



Fight or Flight: The Impacts of a Data Breach Event

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Data breaches have evolved into a variety of threats that go far beyond payment card information and login credentials. Consumers are quickly adopting digital behaviors that encompass an array of merchants, mobile device apps, and financial service providers. As digital behavior increases, some risks cannot be accounted for simply by offering a more secure method of connectivity.

Consumers are still repurposing static passwords by opting for comfort instead of security, and their financial service providers are not persuading them to consider safer alternatives. The widespread availability of personally identifiable information and the presence of sophisticated social engineering scams increase the odds that most consumers will eventually experience some form of data breach.

The powder keg of identity fraud, breach mitigation costs, and reputational damage will eventually represent the reasoning behind consumers' decisions to switch banks and change the brands they choose to trust.

Key questions discussed in this report:

- How traumatized are consumers by their personal experience as a victim of a data breach?
- What circumstances trigger consumers to change payment methods or financial institutions when they have been victims of a data breach?
- Has ease of use clouded the need for more secure consumer digital behavior?

The 2019 fraud survey was conducted online among 5,000 U.S. adults over age 18; this sample is representative of the U.S. Census demographics distribution. Data collection took place from October 22 through November 4, 2019. Data is weighted using 18+ U.S. Population Benchmarks on age, gender, race/ethnicity, education, census region, and metropolitan status from the most current CPS targets.

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