

NAVIGATOR

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DATA BREACH SURVEY

Navigator Ltd. & McCarthy Tétrault

APRIL 2015

Technical





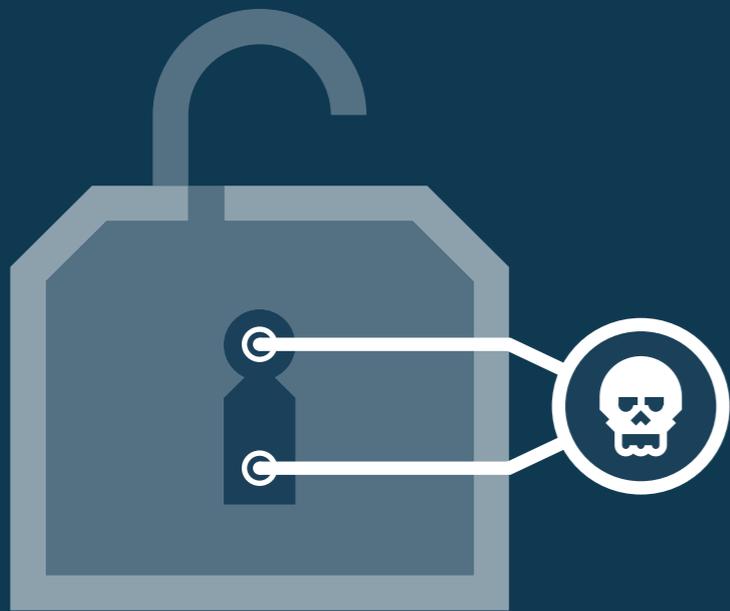
Navigator is pleased to present the findings of a nationwide online survey conducted in February 2015 among adult Canadians, 18 years of age or older.



The study was conducted on a proportionate to provincial population basis among a sample of 1500 respondents.



A random sample of 1500 respondents would yield a margin of error of +/- 2.53 percentage points, nineteen times out of twenty.



“Data breaches” are a loss, unauthorized access to or unauthorized disclosure of individual’s personal information by an organization holding data.

Data Breach Survey



Attitudes of Data Breaches, Cyber Attacks, Information Losses

1.

High consumer awareness and substantial public concern

2.

A hierarchy of factors contribute to breaches

3.

Concern within the population is rising

4.

Concern varies by sector, with high levels of concern associated with FIs

5.

Blame for retail breaches is aimed squarely at retailer

6.

Behavioural changes in response to retail breaches are limited.

7.

Consumers reject breaches as the new normal

8.

Immediate responsiveness and disclosure is key

9.

