

Mobile payments' perceived insecurity

Mobile methods of payment first came on the scene around ten years ago. At first, adoption was slow, as mobile technology was not on the level it needed to be to support the functions needed.

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However, significant advances in technology over the past few years have seen mobile payment mechanisms booming. Ubiquitous use of smartphones and consumers' growing ease with using mobile devices for more and more functions are driving renewed interest in mobile payments.

Stories about mobility - and mobile payments in particular - litter the headlines on a daily basis. 'Mobile' is the latest hot top with billions in investments being made in the area. All businesses are jumping on the mobile bandwagon in order to remain competitive in this fast-growing space.

Unforeseen risks

One of the reasons mobile payments are growing, is because consumers are adopting mobile to run their day to day lives. Mobiles are always with their owners, it is the one thing that is never left behind when leaving the house.

On the flip side, as with any technology that gathers momentum and popularity, a slew of concerns arise, in this case, security.

A main area of concern for financial services providers and end users is the security of mobile payments and banking platforms. As with all new technologies, there is increased risk, due to unforeseen risks and supply chain complexities. It takes a while for standards to be developed, and regulations put in place, and because the end user has control over the device in terms of what they download, if they update and how they personalise their devices, new challenges with regard to privacy arise, too.

Moreover, these security concerns are exacerbated because traditional security measures such as AV, firewalls, and encryption have not yet attained the level of maturity needed in the mobile arena. As with all new technologies, it is only a matter of time before this changes, but until then other means of mitigating security risks must be used in addition to these.

Education is key here, as are stringent services processes. Mobile payment providers need to have solid fraud prevention measures in place as well as controls that can instantly pick up on anomalous behaviours to lower the risks.

Being smart about mobile payments

One area that is particularly tough to address, is the perception that mobile payment platforms are inherently insecure. Many consumers do not trust mobile payment methods, believing them to be fraught with vulnerabilities. A lot of these feelings are not irrational, as the mobile payment space is in its infancy. Many entrants to this space are innovative and dynamic, but lack the years of experience needed to build security in from the ground up. Many of them do not have the experience

needed to give attention to detail necessary when it comes to solid security.

Coupled with this, is that many consumers are unaware of the threats out there, and engage in highly risky behaviours on their devices, particularly when it comes to downloading free apps that may be riddled with security issues, and could well put their security and privacy at risk.

Ultimately, risks associated with mobile payments are similar to other devices that connect to the internet. Add to this the fact that mobile devices are small and more easily lost or stolen, and are used in a more personal and confidential way, often containing highly sensitive data, as well as immature security tools and measures, and you can understand how some are reluctant to adopt mobile payments.

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