

Loss Event

Swedbank
ELO201 - External Theft & Fraud
SE - SwedenBL0301 - Retail Banking
SEK 4,300,000.00 | Swedish Krona
Western Europe

Banking

Swedbank defrauded of SEK 4.3 million in nationwide cyberattack

On 18 September 2017, the Swedish police reported that Swedbank was defrauded of SEK 4.3 million (EUR 452,000, USD 539,000) in a nationwide cyberattack.

In addition to the Swedish police, the Swedish Civil Contingencies Agency (MSB) and the Swedish Security Service (Säpo) were involved in the investigations.

During a press conference on 18 September 2017, the district prosecutor Helena Ljunggren stated that the cyberattacks began in November 2015 and were followed by increasing police reports. On 3 October 2016, the main suspect was arrested in Malmö.

The hacker allegedly used the strategy of phishing. The hacker sent emails with attachments containing malware to victims, which when opened enabled him to access companies' IT systems. According to Expressen, the hacker then changed payment orders so the funds were sent to his account, and also made fake loan applications. According to Göteborg Posten (GP), the money acquired via the hack was sent abroad to be laundered.

GP reports that the malware was purchased online, mainly from sellers in Asia. A technical expert at MSB, Peter Jonegård, estimated that this type of attack will become more common since it is easily self-taught.

According to Expressen, in addition to six banks, 21 companies, various individuals and the political party Swedish Democrats (SD) were also targeted in the cyberattacks. The total financial loss amount is estimated to be around SEK 25.5 million, of which SEK 17 million has been recovered by the Swedish police. Another SEK 15 million worth of unsuccessful phishing attempts were also made. However, investigator Stefan Larsson highlighted that the scale of the data breach is the largest ever recorded in Sweden and that the total loss amount is estimated to be up to SEK 250 million.

The hacker admitted to the fraud charges but claims that he was acting on behalf of others. Furthermore, he claimed that the defrauded money was not intended for him, but he has been paid for his services. Seven others are charged with involvement in the fraud and money laundering.

The district court of Malmö announced on 18 September 2017 that the trial is to start on 26 September 2017 and will end at the earliest in February 2018. The suspects will face charges of 26 counts of serious data breach, 6 counts of attempted data breach, 16 counts of serious fraud, 17 counts of attempted fraud and 3 counts of money laundering. The hacker faces eight years in prison.

As of 20 September 2017, the banks known to be affected by the nationwide cyberattack are Swedbank, Ikano Bank and Resurs Bank. Swedbank has been defrauded of SEK 4.3 million, Ikano Bank SEK 3.3 million and Resurs Bank SEK 1 million. The payment service company Klarna, which holds a banking licence, has been defrauded of SEK 2.4 million.

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Source(s)

Related links

<http://www.malmoatingsratt.domstol.se/Om-tingsratten/Nyheter-och-pressemeddelanden/2016-11-01/Resurs-bank-blev-fraudulerad-av-SEK-3.3-million-i-nationwide-cyberattack>,
<http://www.gp.se/nyheter/g%C3%B6teborg/hackade-swedbank-gek%C3%A4r-1-million-i-nationwide-cyberattack>,
<http://www.expressen.se/kvallsposten/just-nu-hackaren-kom-over-miljoner-fran-ge...>
<http://www.dn.se/ekonomi/utredningens-expert-dataintranen-skulle-kunna-ha-forh...>

Event

Published In Media	Date of Occurrence - From	Date of Occurrence - To	Discovery Date	Date of Recognition/Settlement
18 September 2017	01 November 2015	03 October 2016		
Loss Amount USD 539,220.00	Loss Amount EURO 451,629.00	Provision No		Boundary Risk Other Risk
Industry Event	Scenario SC0024 - Cyber-Related Fraud	Product PD0601 - Consumer Current Accounts		Process PC1004 - IT Security
Event Closed No	ORX Member Yes	Role of Firm LS0307 - Position Taking (Principal)		
Cause 1 CS0102 - Assault by Criminals / Terrorists	Cause 2	Cause 3		
Jurisdiction / Choice of Law LS0105 - Western Europe (excluding United Kingdom)	Counterparty LS0212 - Not Identifiable	Environmental Volatility LS0406 - Not Identifiable		