A clear and strong demand for stronger laws and regulations emerging

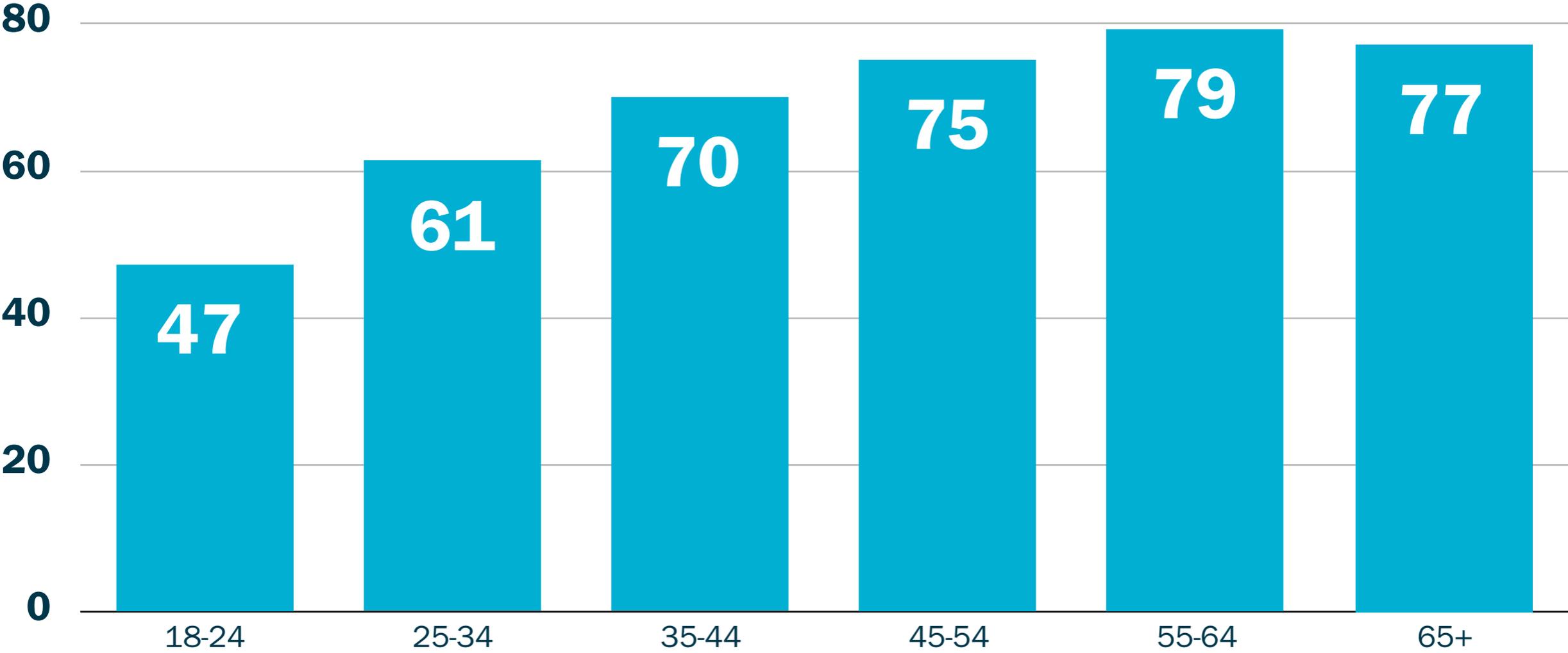
70%    

High public recall of data breaches is apparent

13% NO

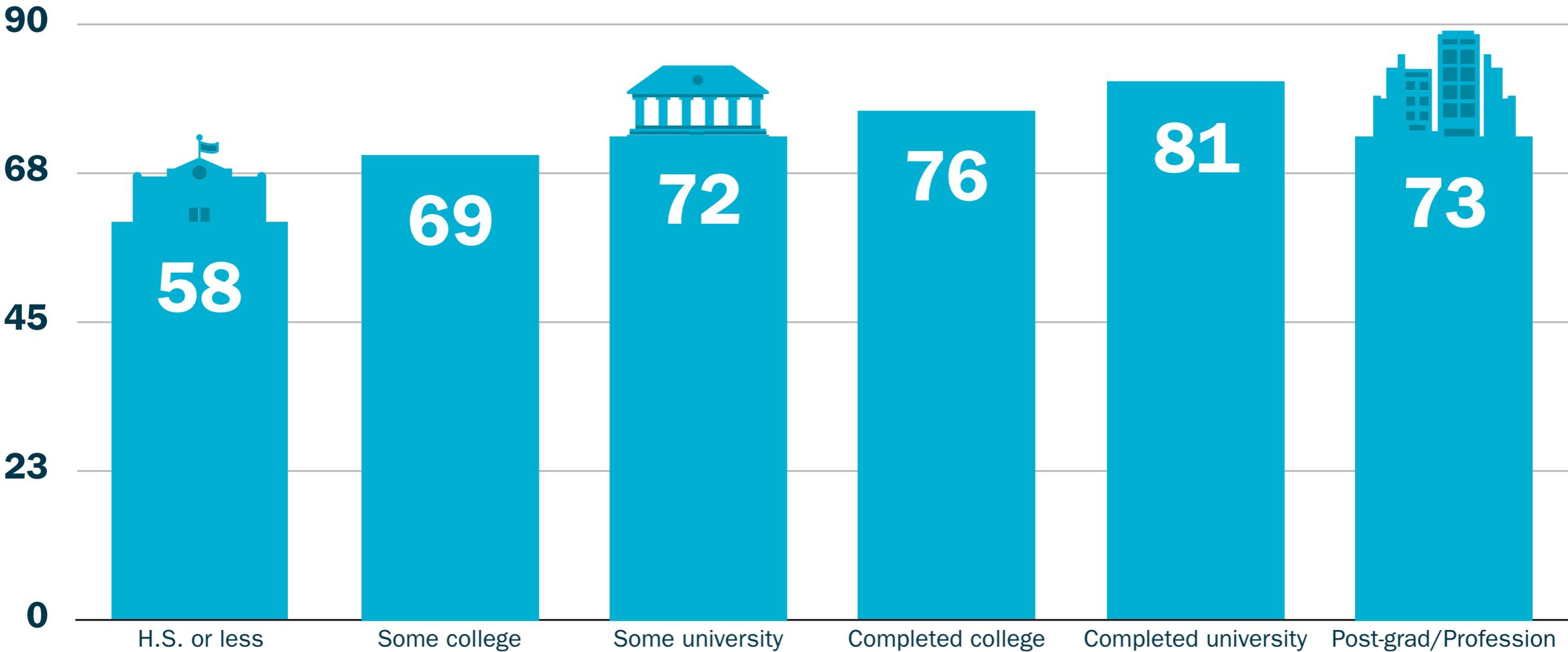
17% NOT SURE / DON'T THINK SO

Recall tends to rise with age



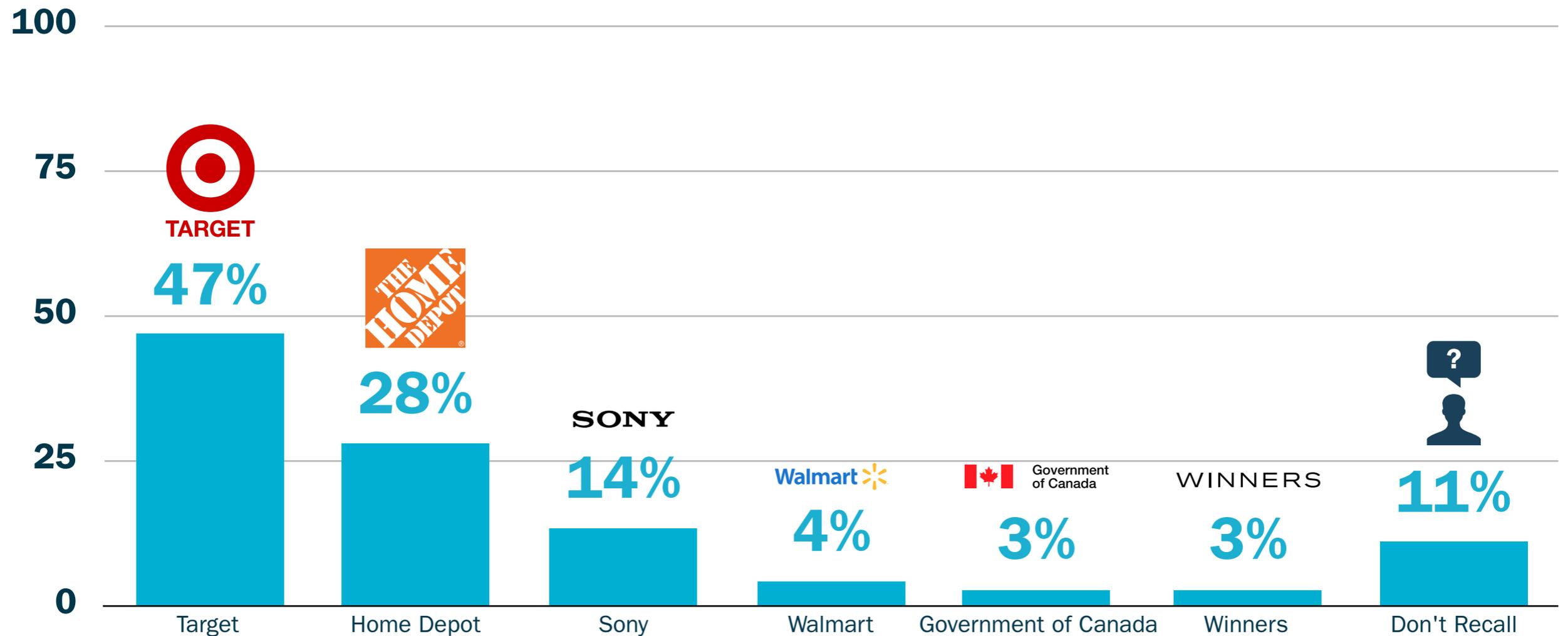
Q8: Thinking back over the last year or two, do you recall seeing, hearing, or reading about any incidents where retailers or other organizations have been the object of a cyber attack where they have been hacked by outsiders who have gained unauthorized access to confidential customer information?
Base: n=1501

And education

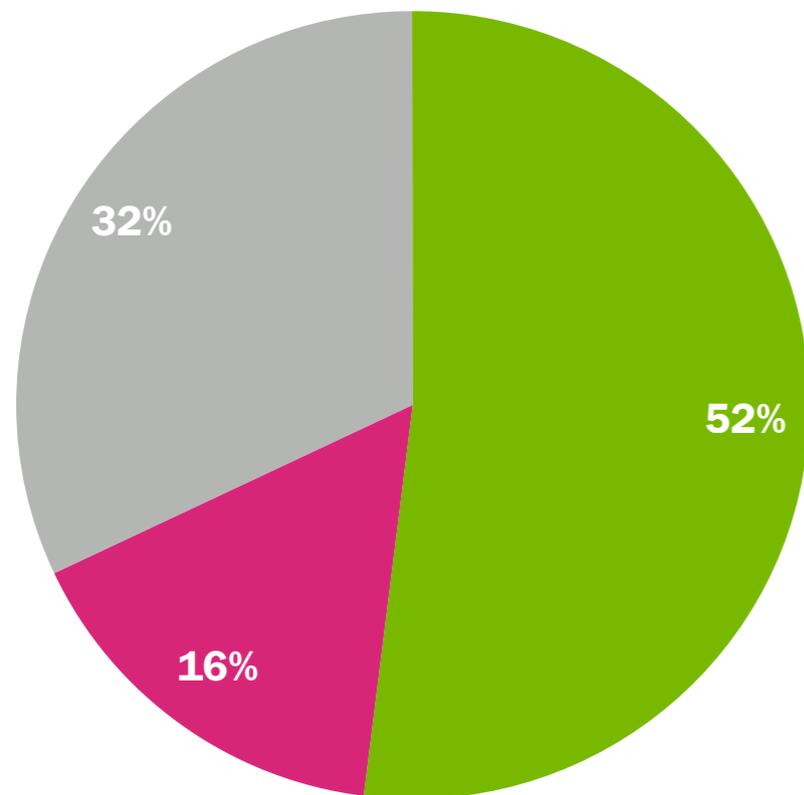


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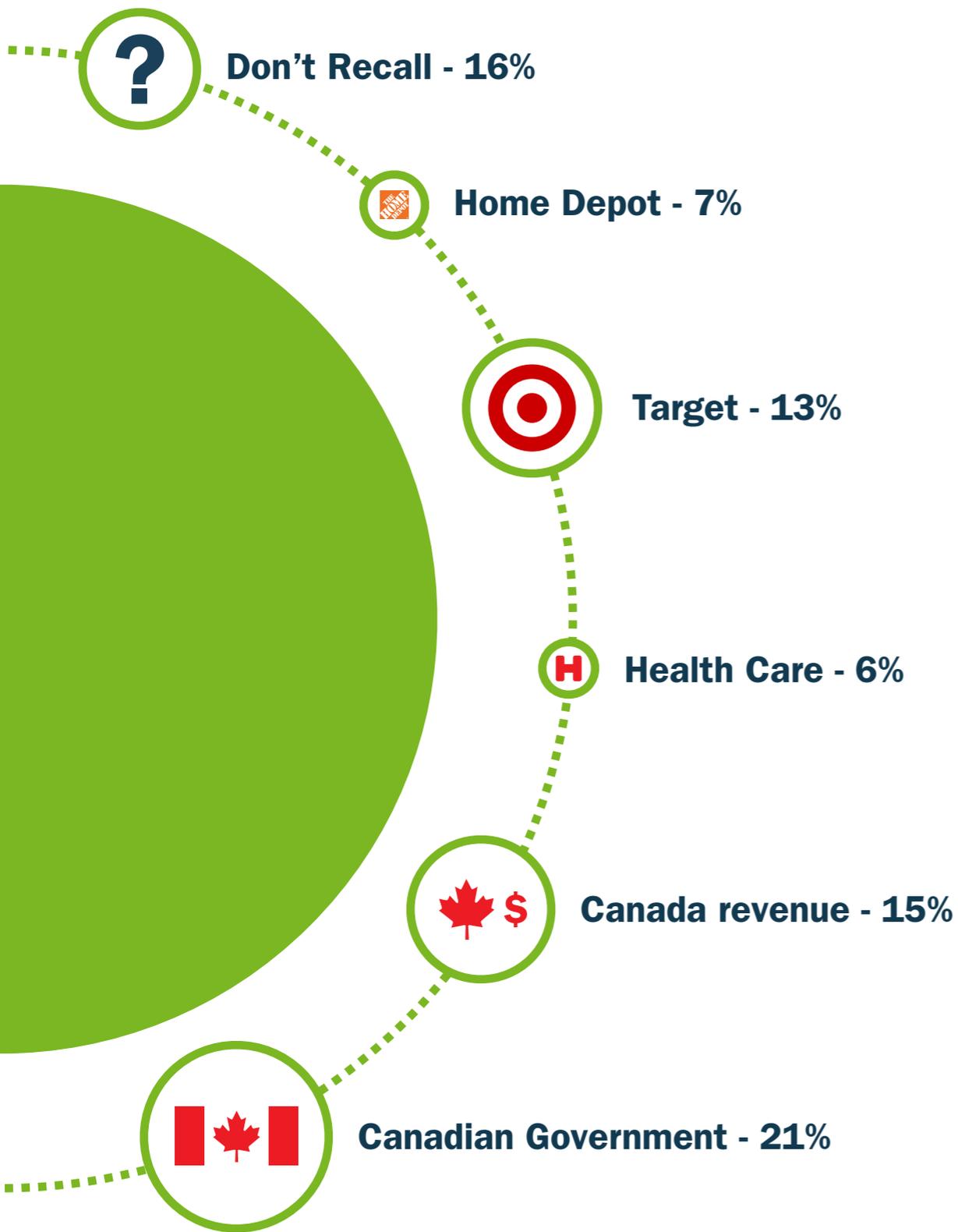
Identification of retailer or organization that has been hacked



