

Press Release

CFS survey: The issue of cyber security must be on every financial industry agenda

FRANKFURT, 19 October 2016. The issue of cyber security is of central importance. Germany's financial industry is in firm agreement on this point, attributing it a significance of high (20%) to very high (75%). This is shown by a current survey of financial institutions and service providers in the Financial Centre Germany conducted by the Center for Financial Studies. However, the industry is also largely in agreement (78%) that the issue is not being sufficiently addressed at the moment.

Most of the financial industry only expecting some measure of support from FinTechs

Only 8% of the survey participants expect significant support from FinTechs in the area of cyber security. Half of them (51%) believe their company will receive at least some measure of support. On the other hand, 29% are anticipating little support from FinTechs, and 7% none at all.¹

"The issue of cyber security is a key topic for the future, and in fact it is tailor made for young technology companies. I therefore expect we will soon see more start-ups in this area," Professor Volker Brühl, Managing Director of the Center for Financial Studies, interprets the results.

Cyber security can become a competitive factor in the future – Establishing European data centres is seen as important to crucial

The large majority of the financial institutions (86%) is in agreement that the issue of data security can become a competitive factor for financial service providers. Only 12% do not believe this is a relevant point.

Since a large amount of data from European users is stored by social networks in the US, the necessity of providing data centres for critical data in Europe is under discussion. The majority of the financial industry (59%) believes it is important to establish such data centres, while 26% regard this as crucial. On the other hand, 12% see little relevance in where data centres are located.

"The study demonstrates how important a world-class data infrastructure is for today's financial sector. The Financial Centre Frankfurt sets the bar pretty high with dozens of data centres and the DE-CIX internet exchange. More than half of the German data centres are located in Frankfurt and the surrounding region. Our status as the Data Capital of Germany is irrefutable and makes us an even more attractive location for FinTechs," comments Hubertus Väth, Managing Director of Frankfurt Main Finance e.V.

Bitcoins not expected to gain in importance as a payment method in light of data security concerns

Bitcoins are supposed to be particularly suited to preventing hacker attacks in payment transactions. However, the majority of the financial industry (73%) does not expect bitcoins to gain in importance as a payment method in light of such concerns.

¹ A detailed survey on FinTechs was conducted in January 2016. [Link to press release >>](#)

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The results are based on a quarterly management survey of around 400 companies in the German financial sector.

The Center for Financial Studies (CFS) conducts independent and internationally-oriented research in important areas of Financial and Monetary Economics, ranging from Monetary Policy and Financial Stability, Household Finance and Retail Banking to Corporate Finance and Financial Markets. CFS is also a contributor to policy debates and policy analyses, building upon relevant findings in its research areas. In providing a platform for research and policy advice, CFS relies on its international network among academics, the financial industry and central banks in Europe and beyond.

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