

Sovereign Bank

Case Study

Sovereign Bank enables and protects its customers with VASCO's Digipass 260

Introduction

Sovereign Bank is widely regarded as an industry leader in providing comprehensive and innovative financial tools to its customers.

As a \$60 billion financial institution, Sovereign is one of the largest financial institutions serving the New England and Mid-Atlantic markets; with approximately 650 community banking offices and over 1,500 ATMs; and with more than 9,500 team members in Massachusetts, Connecticut, New Hampshire, Rhode Island, Pennsylvania, Maryland, New York, and New Jersey, Sovereign is one of the top 18 largest banking institutions in the United States.



Len Goodman, Senior Vice President and Director of Product Management and Mark Tozlowski, Vice President of Information Services Group at Sovereign Bank use the Digipass 260.

“Sovereign is committed to protecting its customer information and assets from fraud and identity threats. Vasco has helped us to significantly minimize their exposure to loss.”

Len Goodman, Senior Vice President and Director of Product Management, Global Solutions Group at Sovereign Bank

“We’ve noticed that our cash management customers have become much more confident in wiring money via the Internet.”

Mark Tozlowski, Vice President Information Services Group at Sovereign Bank

One of Sovereign's key online products is its Interactive Reporting & Initiation Services (IRIS) serving its business banking and corporate & institutional customers. Len Goodman, Senior Vice President and Director of Product Management, Global Solutions Group, states that “IRIS is a web-based treasury management solution that provides up-to-date information instrumental in supporting our customer’s financial decisions. It provides access to account balances and transaction services anytime and from anywhere in the world—allowing customers to act quickly, decisively, and more efficiently.” Sovereign’s customers range from large, technology-savvy Fortune 500 corporations and state and city government organizations to small, community-oriented businesses.

Challenge

When IRIS was introduced, a number of customers were initially averse to initiating wire transfers over the web. Historically, customers used a modem and software to “dial up” prior to releasing a wire. This process provided a high level of assurance and comfort in terms



of security, but compromised the customer’s mobility and flexibility when using the product. Essentially, Sovereign’s customers needed a solution that was secure, portable, proven, and easy-to-use. By partnering with VASCO, Sovereign created a solution that would allow customers to conduct business securely and benefit from the innovative technology and flexibility that the Internet offers.

Solution

Since VASCO’s solutions are easy-to-implement, customizable, and secure—and because of VASCO’s many multi-million token deployments to provide secure transaction capabilities to financial institutions around the world, VASCO understood the needs of Sovereign’s IRIS customers. Jan Valcke, VASCO's President and COO notes that "VASCO is a

world leader in authenticating financial transactions with over 330 financial institutions and 10 million end users. The proven security is developed with the end user in mind, and allows Sovereign to protect its customers with leading-edge yet unintrusive security."

Sovereign implemented a secure authentication solution to complement the extensive list of security features already built into IRIS. Sovereign ultimately selected the Digipass 260 for two-factor authentication. The introduction of two-factor authentication requires users to enter a PIN to activate the Digipass token instead of entering a static password online. The Digipass 260 then immediately responds with an encrypted, random password that allows the customer to release the wire and expires if not entered into IRIS within 36 seconds.

The Digipass 260 proved to be the ideal balance between high security and user convenience. Mark Tozlowski, Vice President, Information Services Group at Sovereign Bank said, "it is very important that no confidential information is entered online. The fact that a PIN

code is needed to activate the Digipass token, and not entered online, is crucial to us." Tozlowski further notes, "the user acceptance of Digipass 260 has been very high, and customers are able to take advantage of this advanced fraud-prevention functionality with little training. This is a direct result of VASCO's solutions combining a high security level and user-friendly technology."

Although the paramount goal with VASCO was to secure Sovereign's IRIS transactions, the fact that they could do so in a manner that was customer-focused was a tremendous bonus. Tozlowski



Len Goodman and Mark Tozlowski selecting Sovereign's tokens.

notes that “Sovereign liked the fact that it was able to brand the tokens with Sovereign’s corporate colors and logo, and that it has helped us strengthen the IRIS brand drivers of world-class functionality, usability, and security.”

Results

IRIS continues to advance as the flagship product within Sovereign’s global cash management offerings, and Digipass has improved the product’s security, reduced customer anxiety, and enhanced usability when performing online transactions. “Sovereign is committed to protecting its customer information and assets from fraud and identity threats, and VASCO has helped us to significantly minimize our exposure to loss,” states Goodman.

Tozłowski comments that “We’ve noticed that our cash management customers have become much more confident in wiring money via the Internet.” As a result, Sovereign is using its partnership with VASCO as a competitive advantage when selling its online banking services.

For Sovereign, the result has been that it has empowered its customers to achieve more and grow their business with the flexibility and security of the Internet.



For regional offices or to learn more about us, visit our web site at www.vasco.com



THE AUTHENTICATION COMPANY

EMEA
VASCO Data Security n v/sa
Koningin Astridlaan 164
B-1780 Wemmel, Belgium
phone: +32.2.456.98.10
fax: +32.2.456.98.20
e-mail: info_europe@vasco.com

APAC
VASCO Data Security Asia-Pacific Pte Ltd.
#14-01 Prudential Tower, 30 Cecil Street
049712 Singapore
phone: +65.6.232.2727
fax: +65.6.232.2888
email: info_asia@vasco.com

AUSTRALIA
Level 11, Tower B, Zenith Centre
821 Pacific Highway, Chatswood
NSW 2067 AUSTRALIA
phone: +61.2.8448.2068
fax: +61.2.8448.2010
email: info_australia@vasco.com

AMERICA
VASCO Data Security, Inc.
1500 West Park Drive
Westborough, MA 01581 USA
phone: +1.508.366.3400
fax: +1.508.366.3440
email: info_usa@vasco.com

All trademarks or trade names are the property of their respective owners. VASCO reserves the right to make changes to specifications at any time and without notice. The information furnished by VASCO in this document is believed to be accurate and reliable. VASCO may not be held liable for its use nor for any infringements of patents or other rights of third parties resulting from its use.

© 2004 VASCO. All rights reserved.