Q9: Can you recall a specific retailer, company, or organization that has been hacked and the security of customer information has been compromised?
Base: Total n=



Half the population reports awareness of data losses



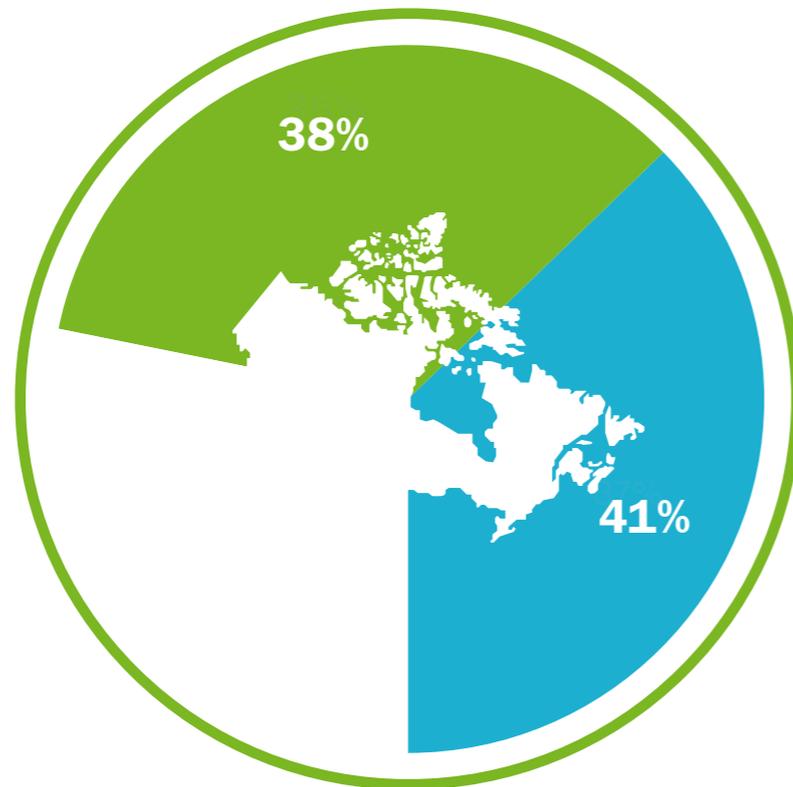
Recollection of specific organization that lost data or information



About one-in-ten Canadians report that they have been personally affected by a cyber attack

