



Armored Online

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A Secure Channel for Customers

OCTOBER 6, 2006 | For about \$75, an attacker can buy a kit that provides all of the templates, logos, and procedures needed to launch a phishing attack on the customers of a specific bank. In response, some banks have simply stopped interacting with customers via email.

"Talk about cutting off your nose to spite your face," says Joe Sowerby. "That's a pretty important avenue of communication to lose because of security concerns."

Sowerby is the CEO of a new company, Armored Online, that has developed a way to help banks -- and other enterprises -- set up one-to-one, secure email, and browser services for its customers. The company will begin delivering software that creates a closed link between the enterprise and the end user -- a "private channel" -- later this month, officials say.

A privately-held startup just beginning to emerge from stealth mode, Armored Online will initially target the banking and financial services industry, where phishing and man-in-the-middle attacks have caused some customers to lose their trust in online transactions, Sowerby says. But the company's software and services could eventually be used to create a trusted link between any enterprise and its end users, partners, or customers.

"We want to tackle the phishing problem first, particularly in the banking and financial services space," Sowerby says.

In a nutshell, Armored Online will provide enterprises with services and software that allow them to distribute a secure client to their end users. The client includes email encryption via PKI, a hardened browser that works via SSL, digital signatures, digital certificates, and out-of-band authorization and authentication. The client software, which can be distributed over a standard Web connection, can interface only with the servers and applications owned by the enterprise.



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The secure connection will enable banks and other institutions to exchange email with customers, or conduct secure Web sessions that don't use public email or off-the-shelf browsers, making it much more difficult for phishers or attackers to insinuate themselves into communications between the company and the customer, Armored Online says.

"The public email system has become a polluted river," Sowerby says. "So what we're doing is digging a well."

Armored Online hopes to help financial institutions rebuild the trust of online customers, who no longer trust the email they receive. A recent Gartner study reports that about 85 percent of users delete any email claiming to be from a financial institution, including legitimate messages.

Under Armored Online, customers will download a "small" application that will reside on their desktops for interaction with their bank or other supplier, Sowerby says. By clicking on an icon, they invoke all of the secure applications, ensuring that their communication with that institution is encrypted and secured.

A number of banks tried this approach back in the '90s, when online commerce first became popular, Sowerby says. They issued their own software to customers, and sometimes provided a secure dial-up link. But the software was difficult to distribute -- it usually was mailed out on disk -- and financial institutions found it difficult to manage the huge modem banks required to support their large customer bases.

With the Armored Online service, banks will have the advantage of using the Internet for widespread access and software deployment, but the new software will enable them to create a one-to-one connection with the customer, Sowerby notes.

There are services that offer some of the same capabilities. Goodmail, for example, is one of several services that offer low-cost, encrypted email. Passmark, which provides two-factor authentication for Bank of America and others, offers the means to ensure that the bank and the customer are who they say they are.

Armored Online hopes to make hay by building those capabilities, and others, into a single set of software and services. Sowerby declined to give technical details on the client software or exact pricing, but he did say the products will be priced at least partly by the number of clients involved.

— Tim Wilson, Site Editor, Dark Reading