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Session 1: Development Updates

Online payments and transactions Progress in Brunei Darussalam

**by Mr. Matthew Martin,
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HSBC Bank Corporation**

(Wednesday, 7th September 2005, 1.45pm – 4.30pm)

Online Payments and Transactions

Matthew Martin
Chief Operating Officer
HSBC Brunei

National Conference on Information Society
7-8 September 2005

HSBC  The world's local bank

EFT in Brunei

- Proprietary bank ATMs
- Limited point of sale terminals
- No e-Payments gateway
- Established credit card presence
- Telephone banking
- Proprietary Internet Banking

HSBC  2

ICT Asia Comparison

	Brunei	Malaysia	Singapore	Indonesia	Vietnam	Philippines	Thailand
Population (m)	0.33*	24.37	4.16	212.11	81.25	79.98	61.89
GDP per capita (US\$)	12,447	3,700	20,752	695	406	913	1874
Main telephone lines (per 100 inhabitants)	25.86	19.79	46.36	3.60	6.85	4.17	9.87
Cellular subscribers (%)	48	34.88	79.14	5.52	2.34	17.77	26.04
PCs per 100 inhabitants	7.31	12.61	50.83	1.10	0.98	2.17	2.78
Internet users (per 10,000 inhabitants)	1,023	2,731	5,396	191	185	256	776

*2001 Census

Source ITU www.itu.int

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Internet Banks in Brunei

 Personal  Banking

Baiduri Bank Berhad



Islamic Development
Bank of Brunei Berhad



HSBC

HSBC 

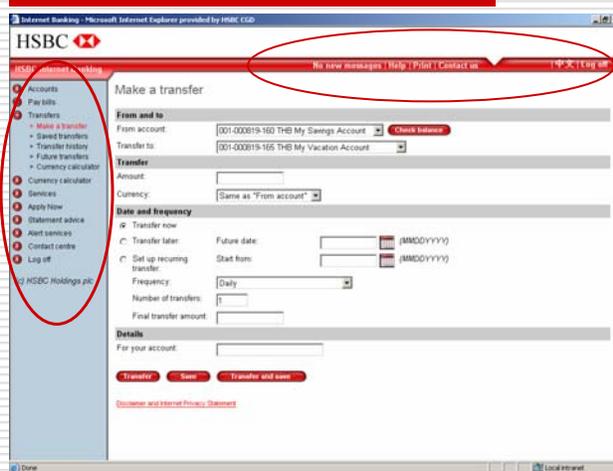
4

HSBC "Best Consumer Internet Bank" 2005

GLOBAL FINANCE

- strength of strategy for attracting and servicing online customers
- success in getting clients to use web offerings
- growth of online customers
- breadth of product offerings
- evidence of tangible benefits gained from Internet initiatives
- web site design and functionality

□ Consistent, easy to navigate layout



Red gel bar with service links – help, print, message status, Log off

Left Column 1st/ sub level PIB navigation

Roadmap to Future Success

- ❑ Know Your Visitors
- ❑ Integration of Transactional and Information sites
- ❑ Enhanced Security

Know Your Visitors



✓ 1. Unknown visitor:

- Could be a customer but we can't recognise them
- Or, could be a brand new prospect for the bank



✓ 2. Recognised user:



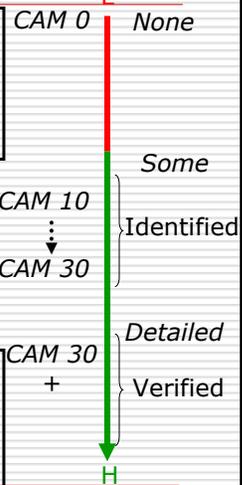
- We recognise the user (e.g. through cookie or a low CAM level verification), but have not positively verified them to confirm they are who they claim to be, or who we think they are



✓ 3. Authenticated customer:

- We have verified who they are
- We have information we know about them

Authentication / Knowledge



Integration of Transactional and Information Sites

The screenshot shows the HSBC UK internet banking interface. At the top, there are navigation tabs for Personal, Current accounts, Savings & investments, Credit cards, Loans, Mortgages, Insurance, and More. Below this, there are several promotional banners and a 'Net worth statement' section. The 'Net worth statement' section includes a table with columns for Deposits and Investments, and Borrowings, with sub-columns for various account types and their balances.

Deposits and Investments		Borrowings	
Cheque/Saving Accounts	THB 1036.00	Cheque/Saving Accounts	THB 15831.78
Term deposit Accounts*	THB 197032.01	Credit Card Accounts	THB 6555.47
Total*	THB 198068.01	Loan Accounts	THB 1030.00
		Total	THB 23957.25
		NET WORTH	THB 174260.76

Security 1: Customer Authentication Levels

- Passwords for information only
- Two-factor authentication for security

CAM Level	CREDENTIALS				
	CAM10 Credential	CAM20 Credential ¹	CAM30 Credential ¹	CAM40 Credential	
	Username	Memorable Answer (spinning)	Password ¹ (locking)	Password ² (locking) - fut, RCC, VK	OTP
CAM0					
CAM10	x				
CAM20 ²	x	x			
	x		x		
CAM30	x	x		x	
CAM40	x	x		x	x
	x		x		x



Security 2: How we keep you safe online

Secure Sessions

- URL address begins with **https://**
- padlock symbol appears in the browser.

Encryption

- Secure Sockets Layer encryption 128-bit SSL
- Any email service within Internet Banking is similarly protected with encryption technology (unlike your regular email which is usually not secure).

Session Time-out

- Log-off for inactive
- Pages viewed are not recorded in your PC's temporary files.