73% NO

15% NOT SURE / DON'T THINK SO

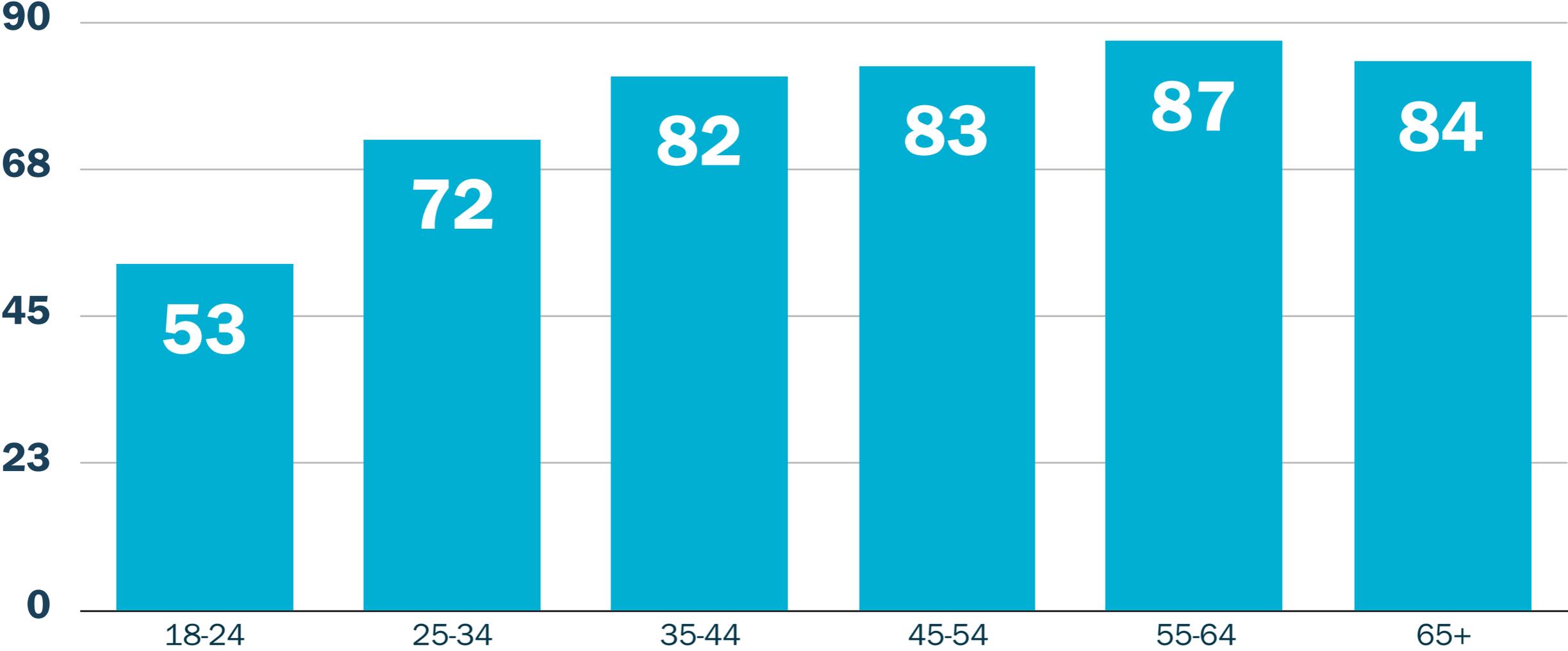


- Very concerned
- Somewhat concerned

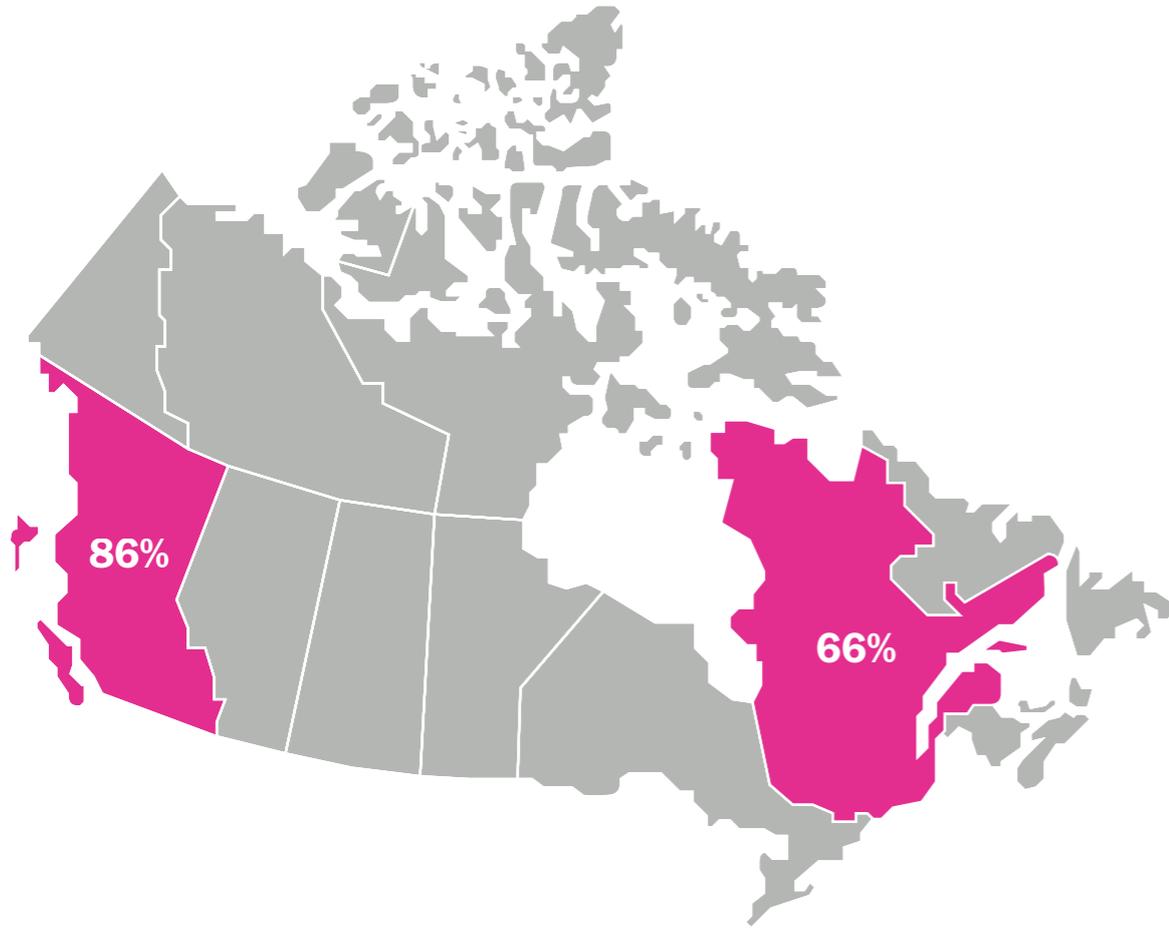
Widespread and strong concern about data breaches in Canada exists

Q13: Over the last couple of years, several companies and organizations — including retailers like Home Depot and Target, federal government agencies and others — have experienced data breaches where information has been lost or hacked. In some cases, the breaches have resulted in an unauthorized third party gaining access to consumer or personal data, including information on customers' credit cards, debit cards and other personal information. How concerned are you personally about these types of data breaches at retail stores and other organizations in Canada? Would you say you are...
Base: Total n=1501

Concern about data breaches (79%) rises with age



Q8: Thinking back over the last year or two, do you recall seeing, hearing, or reading about any incidents where retailers or other organizations have been the object of a cyber attack where they have been hacked by outsiders who have gained unauthorized access to confidential customer information?
Base: n=1501



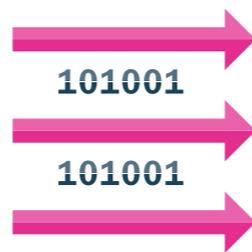
**...Is most pervasive in BC (86%)
and lowest in Quebec (66%)**

Extent to which specific factors contribute to breaches



91%

Increasingly sophisticated hackers



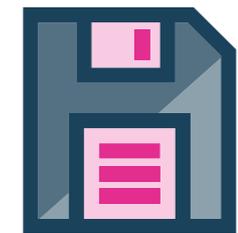
89%

A legitimate challenge keeping up with changes



87%

A worldwide inability to fully protect and encrypt information

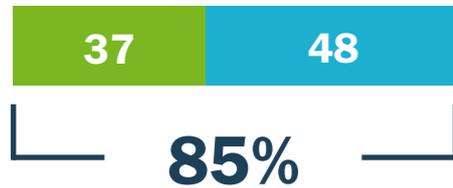


87%

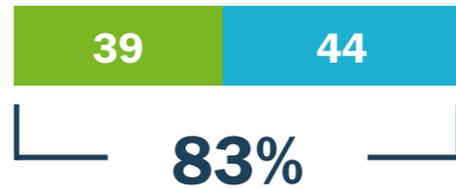
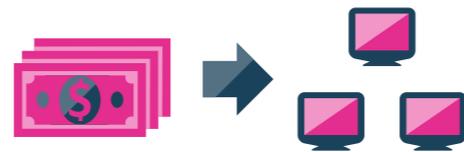
Lax or outdated security measures and practices within many companies

Q15-18: Based on what you know, how much do each of the following contribute to data breaches that have occurred within organizations including retailers, companies and governments over the last couple of years? Have they contributed a great deal, somewhat, not very much, or not at all?
Base: Total n=1501

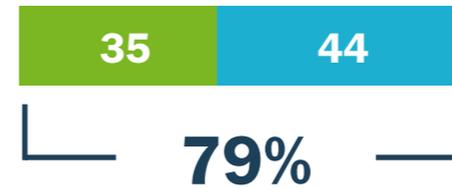
Extent to which specific factors contribute to breaches



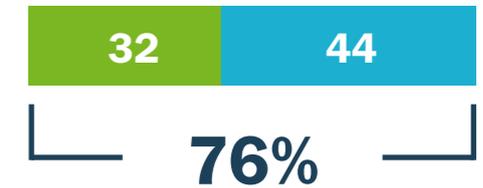
Lack of action by consumers to protect themselves



Unwillingness of companies to pay the costs to maintain and update security



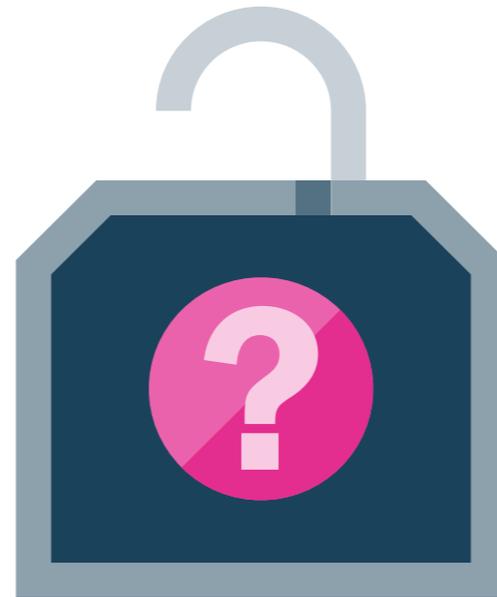
An absence of more government regulation

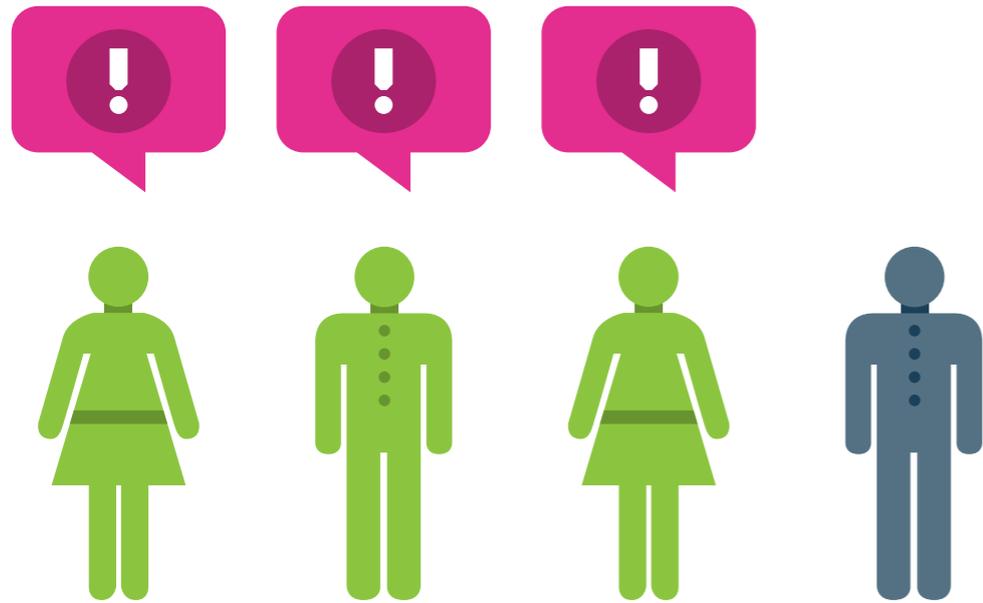


Dishonest employees who steal or sell company information

Q19-22: Based on what you know, how much do each of the following contribute to data breaches that have occurred within organizations including retailers, companies and governments over the last couple of years? Have they contributed a great deal, somewhat, not very much, or not at all?
Base: Total n=1501

