Insider Fraud Trends to Watch Out For

As fraud continues to evolve, we mustn't take our foot off the gas as we work on the collective mission to protect our community against fraud and financial crime.

To help, we have explored four key insider fraud trends impacting organisations to help you build out your internal fraud prevention strategy.

1 | The explosion of bring your own device (BYOD) & wear your own device (WYOD) Policies.

COVID-19 forced businesses globally to adopt BYOD & WYOD policies to accommodate the sudden shift to remote working and as we adopt a hybrid working approach, let's take a further look at what this means for organisations.

BYOD & WYOD are organisational policies that allow employees to use their personal phones, laptops, smartwatches etc., to access company information and perform work tasks.

IN TODAY'S HYBRID WORKING ENVIRONMENT

82% of companies let employees use their personal devices for work purposes, unsurprisingly,

as BYOD can reduce IT costs by **45%**

(Cybersecurity Insiders)

Despite boosting productivity by fuelling an always-on work culture, the security risks posed are undeniable, as employees' devices are less secure and harder to monitor for insider threats.

Consequently, insider fraud solutions have become a hot topic in board room discussions, as IT, Fraud, HR and security teams state their case for better solutions to protect their corporate networks.

Hybrid working has cemented itself as the new normal, creating further opportunities for bad actors to use their personal devices for fraud and data leakages. This leaves organisations with an important question to answer - does the productivity benefits of BYOD and WYOD outweigh the insider threat whilst building an insider fraud prevention strategy?

2 | Global Regulations and Compliance Requirements

With an increasing number of organisations falling victim to insider fraud as criminals become more sophisticated, it's unsurprising that government bodies are enforcing stricter compliance regulations.

Today, organisations are mandated to implement robust mitigation solutions to protect their customers, partners, and their own data against insider fraud.

For instance, GDPR requires organisations to have strict policies on data access and storage to avoid internal breaches and collusion with external parties. Organisations that do not comply can find themselves in a world of reputational and financial pain.

This year, organisations are starting to review and invest in analytics-driven platforms that screen and monitor transactions to detect suspicious activity for their business-critical systems.

3 | Fraud Detection and Prevention Through Advanced Machine Learning (MI) and Artificial Intelligence (AI) Technologies

Advanced technologies such as ML and AI play a pivotal role in sustaining and growing corporations in today's digitalised world, but did you know that these technologies can be deployed to protect organisations from insider fraud?

As fraudsters increasingly leverage sophisticated technologies to access sensitive data, it's important that organisations shift away from traditional processes such as audit files and adopt automated insider fraud solutions. For example, network monitoring stores user activity across business-critical systems and identifies outlier behaviours in real-time to flag a potential fraud case before it happens.

But the benefits of these technologies don't just stop there!
AI & ML can also help alleviate key pain points organisations experience when investigating fraudulent activities, including:

1. **MINIMISING INFORMATION OVERLOAD**
   caused by unconsolidated data making it harder to detect insider fraud.
2. **REDUCING FALSE POSITIVES**
   due to outdated technology collecting fragmented behavioural patterns, leading to false fraud alerts.
3. **CLOSING THE GAP WITH FRAGMENTED DATA**
   to evidence and build a sufficient case against an 'internal bad actor'.

4 | Migration to the Cloud

Year-on-year, more organisations are migrating to cloud-based technologies. The acknowledgement that legacy processes and systems can't overcome today's evolving fraud and risk threats drives organisations to turn to the cloud. However, it can be difficult for organisations that aren't cloud-native to keep up, especially if you don't know where to start.

Here are a few key areas to review when choosing your cloud technology partner.

1. HOW ESTABLISHED AND KNOWLEDGEABLE IS THE PARTNER WITH CLOUD TECHNOLOGY AND MIGRATION PROJECTS?
2. DO THEY UNDERSTAND THE REGULATIONS YOUR ORGANISATIONS NEED TO ADHERE TO?
3. HOW CAN THEY ENSURE THE SECURITY OF YOUR CLIENT'S DATA?

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Speak to a team member today to see how we can help you with your insider fraud prevention strategy.

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