



The text below is an excerpt from the ICI Mutual risk management study *Shareholder Authentication: Managing the Risk of Fraudulent Transactions*. The full study may be accessed at [www.icimutual.com/ShareholderAuthentication](http://www.icimutual.com/ShareholderAuthentication).

### *Mutual Authentication*

Authentication can be a two-way process. For their part, users may wish to have greater confidence that they are dealing with their financial institutions, and not with fraudsters. To permit users to verify that they are communicating with their financial institutions over secure connections, financial institutions typically obtain a digital certificate from a trusted certificate authority (such as VeriSign or Entrust). The user may then verify that the website's address begins with "https" rather than "http" and that there is a locked padlock icon in the address bar (and the user may click on the padlock to view additional details about the digital certificate).

Some companies may also use other means of authenticating their identities to their customers. For example, a number of fund groups and other financial institutions offer a service that allows online customers to verify that they are logged into the institutions' true websites by displaying security images and/or phrases that customers have previously selected or provided.<sup>1</sup>



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#### Endnote

<sup>1</sup> See *id.* Some fund complexes follow this approach. See, e.g., Harbor Funds, [http://www.harborfunds.com/docs/HF\\_Online\\_Security.pdf](http://www.harborfunds.com/docs/HF_Online_Security.pdf) (last visited on Aug. 18, 2015); T. Rowe Price, <http://individual.troweprice.com/public/Retail/hUtility/Policies-&Security/Security> (last visited on Jul. 23, 2015). This approach has been in use for a number of years. See *Strong Authentication for Online Banking: Success Factors*, CSOnline.com (Nov. 1, 2006) (noting that a bank had pioneered this approach in the previous year), <http://www.csoonline.com/article/2120887/federated-identity/strong-authentication-for-online-banking--success-factors.html>.