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# DBS to use 'tokens' to make i-banking safer

Customers will get pager-like devices in 2-step identity check programme

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**MORE SECURE:** Customers will soon have to log in using not only their current passwords, but also a randomly-generated number churned out by pager-like devices in order to authenticate their identities.

IN ABOUT three months, DBS Bank's Internet banking customers will start receiving pager-like devices in the mail that will help to boost the security of their online banking transactions.

Customers will log in using not only their current passwords, but also a randomly-generated number churned out by these devices - called 'tokens' - in order to authenticate their identities.

This system is known as 'two-factor authentication' (2FA) because it involves two levels of identity checks. It will help to thwart online attacks such as 'phishing' - a tactic used by hackers to steal i-banking customers' passwords.

Back in 2002, DBS was hit by a hacker who siphoned off about \$62,000 from customer accounts, but the bank has since tightened security and has been trouble-free.

DBS is spending millions of dollars to set up this system in line with the Monetary Authority of Singapore's rule that all Internet banking systems must offer this two-step authentication by the end of this year.

It plans to issue about 110,000 tokens free to its i-banking customers every month, starting from the fourth quarter of this year.

If a customer loses his token, he will have to fork out \$20 for a replacement.

The move by DBS, which has the largest i-banking customer base in Singapore of 850,000, is being closely watched as it may set the industry standard for the type of device used to implement 2FA.

Besides tokens, other devices available in the market include SMS-based tokens and 'bingo cards'.

The other local banks - United Overseas Bank (UOB) and OCBC Bank - have not announced the type of device they will use to implement 2FA.

UOB head of Internet services Wong Lee Hong said key factors include 'security and convenience'.

OCBC is 'in the final stages of evaluating vendors to supply the 2FA solution' and is mulling over the possibility of offering customers 'multiple types' of software and hardware tokens in the long term, said Mr Ricky Lim, the head of implementation for group transaction banking at OCBC.

DBS conducted several focus group sessions with active i-banking users and the tokens were 'the clear winner' because customers felt that it offered better security features, said Ms Pearlyn Phau, the head of DBS' Treasures Priority Banking and Internet banking in Singapore.

She said the investment in rolling out the system was 'hefty', but crucial for ensuring customer security for their nine million transactions a month.

Also, the Internet is the cheapest channel for servicing customers. For example, a funds transfer via the Internet costs the bank only about three cents, compared with \$2 to \$3 for a similar transaction at a bank teller, said Ms Phau.

DBS will provide assistance and details to all i-banking customers on how to use the tokens via its phone service, at ATMs and bank tellers, and on its website.

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