



CASE STUDY

SecurityScorecard Helps Regional Bank Protect its IT System from Vendor Risk

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THE CHALLENGE

GENERAL INFO

COMPANY

Banking Institution

INDUSTRY

Banking
Wealth Advisory
Securities

PRODUCTS USED

Ratings
Third-Party Risk
Fourth Party-Risk

USE CASES

Enterprise Cyber Risk
Third-Party Risk
Executive-level Reporting
Due Diligence
Cyber Insurance

WHY

SECURITYSCORECARD

Helps the bank protect the privacy and integrity of customer data by protecting the IT system from third- and fourth-party risk.



Banks deal mainly in theory. That's because the product they provide – money – is mainly theoretical. Like an invisible atom speeding through a supercollider, the money you deposit can be detected primarily as a number on a computer.

Unlike at a supercollider, no one at the bank wants to find a black hole. Protection of a bank's IT system and the accurate preservation of customer account information are not only important parts of the business. They are the business. That's why banks have elaborate IT cybersecurity systems and are so careful about the many outside IT systems they link to. And that's why regulators enforce such stringent rules for these IT systems.

The bank subject to this case study – a regional Texas banking corporation that wishes to remain anonymous – faces similar IT pressures. They collect an enormous amount of personal financial data that is both sensitive to the customer and unusually valuable to hackers and thieves. They link to a high number of IT systems – suppliers, vendors, other banks, government entities - where the risk is initially unknown and can vary by system.

The bank's third-party cyber assessment team inspects vendor IT systems for meeting the bank's cybersecurity standards. In 2020, the team had chosen a different system to grade their vendors' cybersecurity and identify vulnerabilities, but then the team found it did not have all of the features they desired. Recently, they switched to SecurityScorecard to provide cybersecurity grades.

THE SOLUTION

HIGHLIGHTS

"You already met our current requirements and we built a better relationship with you over the incumbent (and) the solution that we had," said a senior manager at this particular regional bank.

The bank's third-party cyber assessment team uses the scores provided by SecurityScorecard to analyze the cybersecurity of any new vendor IT system that comes aboard. They use the same service to perform re-assessments of these vendors at certain times such as contract renewal. This leads to a clean slate at the beginning of the relationship and as time goes on.

The team also sets up alerts on its most important vendors. These alerts signal breaches, drops, or other issues that might arise during the course of business. In addition, SecurityScorecard offered other new features such as monitoring the attack surface and fourth-party features.

When used with an internal lens, the scores provide insight into the strengths and weaknesses of the bank's own systems. This information, when presented to others, informs the bank directors, as well as its insurance companies, of the quality of the bank's cybersecurity.

"Financial institution management is typically well versed in addressing traditional banking risks such as interest rate, liquidity, and credit risk. Addressing certain operational risks, however, may be more challenging, since threats to information technology and related operations of banks are increasing and evolving." - Federal Deposit Insurance Corporation

- Federal Deposit Insurance Corporation

Enables the cybersecurity team to identify and prioritize vulnerabilities.

Allows the company to reduce third-party and fourth-party risk by understanding the risk posed by partners.

Creates more productive cybersecurity conversations with executives, vendors, and cyber insurance providers.

THE RESULTS

The results, according to the senior manager, have been excellent. The grades issued by SecurityScorecard give the bank a strong idea of the strengths and weaknesses of new, existing and returning vendors. If the cybersecurity team finds weaknesses, they can then inform the vendor about the issues. The vendor then can correct the issues so the systems can connect safely.

“We get all of the reports. So we can kind of see what’s coming in from the vendor side,” the bank’s senior manager said.

- **SecurityScorecard lets the bank analyze the cybersecurity of vendors and uncover their vulnerabilities. The team then can start a conversation to bring those weaknesses up to standard.** *“It was a good conversation starter for when we bring your report and say, hey, here’s your report card from SecurityScorecard. Why is it this way?” the senior manager said.*
- **SecurityScorecard provides faster, more reliable customer service than a previous provider. The company found the switch to SecurityScorecard to be quick, simple, and well worth it.** *“We have better support, better leadership, better relationship management,” the senior manager said.*
- **SecurityScorecard showed more features and functionality than a previous provider. Particularly, SecurityScorecard provided good data on providers upstream from the third party.** *“We’ve started connecting the dots on those pieces, as well – for fourth-party or parent-child companies. I don’t think that was the information we were getting before (switching to SecurityScorecard),” the senior manager said.*

- **SecurityScorecard grades for the bank itself have been presented to the board of directors and used as part of the review for cyber insurance.** *“We also look at ourselves and do a metric to our board of directors,” the senior manager said. “That’s a big driver of saying, hey, we’re good to go.”*
- **The grades improved the productivity of the team.** *“We streamline a little bit better,” the senior manager said. “We were able to get issues worked out with our vendors a little quicker.”*

ABOUT SECURITYSCORECARD

Funded by world-class investors including Silver Lake Partners, Sequoia Capital, GV, Riverwood Capital, and others, SecurityScorecard is the global leader in cybersecurity ratings with more than 12 million companies continuously rated. Founded in 2013 by security and risk experts Dr. Aleksandr Yampolskiy and Sam Kassoumeh, SecurityScorecard's patented rating technology is used by over 25,000 organizations for enterprise risk management, third-party risk management, board reporting, due diligence, and cyber insurance underwriting. SecurityScorecard continues to make the world a safer place by transforming the way companies understand, improve and communicate cybersecurity risk to their boards, employees and vendors. Every organization has the universal right to their trusted and transparent Instant SecurityScorecard rating.



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