Security 3: How you can keep safe online

- Updates and patches
- Anti-virus software
- Personal Firewalls
- Anti-spy software
- Avoid pirated software
- Keep passwords secure

Security 4: What to look out for

- Virus hoax
- Lottery fraud
- "419" Advance Fee
- Phishing

"Phishing" Email

From: HSBC Hong Kong [mailto:online@hsbc.com.hk]

To: Vcrew

2. Spoofed sender address

Subject: Important security information from HSBC Hong Kong

4. Purposely made mistakes

Dear HSBC Hong Kong customer!

1. A good story made up

Please read this important message about security. We are working very hard to protect our customers against fraud. Your account has been randomly chosen for verification. This is requested to us to verify that you are the real owner of this account. All you need to do is to click on the link below. You will see a erification page. Please complete all fields that you will see and submit the form. You will be redirected to HSBC Hong Kong home page after verification. Please note that if you don't verify your ownership of account in 24 hours we will block it to protect your money. Thank you.

<https://www.ebank.hsbc.com.hk/servlet/onlinehsbc.jsp>

3. Spoofed URL

Fake Site

online@hsbc - Microsoft Internet Explorer provided by HSBC IE6 R1.11

HSBC Hong Kong

Personal Internet Banking 繁體 簡體

Maintenance Schedule

Verify

User ID:

Password:

Identification Document: Select one

ID number:

[Forgot your User ID / Password?](#)

First-time User?

This service is opened to all HSBC customers who are users of ATM, Phonebanking, credit card and MPF services. Complete the **3-step registration** and enjoy the ease and convenience our Internet banking brings to you.

Internet Banking Access

You should ensure that your computer is adequately protected from unauthorised access at all times. Learn more on [Internet security](#). Is your computer well-protected by firewalls

SECURE & PROTECTED

Daily premium from only **HK\$2.9**

or

HSBC 17

Genuine site

online@hsbc - Microsoft Internet Explorer provided by HSBC IE6 R1.11

HSBC Hong Kong

Personal Internet Banking 繁體 簡體

Maintenance Schedule

Stop phishing!

HSBC will never contact customers asking for confidential or personal banking information by email. Please **DO NOT** open such emails and delete them immediately.

FAKE?

Logon

User ID:

Password:

[Forgot your User ID / Password?](#)

First-time User?

This service is opened to all HSBC customers who are users of ATM, Phonebanking, credit card and MPF services. Complete the **3-step registration** and enjoy the ease and convenience our Internet banking brings to you.

Online Banking Security Alert

Protect yourself against online fraud now! Click on [Internet Security](#) and read our NEW online safety tips. Is your computer well-protected by firewalls and anti-virus software? [Check now.](#)

SECURE & PROTECTED

Apply online for TravelSurance and enjoy **20% off**

Buy MultiTrip TravelSurance and get a **FREE travel case**

FAQs System Requirements Help

Attention: Please note that transactions over the Internet may be subject to interruption, transmission blackout, delayed transmission due to Internet traffic, or incorrect data transmission due to the public nature of the Internet. HSBC cannot

Step 2: Recruit Money Mules

Part time Home Manager

Job description:

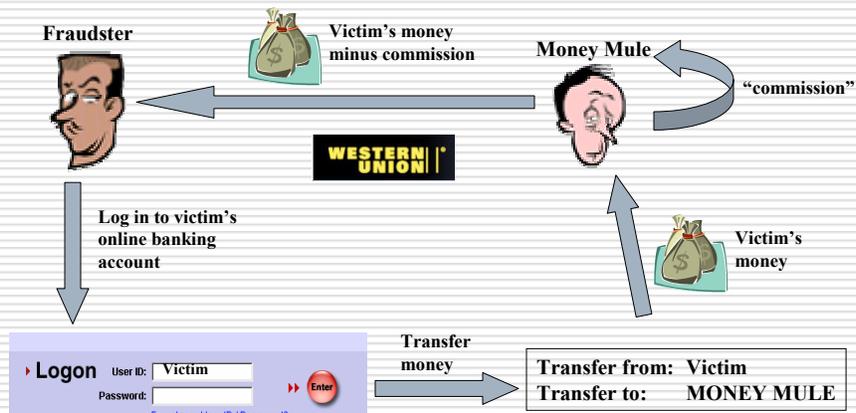
Our company is interested in hiring citizens of your country for temporary work tied with *receiving money transfers from our clients in your country through the banking system (usually an internal bank transfer, or bank transfer within the country) and further transfers of these funds to us through money transfers such as Western Union*.....

You will be paid according to accomplished work - *10% from the sum* of each money transfer. On average transfer sums will range from 2000-2500\$ USD.

You will process at least 1-2 transfers a week. In order to start working you do not need any previous work experience or special education.

If you are interested and would like to get more details on this job offer - simply fill out the form below and *provide us with your bank account number*

Step 3: Fraudulent Transfers



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■ Ensuring your online transactions are safe and secure



At the touch of a button, your Security Device generates a dynamic, time-sensitive Security Code. The Security Code constantly changes and is unique to your Security Device. This Security Code is required, in addition to your User ID and password, every time you logon to HSBC's Personal Internet Banking service. As only you have the device, only you know the number, and only you can access your account. Your Security Device is a simple and convenient way to ensure greater protection for you and your financial information.

[How it works?](#)

■ Protecting you from internet attacks!

The Security Device provides superior protection from a large variety of attacks, including:



Fraudulent & Spoof Websites



Spyware



Phishing



Trojan Horse

Simply [click here](#) to learn more about what you can do to protect yourself from internet attacks.

How do you get a Security Device?

HSBC will be sending a Security Device to all users of HSBC's Personal Internet Banking service **in phases**. Customers will be contacted directly and will receive the Security Device to the address on record with HSBC. To ensure on-time delivery, please make sure that the address listed with HSBC is correct and up-to-date.

Thank You