Incidences of data breaches have increased

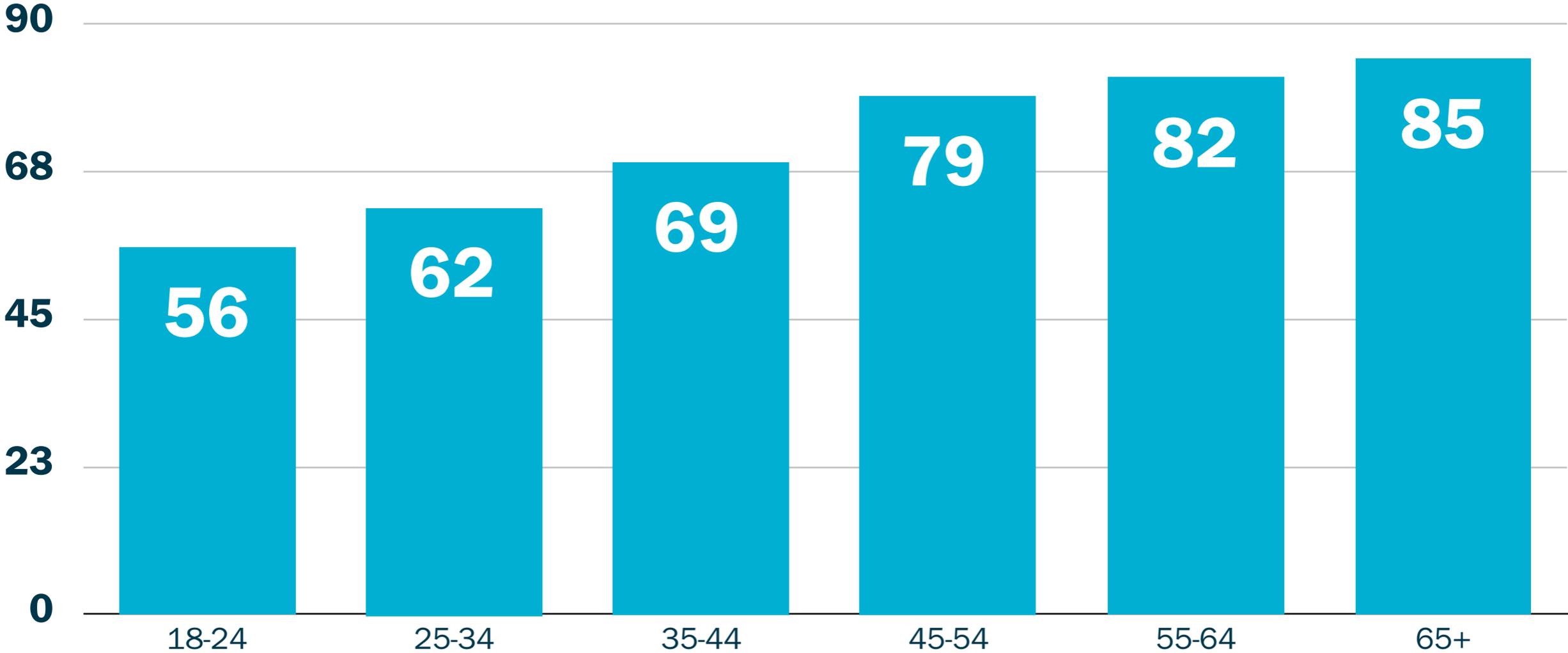




Three-quarters of Canadians worry about data breaches more today than in recent past

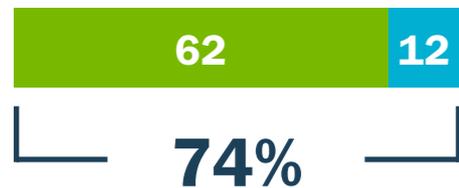
Q24: Data breaches by companies have occurred a number of times over the last few years. Some people say that because these have become more common, they are less worried about data breaches than they used to be. They say that data breaches are to be expected in a highly automated world that relies on the Internet and will always be subject to hacking attempts. Other people say that even though data breaches are more common, they are more worried about such breaches than they used to be. They say that data breaches are unacceptable even in a world that relies on the Internet and will always be subject to hacking attempts. Which view is closest to your own?
Base: n=1501

Personal concern about data breaches is limited among youngest segment, but rises in direct correlation to age



Q24: Data breaches by companies have occurred a number of times over the last few years. Some people say that because these have become more common, they are less worried about data breaches than they used to be. They say that data breaches are to be expected in a highly automated world that relies on the Internet and will always be subject to hacking attempts. Other people say that even though data breaches are more common, they are more worried about such breaches than they used to be. They say that data breaches are unacceptable even in a world that relies on the Internet and will always be subject to hacking attempts. Which view is closest to your own?
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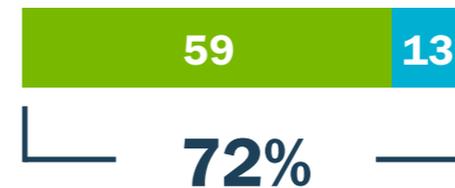
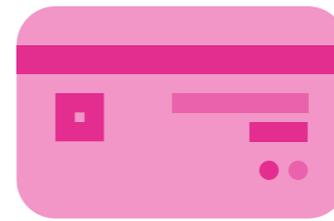
Data breach concern is highest at government agencies and financial institutions



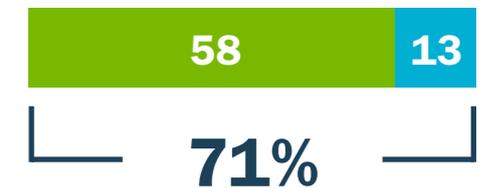
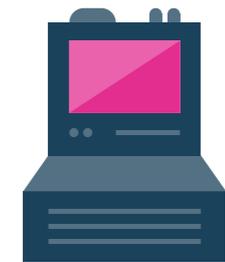
At a federal government agency like Canada Revenue Agency



At the bank or credit union that you deal with for your primary banking needs



At the credit card company that you deal with (e.g. Visa, MasterCard, American Express)



At the companies that provide debit card services, like Interac

Q25-28: Data breaches have occurred at a variety of different types of companies and organizations over the last few years. Please indicate how concerned would you be about a data breach that might occur at each of the following. Please select a number between 1 and 7, where "1" means you would not be concerned at all and "7" means you would be very concerned.
Base: Total n=1501

Majorities express concern about potential breaches at medical facilities, investment firms and retail outlets



66%

At the Canadian Passport Office



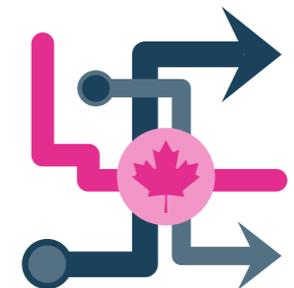
61%

At a hospital, medical clinic or doctor's office



60%

At a brokerage or investment firm that you deal with



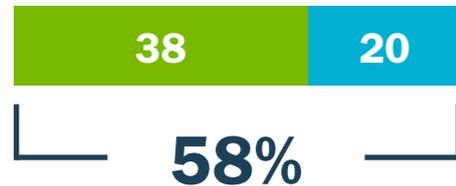
59%

At cross-border or international retailers that operate in Canada like Wal-Mart

Q29-32: Data breaches have occurred at a variety of different types of companies and organizations over the last few years. Please indicate how concerned would you be about a data breach that might occur at each of the following. Please select a number between 1 and 7, where "1" means you would not be concerned at all and "7" means you would be very concerned.
Base: Total n=1501

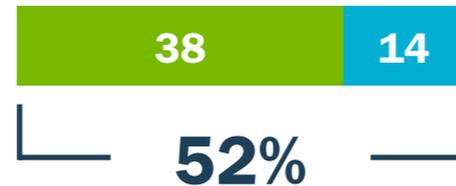
About half of respondents express concern about potential breaches at...

