

But it can pay to expand the number of institutions you bank with, including digital-only banks that may have attractive offerings to help you optimize your savings. So what methods can you use to evaluate a digital bank's security? Citizens Access founder John Rosenfeld gets you started with these three steps." />

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education | money myths

myth 2: "Brick-and-mortar banks are more secure than digital banks"

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As more and more elements of our lives move online, security is a consistent concern. Are our identities safe? How susceptible is our financial data? Which institutions are worthy of our trust?

[The Global State of Digital Trust Survey and Index 2018](#), from CA Technologies, shows that just 49 percent of consumers are willing to provide their personal data in exchange for digital services.

And a Forbes Insights survey of 1,087 US-based banking customers in Q3 2018 reveals similar concerns, specifically about digital banking.

39%



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But it [can pay to expand the number of institutions you bank with](#), including digital-only banks that may have attractive offerings to help you optimize your savings. So what methods can you use to evaluate a digital bank's security? [Citizens Access](#) founder John Rosenfeld gets you started with these three steps.

1. Confirm FDIC Insurance

[Standard FDIC insurance](#) covers assets up to \$250,000, so you'll want to make sure your bank has it. That insurance not only offers financial protection but can also be an overall indicator that the bank is soundly managed.

To verify that a bank is FDIC-insured, use the [FDIC Bank Find](#) tool. The tool will also tell you if there is a parent bank, when it was established and who regulates it. Rosenfeld notes that you may also consider extending coverage beyond the \$250,000 with different account ownership structures, or by adding up to 5 beneficiaries. ([FDIC covered deposits](#))

2. Scrutinize Security Measures

48% of people who think it's less safe to bank digitally feel there is more opportunity with a digital bank to mishandle data

But trustworthy digital banks use measures such as secure data encryption and multifactor authentication practices to guard personal information and accounts. And because digital banks are often built on new technology platforms, they're able to easily employ critical security upgrades and new tools to remain vigilant as security risks evolve.

“If they’re not asking you to authenticate yourself well, then they’re probably not asking the bad guys to authenticate themselves well, either.”

— John Rosenfeld, founder, Citizens Access

Here are some specific techniques to look for:

“Wallet” Questions

Are you being asked questions to confirm your identity, for instance, the color of your first car or an address where you once lived? The bank can gather that information from vehicle registration or public credit report data records, Rosenfeld says, and then will use it to verify your identity. These are typically questions you will readily know, but others would not.

Multifactor Authentication

In addition to a password, the bank could ask you to enter unique, temporary codes generated by an app or text before accessing account information

Biometric Authentication

Fingerprint, voiceprint or retinal scans can add another line of defense

Alerts

Help you keep a close eye on account activity, like large withdrawal notifications

Device or IP Screening

You may be required to complete additional steps if you access your account from a different computer or mobile device, or from a different network or geographical location

3. Consider the Complete Organization

35% of people who think digital banking is less safe feel that way because the banks are newer and lack the track record of traditional institutions

So research the organization itself -- some digital-only banks are part of larger, well-established organizations that have decades of experience in the financial industry. If you prefer that choice, you can seek out the best of both worlds.

With some simple steps you can evaluate the safety of digital banks and then benefit from the convenience and rate advantages that they offer your financial portfolio.

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