

BANKING & FINANCE

BY SID VAN SLYKE, *columnist*

High-Tech Meets High-Touch: Security, alert bankers keep your money safe

Just last month, a family of five moved into their new beachfront home on the big island of Hawaii. Two weeks after moving in, they left the island and traveled to the mainland for a wedding. That's when Hurricane Lane arrived.

The family actually enjoyed the wedding and slept well at night, not worried about how their Hawaiian home was faring. How was that possible? Because they had implemented a variety of steps to monitor their home, including a high-tech smarthome system – and friends on standby who were willing to help as needed.

What does that have to do with banking? The same dual philosophy of high-tech and high-touch can be applied when it comes to protecting money. It's difficult to know what challenge might be waiting around the next corner for any business – phishing, vishing, spoofing, and smishing. Scams and fraudulent acts – no matter the terminology – can cause huge pain and disruption for business and it's important to be on guard in multiple ways.

Businesses need a bank that is employing the latest protections – both high-tech and high-touch – to keep their money safe and their future secure. And they need to be an active partner in these efforts.

What Banks Are Doing

Banks are highly sensitive to the risks and are directing more resources to security. They are adding dual authorization requirements and using behavior analysis to monitor customer activity, with triggers in place for when an action falls outside the norm.

They are also increasing customer alert options. One of the latest alerts for businesses is a Positive Pay Alert that goes beyond simple transaction and balance alerts. An intuitive online tool that reduces fraudulent activity involving checks and ACH [bank-to-bank] transactions, Positive Pay automatically compares the checks or the ACH transactions presented for payment with the checks or authorized companies on file.

Combining Protection and Convenience

Interestingly, a number of new technologies that are built to protect customers can also make life simpler. Here are some new offerings that might serve these dual needs:

The Evolution from ATMs to ITMs: Many automated teller machines are now becoming interactive teller machines. Depending on the features offered, users can participate in live video chats with bank employees, access signature pads to initiate new account openings, benefit from coin access, and use a scanning capability that lets a driver's license substitute for a missing ATM or debit card.

A Mobile App for Treasury Management: This is a perfect example of “security meets convenience.” A treasury management mobile app allows for dual control/approval of wire and ACH transaction from a mobile device. Very convenient – but even more importantly, businesses can maintain the proper security measures around their money movement.

The Value of High Touch (a.k.a., Making the Case for a Persistent Banker)

While high-tech is critical, it's important not to discount a personal relationship with a banker who understands the client and the risks involved. Here's a personal story where I was the “persistent banker”:

Whenever I handled wire transactions related to a client's account, I honored the “callback protocol,” meaning I reached out to my client by phone to confirm that each email was a legitimate request. These email wire transactions were pretty commonplace, so that meant a lot of calls. One day an email request came in (from the same email address as always). I made my typical callback, but had to leave a voicemail. I did not hear back from the client, so I emailed a reply that I wanted to talk to them before sending. I received a return email

that said, “Sorry that I couldn't pick up, Sid. I'm stuck in a meeting until 5:30. But I need this wire to get out today.” It seemed legitimate, and so I felt uncomfortable, wondering if I was ignoring a time-sensitive client need. Thirty minutes later, another email

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arrived with an urgent message: “I NEED to know you've gotten this wire out today! Please confirm ASAP that this transaction is complete!”

This was not like my client. I called them again, sent a text, and then called a third time. Persistence and hesitation paid off. Someone had hacked the client's system and assumed correctly that I was the source for wire transfers. Without the verification process that we had in place, this request would have had a much different ending.

In these types of crimes, the culprits count on friendly, cooperative individuals. That's why it's important to implement thoughtful processes, and follow them – even when it feels uncomfortable.

Six Important Steps for Business Owners to Take

Protecting money requires a partnership and it's important that business owners take their own

steps to secure their money:

- Make sure all systems used to transact business are on a modern operating system and include a modern security suite of applications. Don't let an employee's rogue laptop become the weak link in the system.
- Add structure and internal processes to who can access a system. These checks and balances are key.
- Make sure up-to-date information is on file with the bank. Mobile phone numbers and travel alerts can help businesses avoid locked accounts and more.
- Add account alerts. They are simple to implement and will ensure prompt notifications of any account activity.
- Ask what's new. Financial institutions are working continually to add tools to help customers; become familiar with all of the options. The next conversation with a banker can include questions about what additional protection is available. New alerts and updated software might be there for the taking.
- Make a date. It's easy to ignore account information when everything is digital. Adding regular appointments to a personal calendar can be a reminder. Take the time to perform a quick account review to ensure that everything looks as it should.

A bank that knows how to marry the latest technology with a caring team that is always by the client's side can help clients sleep well at night, knowing things are as safe as they can be.

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