Canadian Retailers



At a retailer in Canada, like Canadian Tire or The Bay

Law Firms



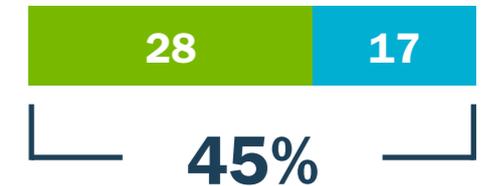
At a lawyer's office or law firm that you might deal with

Workplace



At your place of employment

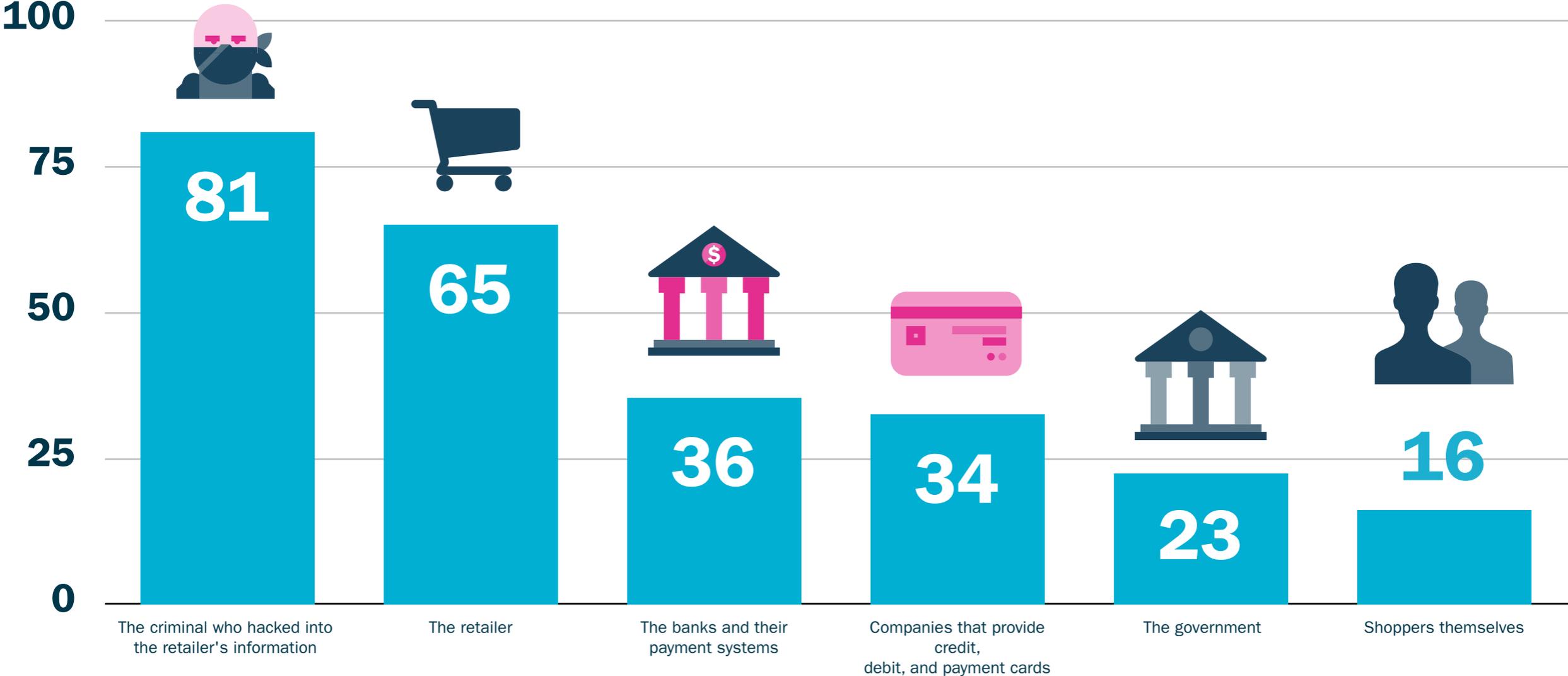
Charitable Organization



At a charitable organization that you may take contributions to

Q33-36: Data breaches have occurred at a variety of different types of companies and organizations over the last few years. Please indicate how concerned would you be about a data breach that might occur at each of the following. Please select a number between 1 and 7, where "1" means you would not be concerned at all and "7" means you would be very concerned.
Base: Total n=1501

Retailers bear the brunt of corporate blame when breaches occur at retail outlets

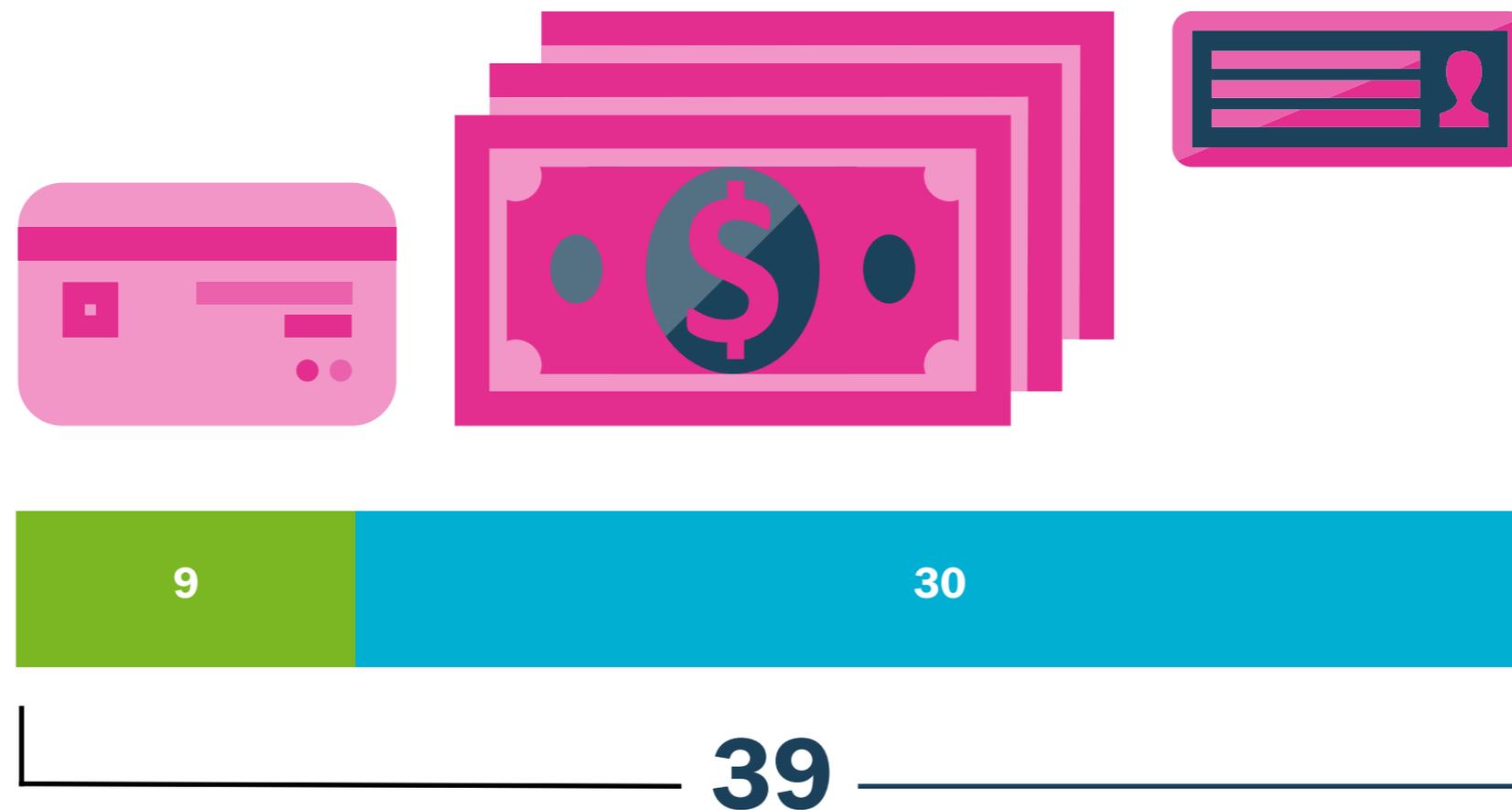


Q37: When a data breach occurs at a retailer, which of the following do you hold responsible? PLEASE CHECK AS MANY AS APPLY
Base: Total n=



