CYBERRISKS+LIABILITIES

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Packetts

These Online Crimes Are on the Rise and Cost Companies £1 Billion per Year

Within the past 12 months, the frequency of cyber crimes has been meteoric, as a person is now about 25 times more likely to be a victim of fraud via the computer than robbed on the street. Despite this fact, 9 out of 10 UK small and medium-sized enterprises (SMEs) have no cyber insurance in place, according to new industry research. This lack of robust security has granted free rein to cyber criminals—last year, UK businesses lost an estimated £1 billion to online crime, according to Get Safe Online and Action Fraud.

Unfortunately, the frequency and severity of these cyber attacks have not spurred companies to become more proactive. Instead, 86 per cent of UK companies believe that they could effectively withstand and repel a cyber attack, according to Juniper Research. Yet, would be a false assessment, since in actuality about 50 per cent of UK companies are unprepared for a cyber attack, according to government figures.

Fortunately, it is never too late for your company to begin organising defences against potential cyber attacks. One of the most beneficial strategies is to stay abreast of the newest and most damaging cyber crimes threatening businesses, such as the following four:

1. **Mandate Fraud:** Cyber criminals pretend that they are from an organisation that your company regularly does business with or one of your suppliers in order to convince you to change a direct debit, standing order or bank transfer mandate to deposit into their account.
2. **CEO Fraud:** A cyber criminal generally will pretend to be the CEO and contact someone within the finance department to request payments to be made into specific bank accounts that are separate from the company.
3. **Corporate Employee Fraud:** Current or former employees obtain digital files or sensitive information through fraud or misuse of corporate cards and expenses.
4. **Hacking:** A cyber criminal can gain access to your company's digital files and sensitive information by exploiting weaknesses in your cyber defences, which include your server, an employee's personal computer, or by accessing company email and social media accounts.

To keep your company prepared for the future, contact the professionals at Packetts today.

Recent Cyber Security News and Prosecutions

500 Million Users Affected by Yahoo Hack

On 22nd September 2016, Yahoo! Inc. confirmed that 500 million email accounts—with 8 million of those belonging to UK citizens—had been compromised in a 2014 hack—making it one of the largest cyber security breaches ever recorded. Personal information including names, email addresses, phone numbers, dates of birth, encrypted passwords, and unencrypted security questions and answers were stolen in the breach.

If you have been hacked or suspect that you have been hacked, it is important that you change your passwords. Your new password should not be one that you have used previously and it should be complex—containing capital letters, numbers and symbols. In addition, you should also update and change all your security questions connected with your passwords.

Glasgow Company fined £60,000 for Making 1.6 Million Nuisance Calls

Omega Marketing Services Ltd was fined £60,000 after making 1.6 million nuisance calls in order to try and sell solar panels and other green energy equipment. The company ignored the rules for telephone marketing and had contacted people who had registered with the Telephone Preference Service (TPS) and had not given their permission to receive calls. In response, 177 people contacted the ICO to alert them of these calls and to formally file their complaints. In its investigation, the ICO discovered that the company had acquired the phone numbers from MyIML Ltd, a firm that had been previously fined £80,000 for also making nuisance calls.

GDPR Still Important for UK Companies

When the General Data Protection Regulation (GDPR) comes into force on 25th May 2018 in the EU, it will impact UK companies that wish to continue conducting business with mainland Europe—regardless of whether the regulations are adopted by the UK government. As your company now has less than two years to prepare and adopt the necessary measures, it would be advisable that you follow the step-by-step guidance that the ICO has outlined to ensure that your company is adequately prepared. The ICO's guidance can be found at https://ico.org.uk/for-organisations/data-protection-reform/guidance-what-to-expect-and-when.

Social Media 'Humanises' Companies

An estimated 1 out of 5 customers visit a company's social media accounts when they are considering making their initial purchase from that company, according to a survey conducted by online business review publisher, Trustpilot. This initial visit is vital, as potential business can almost instantly be won or lost during this interaction. To ensure that the initial visit is able to create the favourable impression that your company would like, your best strategy would be to establish a robust social media presence.

Companies that are active on social media are viewed as being more 'human', approachable and helpful by nearly 1 out 3 customers, according to Trustpilot. Along with this positive opinion, 31 per cent of customers tend to trust companies more if they have active social media accounts. To cultivate this welcoming environment, consider these suggestions:

- **Create a plan:** Your company's social media plan should outline the type of content that you want to share and promote, how often you will post, and how you will respond to comments and criticisms delivered by customers.
- **Organise regular polls and contests:** Both activities can actively engage your customers, build a rapport and gain valuable insight into their opinions.
- **Be an ambassador:** It is important that you publish content that humanises your company and allows you to build relationships with your customers. This could include posting useful content related to your product or service, highlighting customers' positive reviews or promoting special offers.
- **Publish engaging content:** Content with relevant images receives 94 per cent more views than the same content without visuals, according to marketing experts. In addition, cognitive studies have found that a person can retain up to 65 per cent of visual information after three days.

Whilst you implement these beneficial practices, here are several to avoid:

- **Sharing inconsistently:** Avoid posting only on holidays. It does not inspire much confidence if it is December and the last time your company posted on Twitter was to wish your customers a 'Happy Easter'.
- **Expecting too much:** Social media is not a cure-all that will quickly produce results. Just like any of your company's other marketing strategies, building a rapport and engaging your customers will take time.

The top

THREE REASONS

that people interact with a company's Facebook and Twitter are:

1. To receive offers/participate in competitions
2. To keep up to date with the latest news about the company
3. To receive more information related to their personal interests

Source: Statista

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