

# HSBC data loss case has implications for customer loyalty: ArmstrongAdams survey

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London, Wednesday, 29th July, 2009: Last week, three HSBC firms were fined more than £3m by the Financial Services Authority (FSA) (<http://news.bbc.co.uk/1/hi/business/8162787.stm>) for failing to adequately protect customers' confidential details from being lost or stolen - but the potential longer term damage to customer loyalty could be equally painful according to recent research carried out by Ipsos MORI on behalf of information risk management specialist ArmstrongAdams (<http://www.armstrongadams.com/>).

For example, the survey found that 26pc of those described as "wealthy achievers" were "very likely" to switch, with 60pc of people with "moderate means" saying they would be "likely" to change banks as a result of personal customer detail loss.

According to ArmstrongAdams Director Tim Kipps: "The recent HSBC case shows that all organisations need to take data loss prevention very seriously. To HSBC's credit, the firm has acknowledged responsibility and has invested substantially in new procedures and staff training as a result. However, our survey clearly shows the continuing concerns that British consumers have with regard to the security of their personal information held by British banks. Banks and financial institutions of all sizes need to consider the survey's findings in the light of operational risk, financial risk, reputation risk, market risk and strategic risk. Information is the golden thread that binds together all these forms of risk. By definition, information risk management is a vital part of the constant effort needed to ensure that business and customer value is created rather than destroyed."

As previously released results from the survey showed, 19% of bank account holders said they were "certain" to switch accounts.

For further detail on the overall survey results, please contact Tim Kipps at ArmstrongAdams on +44 (0)20 7649 9999 or e-mail: [tim.kipps@armstrongadams.com](mailto:tim.kipps@armstrongadams.com)

## About the survey

The survey was carried out using Ipsos MORI's In Home Face to Face Omnibus service, CAPIBUS, from 13-19th March 2009. A nationally representative sample of 985 adults, aged 16+ (excluding those without a Bank Account) in GB were interviewed, with data subsequently weighted to the known profile of this population (Quota sample from 189 sample points).

## About ArmstrongAdams

ArmstrongAdams is the UK's leading independent information risk management solution provider, helping large organisations better protect their most vital systems and information assets. Unlike larger generalist IT security service firms, ArmstrongAdams delivers a faster, more flexible, more dynamic, and more business focused approach to information risk management and IT security.

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