

#17 - Cyber-security attacks & digital protection

Definition

Crowdfunding is, per definition, a financial dynamic happening through the anonymous internet space. In this sense, hackers are the pirates of the digital 'galaxy', able to attack and break into seemingly inviolable data repositories to steal credit card details and other personal data. These cyber-criminals are a danger both, for the crowdfunding platform itself and for its users, as they can imperil the very financial transaction as much as the identity of the two stakeholders.

Given the unknown profile of many users on the internet, furthermore, economic transaction over platforms might be perceived as possibly hindering illicit activities of money laundering or terrorist financing (ML / TF Risks).

The perception of the risk to incur in potentially insecure financial transactions via the platform can prevent public donation and support, resulting in a loss of income for project managers and owners, and in a general failure of the campaign.

Mitigation strategy

One of the major elements of care for the platform has to be the digital protection of its users' data and personal information. Being up-to-date with the latest technology is not only a matter of easier transactions, but a legal and financial warranty towards both, the project owners and the supporters.

Among the possible solutions:

- Create a secure system to access to the crowdfunding platform and adopt users' and customers' verification (i.e. installation of SSL certificate for secure data transfer);
- Opt for end-user security education and awareness training (i.e. drawing customers' practitioner experience and empowering them through user-centric solutions). Similarly, systems to deliver threat awareness and alerts for risky behaviors is highly recommended;
- Enable transactions through established and accredited financial institutions and channels;
- Harden the cookies system hanging the platform configuration in order to prevent client-side impersonation;
- Ensure compliance with GDPR, Implementation of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons against the processing of personal data and the free movement of such data;
- Regulation has to specifically address this issue and make clear division of responsibility, also in order to protect the platform from illicit fundraisers'/users' activities.