

Is your cash safe from a nightmare on the net?

Andrew Don on the threat from terrorists in cyberspace

MOST OF US are aware of the threat from terrorists, but how many are ready for a cyber-attack that could eliminate our worldly wealth?

There are many ways this could happen, including:

- destruction of all electronic records;
- electrical and telecommunications wipeout;
- localised hacking or data destruction and tampering.

It is not inconceivable that unless you have your own up-to-date records, a cyber-terrorist attack could, at best, seriously inconvenience you, or at worst, permanently gobble up your cash.

Imagine after such an attack you have urgent need for a couple of hundred pounds. You cannot get any cash out of an automatic teller machine because the

network has been wiped out and there is no record of you having a bank account, let alone whether you have anything in it.

You have no paper proof because you've thrown all your statements away and even if you have a CD or a tape with all your records scanned in, you cannot get to it because the electricity supply is off and the four-hour battery on your laptop has long since gone flat.

Your protestations that you have just paid off your mortgage or, just before the attack, electronically transferred a lump sum from your current account into your individual savings account falls on deaf ears.

Financial institutions could find themselves, in the case of prolonged or permanent loss of records, presented with hordes of people who claim to have been multimillionaires.

Without your own personal records, proving you should have £10,000 in the bank rather than £100, will be near impossible.

The White House takes the threat seriously. It has already said Osama bin Laden's cohorts are interested in cyber-warfare and have expertise in the area.



'There is no record of you having a bank account, let alone anything in it'

Corbis

But the Tory Shadow Minister for Economic Affairs, Michael Fabricant, who believes Britain is a 'prime target' for cyberterrorism, says the UK government does not take the threat seriously enough and is 'inviting trouble'.

He says it is all very well banks mirroring their databases, but a cyber-attack could wipe out the backups as well or prevent them from being accessed, even if for a short time.

The Home Office insists it is addressing the issue and formed the National Infrastructure Security Co-ordination Centre (NISCC) in 1999 as a single point of contact on electronic attack.

But a Home Office spokesman admits: 'The US has put more money into this issue but this reflects the greater dependence that the US has on interconnected systems. It is for companies to take responsibility for IT protection and security issues themselves.'

Financial Services Authority (FSA) regulations require banks to have robust continuity plans in place and the Treasury has established a 'Memorandum of Understanding' with the Bank of England and the FSA providing a framework for co-operation in the area of financial stability.

Anthony Foy, group managing director of disaster recovery specialist and data centre provider Interxion, claims financial institutions are 'streets ahead' of other industries in protecting and planning for cyberterrorist attacks.

But Simon Hills, a director in the risk and regulation team at the British Bankers' Association, says: 'Realistically, it is impossible to know what might happen in the event of a major cyber-attack on Britain. Banks recognise that they are highly dependent on information technology and communication systems and are constantly

testing them to ensure resilience.'

He believes the likelihood of a bank permanently losing a customer's details are 'small', but emphasises it is good practice for individuals to maintain proper records of all their financial assets and hold them in a safe place or with a solicitor (see box).

Not everyone is good at maintaining their own records. Norwich Union, for example, says about 25 per cent of customers misplace important documents.

Michael Wolf, marketing director of IT Global Services Group, a specialist network security PR company, agrees that people rely too much on financial institutions keeping records for them. Foy says banks are implementing online data backup-and-restore systems which transmit data across the internet in 'real time' and house it in secure off-

site locations. 'This means a terrorist attack in one country will not result in total data loss for the organisation,' he says.

But Mark Ellery, business operations director of Hitachi Data Systems, which provides data storage solutions to banks, says even though electronic copies of bank statements may be held at various sites across the globe 'it is possible for sophisticated cyber-attacks to spread like wildfire across an organisation's entire computer system. Anything that's linked up could be affected'.

Julian Dean, managing director of Thinking SAFE, a company specialising in computer backup and storage, says the public need to ask the question: 'If I had to lose all my credit cards tomorrow how would I cope for a week? Do I have cash available as a buffer for a few days?'

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- Pension provider and policy number
- Insurance providers and policy numbers
- Tax and National Insurance reference numbers
- Numbers of premium savings bonds and national savings certificates or accounts
- Company, holding and registrars of any shares held
- Details of any other financial or business interests, including tax payments
- Cash till and paying-in receipts
- Cheque book stubs, savings books, TV licence
- Policy bonus notices and share dividend records
- Bank and credit card statements
- Property transactions, rent payment receipts, rent books, correspondence
- Account passwords and Pins (separate from each other)
- Keep copies in a sealed envelope with someone you trust