THALES
Building a future we can all trust

Why passwordless authentication is the future for digital banking – and how we'll achieve it

In the US, 85% of banks still rely on usernames and passwords to authenticate customers[1].

While this is an extreme example, there remains a heavy reliance on usernames and passwords by financial institutions (FIs) worldwide.

85%

BANK ****

Why is now the time to replace passwords?

People have had it with passwords. They have too many, which they forget, and have to reset. Passwords are also very vulnerable to phishing attacks. 89% of organisations have experienced a phishing attack in the past year[2], in which user passwords may have been compromised. 81% of hacking-related breaches are caused by weak or stolen passwords.[3]
91% of IT leaders say they are very or somewhat worried about passwords being stolen at their organisation[4].

Let's look at the stats:

Passwords are a commodity

33%

of consumers globally have already been victims of a data breach[5], where passwords are revealed and sold on the dark web.

Passwords are costly

$70

is the average cost of a single password reset in helpdesk labour.
Up to 50% of all helpdesk calls are for password reset[6].

Passwords are out of hand

100

is the average number of passwords per user[7].
91% of users understand the risk of reusing passwords yet 61% continue to do so[6].

Security and user experience (UX)

Digital banking end users have high expectations. They want both security and ease of use when it comes to banking, so it's no surprise that 83% say security is highly important and 80% say a good user experience is highly important. 53% say a consistent experience across different platforms has a 'very' or an 'extremely' big impact on their trust in FIs[8].

The solution

fido
iOS

FIDO passkeys, a new authentication standard that use strong cryptography for security and rely on biometrics for usability, striking the right balance between security and UX.

• Passkeys are immune to phishing and data leaks.
• Passkeys are already available on every platform, through every major web browser.

96% of IT and security professionals want standard-based authentication[9].

Passkeys are the future

Switching from passwords to passkeys based on biometrics enables FIs to support secure logins and transactions while also simplifying the user experience. And your end users will love this new experience:
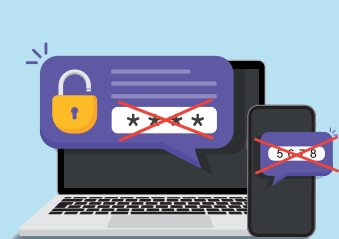
Only 16%

of all consumers prefer passwords to access their accounts. This very low level of preference show the inherent drawbacks of passwords.[10]

73%

of consumers who use multiple channels to access digital accounts are willing to use login methods other than passwords[8].

61%

believe passwords will eventually be phased out as an authentication method[11].

Takeaway

Don't just take our word for it.

Gartner has named passwordless authentication a critical technology for organisations to adopt as soon as possible.[12]

And 'passkeys' is a vital new word to add to your personal lexicon, according to The Economist´s 2023 edition of 'The World Ahead'.[13]

Passkeys will finally deliver a bright, passwordless future!

PASSKEYS

Want to find out more?
Contact us so we can show you how you can migrate smoothly to passwordless digital banking authentication.

Sources:
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5   Thales Consumer Digital Trust Index, Thales, 2022
6   Are Password Resets Costing Your Company?, bioconnect, 2021
7   Top 200 most common passwords, Nordpass, 2022
8   The future of authentication in financial services, Pymnts.com, June 2022
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