

Liberty hack: A wake up call for SA firms to seriously fix up their cyber security

18th June 2018 by [Gareth van Zyl](#); BizNews

JOHANNESBURG — *It's been a terrible few months for cybersecurity in South Africa as local companies lurch from one data breach to the next. Just this month, it emerged that local traffic fines website, 'ViewFines.co.za', had a data breach involving almost 1 million South Africans. (At the time of writing, the ViewFines.co.za website is still offline – you can find out more by listening to my interview with Troy Hunt in our premium section.) Also, in October, South Africa experienced its biggest ever data breach in which 60m people's ID details were exposed on a real estate server. And over the weekend it's now also emerged that Liberty Holdings is being held to ransom by hackers. It's a pretty poor state of affairs and a wake-up call for SA to beef up its approach to cybersecurity. – Gareth van Zyl*

By Amogelang Mbatha

(Bloomberg) – Liberty Holdings Ltd., the South African insurer midway through an overhaul to improve profit, said it refused a ransom demand after hackers breached its information-technology infrastructure and accessed some emails.



“We did engage with the external parties involved to determine their intentions, but we made no concession in the face of this attempted extortion,” Liberty Chief Executive Officer David Munro said Sunday in Johannesburg. “Liberty is at an advanced stage of investigating the extent of the data breach, which at this stage, seems to be largely emails and possibly attachments.”

The threatened data leak comes as Munro pushes ahead with a turnaround of the largest provider of long-term insurance products to affluent South Africans, which has struggled to grow sales into a weak local economy. Since being appointed to the post in May last year, Munro has sought to improve customer service by revamping its call center, while simplifying its offerings that had become too complex for its 3,000 agents to market and finding ways of improving returns at its asset-management unit.

Liberty couldn't comment on the identity of outside parties that gained access to the IT infrastructure, or divulge the payment demanded because the matter is still subject to investigation by various authorities, Munro said.

No Losses

The 60-year-old insurer has more than 2.5 million life-insurance policies and administers more than 10,000 retirement plans and 500,000 individual and institutional investment customers, according to its website.

"There is no evidence at this point in time that there is any financial loss to any of our customers," he said. "We have gone to extreme lengths to enforce our IT infrastructure to ensure our customers' information is protected."

Liberty sent text messages to clients informing them of the attack. "We totally understand the concerns they might have about the impact of this act of criminality," he said.

Information that was stolen probably was restricted to Liberty emails and customers of Standard Bank Group Ltd., which controls Liberty, wouldn't be affected unless they were also the insurer's customers, according to Munro. The breach is limited to Liberty, he said.

"There is no inter-connection when it comes to Liberty and Standard Bank systems," he said. "This was an infiltration of our network and a specific email system or repository of email data. It looks like the bulk of the data they stole from us is email, relatively recent rather than deeply dated."

Hackers want millions from Liberty, or will start releasing sensitive data – Report

[Staff Writer17 June 2018117 Comments; My Broadband](#)

Financial services provider Liberty stated late on Saturday night that it had been hit by an IT systems breach.

The company posted a notice to its website which said it had suffered "unauthorised access to its IT infrastructure".

"An external party claims to have seized data from us, has alerted us to potential vulnerabilities in our systems and has requested compensation for this," stated Liberty.

According to a report in the Sunday Times on 17 June 2018, the hackers have demanded millions from Liberty.

The report stated the hackers have obtained "sensitive data" about "top clients".

If Liberty does not pay the millions demanded by the hackers, they will start releasing the information they have to the public, stated the report.

The report further stated that "Liberty IT personnel are running around like headless chickens" in their attempts to figure out how much data is at risk and how they were hacked.

The Sunday Times added that a source informed it Liberty executives may be willing to pay the hackers off, and have engaged with them.

Liberty notice

Liberty's original notice on its website regarding the incident is posted below.

Liberty regrets to confirm that it has been subject to unauthorised access to its IT infrastructure.

An external party claims to have seized data from us, has alerted us to potential vulnerabilities in our systems and has requested compensation for this.

Since becoming aware, we have taken immediate steps to secure our computer systems.

Liberty is investigating the breach and we will endeavour to keep all stakeholders fully informed as appropriate.

We are working hard to rectify the situation.

A Liberty spokesperson told MyBroadband they are investigating the matter, and have secured their computer systems, but cannot provide more information to the media at this stage.

Data exposed

The Liberty hack follows several high-profile data leaks in South Africa, the most recent of which was data from a local traffic fine platform.

The leak included names, ID numbers, cellphone numbers, email addresses, and plain-text passwords of 934,000 South Africans.

Excerpts from Libert Annual Reports for the Years 2016 & 2017

PRINCIPAL RISKS ASSOCIATED WITH LIBERTY'S STRATEGIC OBJECTIVES

2017

<p>Inability to adapt the business model in response to the changing environment, including the lack of a commercially viable credible customer value proposition and the digital technology to respond to a disruptive, changing, competitive and tough economic environment.</p>	<p>Liberty is building an agile capability to meet customer needs and reduce time to market. This includes continuously creating new customer propositions and enhancements to distribution channels.</p> <p>Liberty is concentrating on improving investment performance and ensuring that product development, client servicing and distribution are well resourced.</p>
<p>Inadequate cyber-security and resilience</p>	<p>Liberty continues to invest in and rollout the group's information security and cyber-security frameworks and related policies.</p>

2016

<p>STRATE</p>	<p>Inadequate cyber-security and resilience from cyber-attacks in a rapidly evolving technology environment leading to significant adverse reputational and financial impacts.</p>	<p>Liberty continues to invest in the group's information security with a strong focus on the roll-out and implementation of its cyber security policy and related frameworks.</p>
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