



The Bank of Montreal (TSX:BMO) Data Breach: Is Now the Time to Load Up on Cybersecurity Stocks?

Description

Whether it's data being hacked, misused, or simply not being properly protected, we're seeing more and more companies run afoul with customers. Most recently, we've seen big banks **Bank of Montreal (TSX:BMO)**([NYSE:BMO](#)) and **Canadian Imperial Bank of Commerce (TSX:CM)**([NYSE:CM](#)) admit to having their customer data compromised and are in damage-control mode, trying to provide assurances as well as credit-monitoring services to affected consumers.

CIBC's Simplii Financial (previously known as PC Financial) has estimated that as many as 40,000 customers may have had their data stolen. BMO's breach is even higher at around 50,000 affected consumers, and that case is especially concerning as social insurance numbers were involved, giving hackers a lot more power when it comes to committing identity theft.

Sadly, these are only the most recent issues of customer data being compromised, and they should have everyone asking a very important question:

Can any company be trusted with your information?

The short answer at this point has to be no, given what we've seen so far. Even **Equifax Inc. (NYSE:EFX)**, the very agency that's supposed to protect your credit information, wasn't able to prevent its data from being breached last year. It's hard to keep track of all the companies that have been involved in these breaches, because it seems new ones are continually popping up.

Earlier this year, we also saw **Facebook, Inc. (NASDAQ:FB)** come [under fire](#) as well for its data-collection practices after news came out that 50 million accounts (the number is now believed to be closer to 87 million) had their data leaked to a third party.

At this point, it would be unwise for anyone to assume that any company is safe. Financial institutions have long been considered the benchmarks for safety, and with that trust now apparently lost, it's hard to imagine users trusting anyone else.

It's clear that the safest thing to do at this point, from a consumer's point of view, would be to limit the

number of companies you do business with and to avoid giving your information out, unless it's absolutely necessary and there's a good reason to do so.

What's the takeaway for investors in all of this?

While these breaches have significant ramifications for consumers, these problems underscore a very big need for strong cybersecurity. And one company that stands out for its security is **BlackBerry Ltd.** ([TSX:BB](#))([NYSE:BB](#)). The once-popular handheld maker has [transformed its business](#) and is leveraging its skills in protecting users' confidential information to help offer cybersecurity products and services to businesses.

There is a lot of negative press and scrutiny that a company faces when there is a breach, and there's a big incentive for companies not to have their names being thrown into the mud along with all the others that failed to protect their customer data.

That creates a big market for cybersecurity, and it's a recurring business because companies won't be able to just safeguard their data for today but will have to do it on an ongoing basis, as hackers find new, more advanced methods of stealing information.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:META (Meta Platforms Inc.)
2. NYSE:BB (BlackBerry)
3. NYSE:BMO (Bank of Montreal)
4. NYSE:CM (Canadian Imperial Bank of Commerce)
5. NYSE:EFX (Equifax Inc.)
6. TSX:BB (BlackBerry)
7. TSX:BMO (Bank Of Montreal)
8. TSX:CM (Canadian Imperial Bank of Commerce)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Tags

1. Editor's Choice

Date

2025/08/18

Date Created

2018/06/01

Author

djagielski

default watermark

default watermark