



The Cloud Conundrum: Banks Balance Customer Privacy and Business Efficiency

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Financial institution (FI) executives want to stick to what they know—banking—by extending and blurring the lines of their networks to host a variety of applications in the cloud. As part of that process, the vendors supplying those shared services charge for that space. The business model is based on consumption. That means, in general, all of the functionality cloud providers offer comes enabled. Ready to use by design.

Such functionality, however, creates the perceived risk of data loss, customer privacy and third- and fourth-party data misuse or compromise. It is up to an FI's security team to understand its organization's responsibilities and mitigate those issues. This report outlines the types of cloud services FIs are adopting, as well as the perceived security threats that accompany such applications.

Key questions discussed in this report:

- What services are banks delivering through the use of cloud computing?
- What types of financial institutions—by deposit size—are delivering specific applications over the cloud?
- What concerns do security professionals inside banks have when it comes to deploying those applications?
- What authentication methods are banks that employ cloud services using?

Data in this report is based on information collected from a random-sample panel of 800 information technology security decision-makers, 200 of whom work in financial services. For questions answered by all 800 survey respondents, the maximum margin of sampling error is ± 3.46 percentage points at the 95% confidence level. For questions answered by all 200 financial services respondents, the maximum margin of sampling error is ± 6.93 percentage points at the 95% confidence level. The maximum margin of sampling error is higher for questions answered by segments of respondents.

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