

# Foreword



The retail payments system in the United States is under duress as never before. Regular cyberattacks and large-scale data breaches have exposed the sensitive information of millions of consumers and resulted in fraudulent payment transactions totaling billions of dollars. These attacks are perpetrated by adversaries that are motivated and well-funded. They have access to an adaptable arsenal of cyberweapons that helps them exploit gaps in payments system security.

The Federal Reserve, as the nation's central bank, has a keen interest in promoting and fostering the security of the payments system in the United States, and is leveraging its roles as an operator and an overseer within the payments system to help usher in important improvements for payments security.

To that end, the Federal Reserve Bank of Kansas City brought together payments system participants, academics and policymakers to exchange thoughts and views on payments security and fraud as matters of importance for preserving public confidence in payment systems around the globe. More than 120 industry leaders met June 25-26 in Kansas City, Mo., for the bank's fifth international payments policy conference, "The Puzzle of Payments Security: Fitting the Pieces Together to Protect the Retail Payments System."

Subjects addressed included the underlying economics of payments security; how to best allocate resources between preventing, detecting and responding to cyberthreats; how to secure or, if necessary, devalue sensitive information; and the roles of private industry and government in securing the payments system. If we are to be successful at making the payments system more secure and efficient, we will need the efforts of all players involved—private industry, academics, central banks and policymakers.

Some of the discussion focused on the role of the Federal Reserve in these efforts. The Fed always has had a leadership role in advancing the safety, efficiency and accessibility of the nation's payments system. A century after its founding, the Fed has established two task forces to address today's challenges. One task force will identify and evaluate approaches for putting in place a safe, faster payments capability in the United States; the other will provide input on security aspects of a faster payments capability and serve as a forum to advise the Fed to identify and address actions that can be taken by payments system participants as a group or by the Federal Reserve System.

We sincerely thank the conference participants for their contributions to enhancing our understanding of how best to piece together the puzzle of payments security. I also thank members of the staff of the Federal Reserve Bank of Kansas City who helped plan and arrange the conference.

A handwritten signature in black ink, reading "Esther L. George". The signature is fluid and cursive, with the first name "Esther" and last name "George" clearly legible.

Esther L. George  
President and Chief Executive Officer  
Federal Reserve Bank of Kansas City