



Bank of Montreal (TSX:BMO) Hack Should Motivate Investors to Invest in This Stock Today

Description

On Monday, May 28, Simplii Financial warned that hackers had accessed the personal account information of more than 40,000 customers. Simplii is owned by **Canadian Imperial Bank of Commerce**. Later that day, **Bank of Montreal (TSX:BMO)(NYSE:BMO)** revealed that the data of over 50,000 customers had been stolen. A threat was also made to go public with the information.

An individual claiming to possess the stolen data sent a letter to media outlets and demanded a \$1 million ransom be paid in the cryptocurrency Ripple. The hackers also released data on two customers from each respective bank in order to prove the veracity of the claims. Both individuals reached out to news outlets confirming that the information was accurate.

The 2017 data breach at **Equifax Inc.** has already reportedly cost the company upwards of \$275 million as of early March. That particular breach affected over 145 million customers. The Equifax case illustrates just how damaging such an incident can be, particularly for those who see their personal information compromised.

Both the public and private sphere has committed [more resources](#) to combating cyber criminals. Modern militaries have continued to expand their cyber command divisions in response to these threats. The American research and advisory firm **Gartner Inc.** projected in late 2017 that worldwide enterprise security spending in the private sector would hit \$96 billion this year.

Mobile security is going to be especially crucial for financial institutions. Over 40% of banks predict that the majority of their customers will be using mobile banking by 2020. Kaspersky Lab and B2B International released a report in 2017 that listed phishing as the biggest security threat, with 46% of banks reporting that their customers are attacked daily. Over 70% of banks reported financial fraud that led to monetary loss.

A Duff & Phelps survey from 2017 found that 86% of financial services firms surveyed planned to spend more on cybersecurity going forward. More respondents also expected cybersecurity to be a focus of regulators.

How should investors respond?

The good news is that the number impacted represents a fraction of the client base at Simplii and BMO. However, the pressure will ramp up for financial institutions to improve cybersecurity going forward. I will [echo the sentiments](#) of Fool contributor David Jagielski and recommend **BlackBerry Ltd.** (TSX:BB)(NYSE:BB) today.

The mobile security provided by BlackBerry stands as one of the most trusted in the industry. The company has scored contracts with a number of governments around the world. In 2016 it won a multi-million contract with the U.S. federal government to improve the federal emergency mass notification network and is the security platform of choice for the Department of Defense.

BlackBerry stock is up 7.3% in 2018 as of close on June 1, and shares are down 1% year over year. BlackBerry has recorded record software and services revenue in successive quarters. Investors should expect this trend to continue, as the company is well positioned to take advantage of rising demand for cybersecurity.

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Date

2025/09/06

Date Created

2018/06/04
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