### Introducing TwoSecure™

ASB's Netcode security solution is a mobile solution delivered by the Fronde Anywhere team prior to its spin off as a subsidiary of Fronde Systems Group. The Netcode solution is based on the authentication code being delivered via text message using the MessageDirect™ platform operated by Fronde Always managed services.

Fronde Anywhere's new TwoSecure™ solution is a two factor authentication product that includes a server side application and a Java (J2ME) one-time authentication code generator that is downloaded to the mobile phone. TwoSecure™ provides a similar level of security to a hardware authentication code generator, but it eliminates the requirement for the user to carry a separate device.

TwoSecure™ provides a second level of authentication when staff or customers remotely access networks and business systems, or place online transactions. This solution is available in two editions - enterprise (for staff network access) and banking (for customer online access).

### About Fronde Anywhere

Fronde Anywhere offers mobile banking, payment and two factor authentication solutions for retail banks and the wider financial services industry.

Fronde Anywhere is part of the Fronde Systems Group, which serves clients in Europe, North America, Australasia and South East Asia from its offices in London, Singapore and New Zealand.

For further information on the two factor authentication solution or to request a demonstration please contact [sales@frondeanywhere.com](mailto:sales@frondeanywhere.com) or view our website [www.frondeanywhere.com](http://www.frondeanywhere.com)