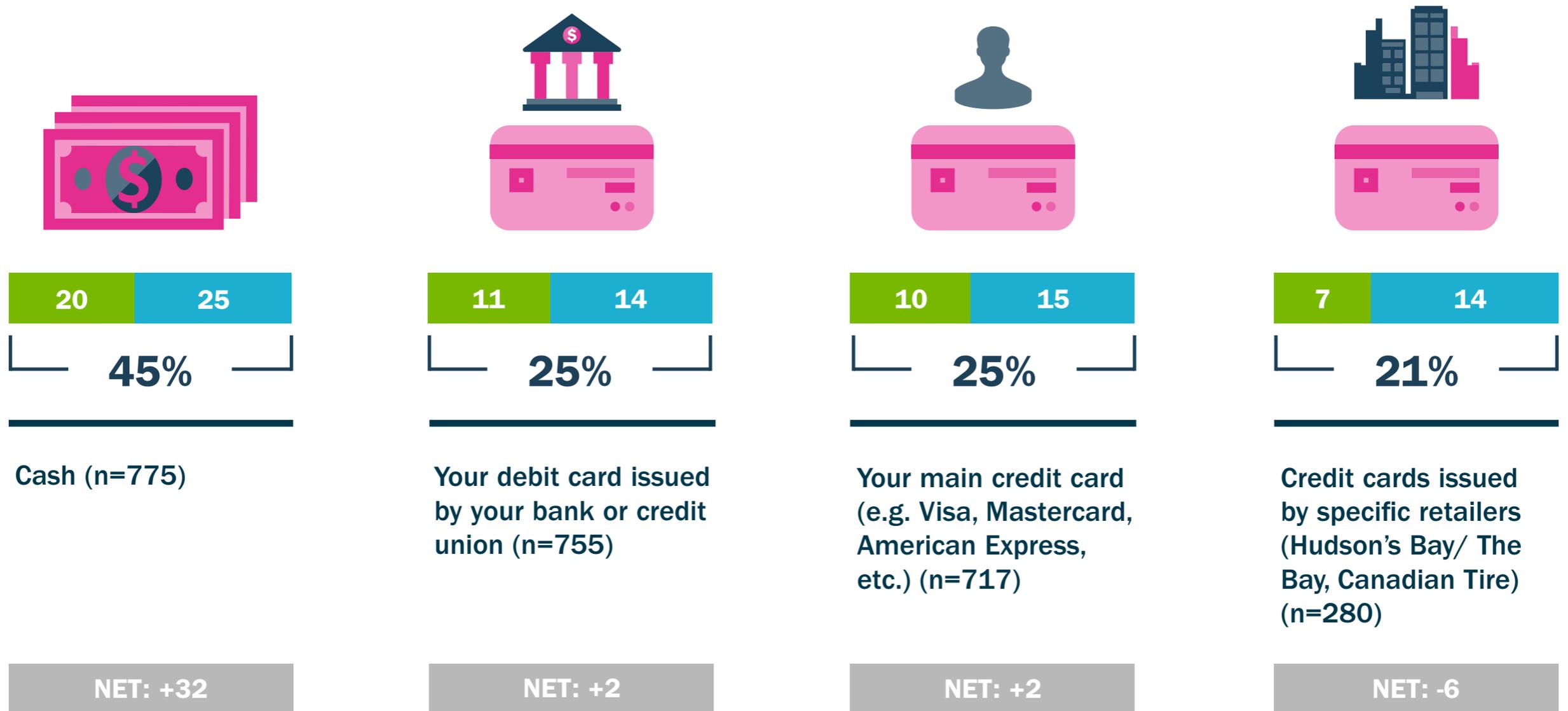
49% of Canadians are likely to identify the retailer as responsible for fraudulent charges resulting from a breach (29% credit card company; 16% banks; 30% all equally)

Despite pervasive concern, only a minority of Canadians report making changes to their means of payment



Q39: Given that data breaches have occurred among retailers, have you changed how you pay for items that you buy at retailers? Would you say that the way in which you pay when shopping at retail stores has...
Base: Total n=1501

Among those who have made changes to how they pay, increased use of cash is the most notable shift



Q40-42: For each of the following, please indicate how your use of payment options has changed. Are you using each one...
Base: Total n=717

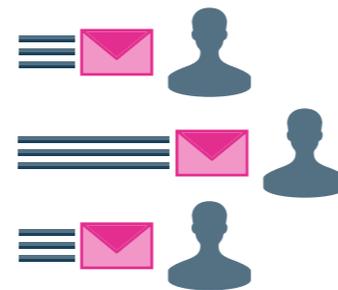
What actions do organizations need to take in the event of a breach to satisfy consumers:

Respond Immediately



66%

Immediately move to assure customers they will be reimbursed



62%

Immediately disclose the data breach to all customers



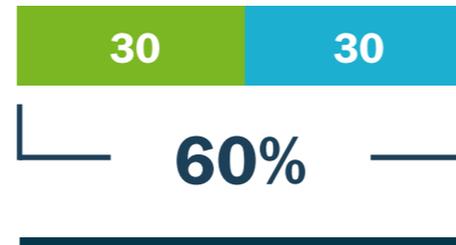
61%

Immediately disclose the data breach to the government regulator

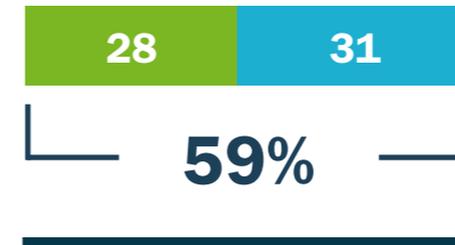
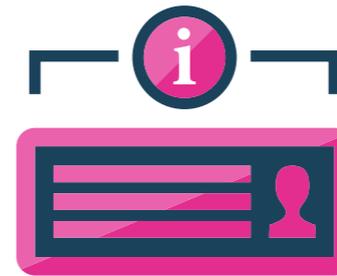
After immediate notification, consumers demand provision of instructions and help



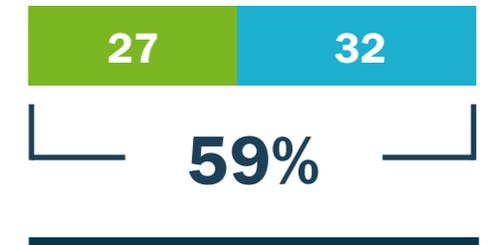
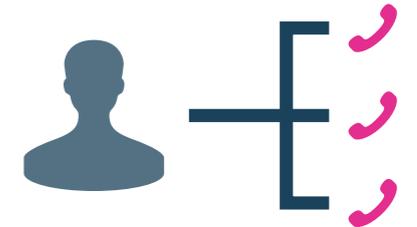
Provide clear information and instructions on how to protect themselves



Provide customers with a free-of-charge credit monitoring service for a period of one year



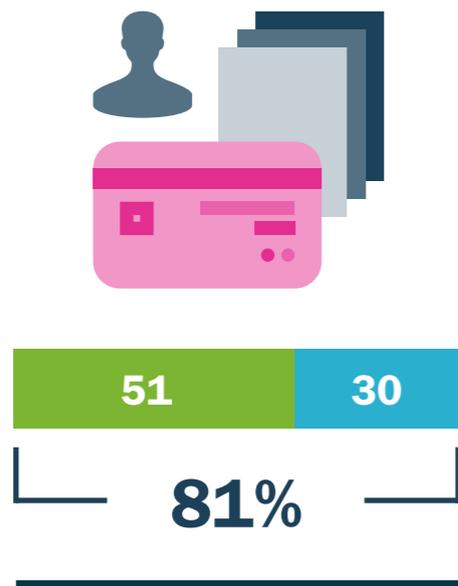
Provide customers with information on how to protect their identity



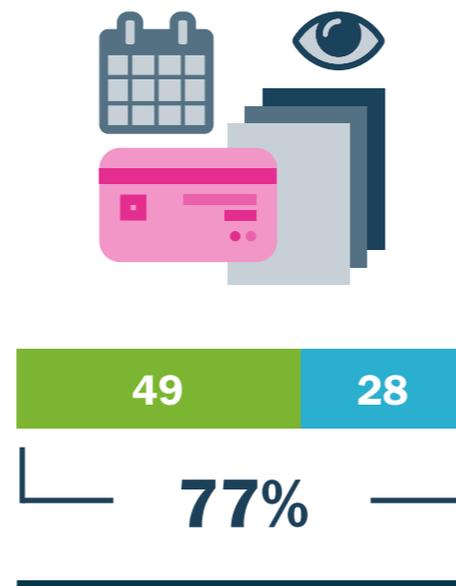
Set up a call centre as a customer point of contact

Q51-54: Different companies and organizations have responded in different ways when they have experienced data breaches that affect the security of customer or client information. For each of the following, please indicate whether you believe that the response is satisfactory or not.
Base: Total n=1501

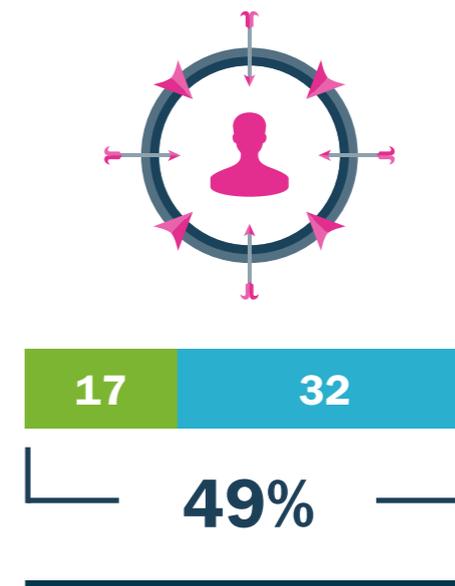
Consumers recognize a personal responsibility to protect their information, but understand some risk around the provision of personal information



It's at least partly my responsibility to check my credit card and bank statements regularly



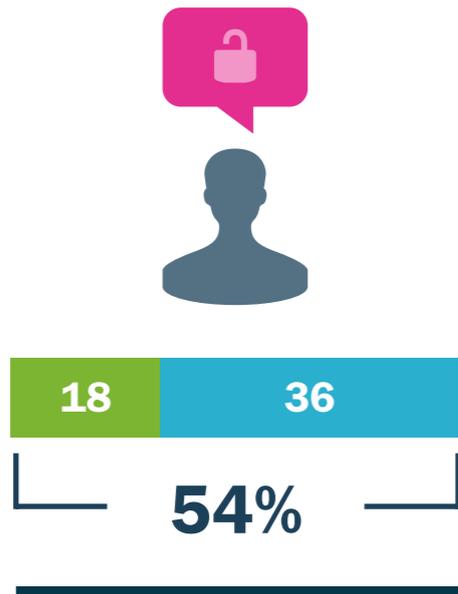
Checking my credit card statements and my banking statements is something I do regularly



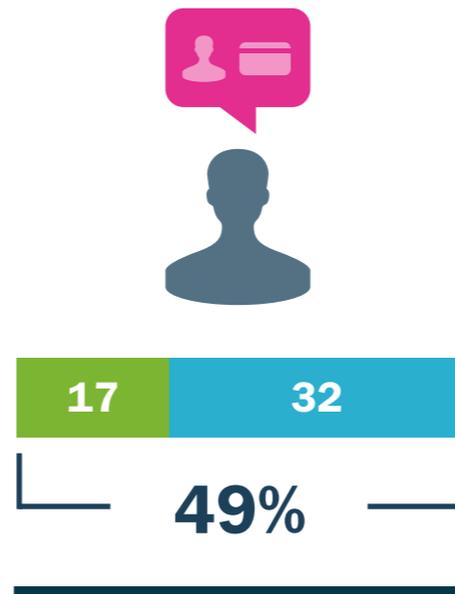
I know that in an age when my personal information is available through many sources, some of it may be at risk

Q47-58: Different people have different views on issues around data breaches. For each of the following, please indicate the extent to which you agree or disagree.
Base: Total n=1501

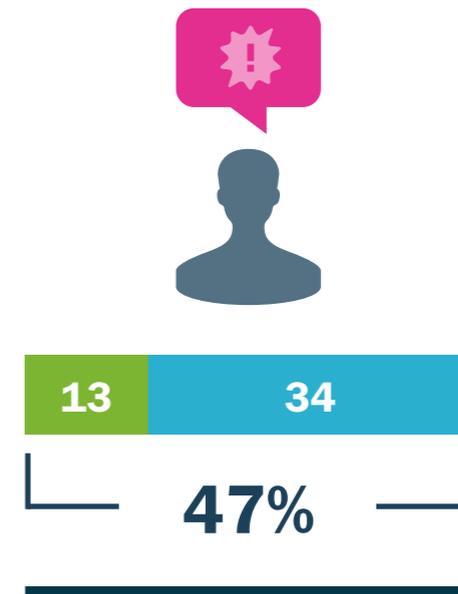
Some acceptance of risk is apparent among about half of the population



If we are going to provide personal information to organizations we have to expect that there is no way to guarantee its security

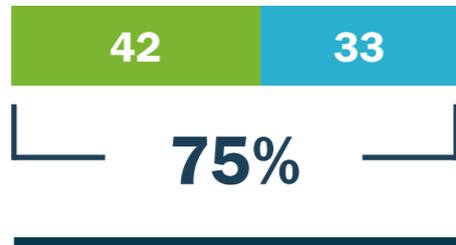


I worry about the security of of my personal information every time I make a transaction that involves my credit card or debit card

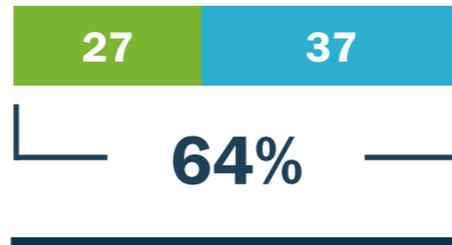


If I am going to use payment options that rely on technology, I just need to accept that there can be breaches

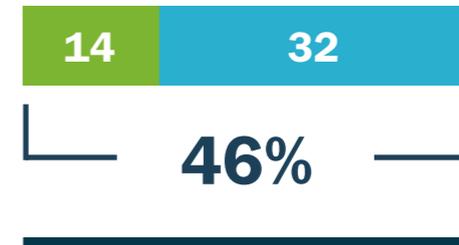
A clear demand for stronger laws and regulations around protection of consumer information emerges



Much tougher laws and regulations about security are needed to better protect consumers and customers



Data breaches will not be effectively dealt with until government and regulators impose much stricter rules



Companies really won't take the issues of data breach seriously until they are sued

Implications of the Research

- Public concern about possible breaches is high and rising, creating significant public anxiety.
- The level of concern about potential breaches at a range of organizations is tied to the amount, depth and sensitivity of information organizations hold about individuals. As a result, the highest concern emerges around federal agencies and financial institutions.



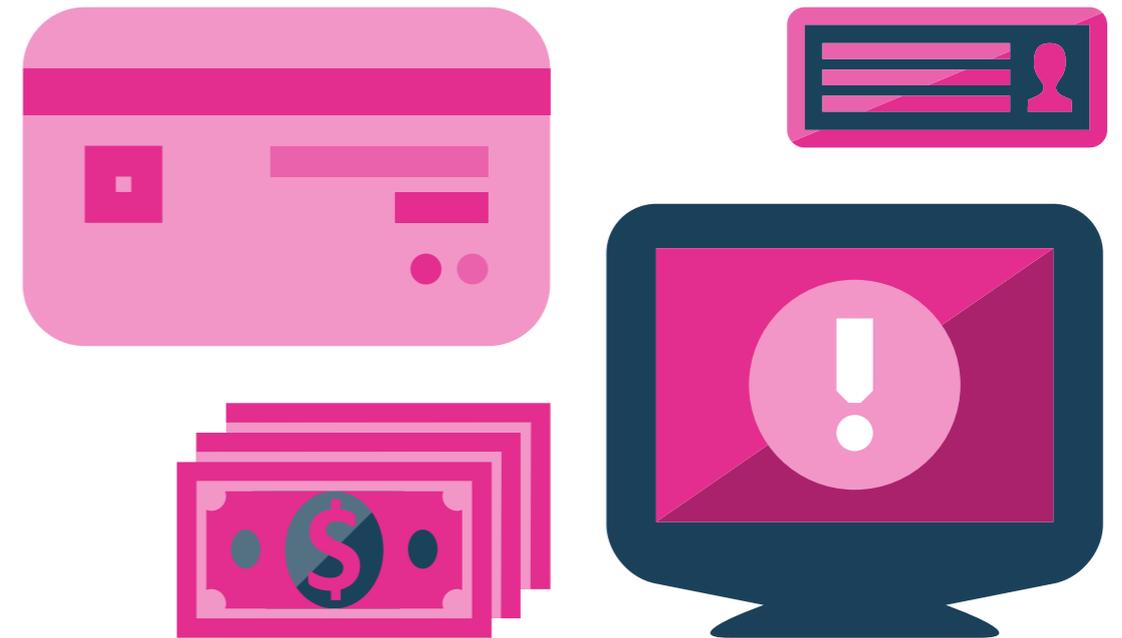
Implications of the Research

- Canadians hold those who experience breaches or cyberattacks as responsible.
- Few will accept any deflection of responsibility or liability in the event of a breach that affects the security of personal information or transactions.
- The demand for responsiveness in the event of a breach across all sectors should not be underestimated. Canadians expect immediate action that alerts them of a breach, assures them about reimbursements, and immediate disclosure to the appropriate regulator.



Implications of the Research

- High levels of public demand for greater regulation and laws around the security of information across all sectors and for all organizations holding individuals' information suggests government could move quickly to meet public expectations.



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