# Study Shows 67% of Companies that Accept Credit Cards Not in Compliance with Data Security Standards

June 14, 2011 - A new study of 670 data security professionals conducted by Ponemon Institute found that 67% of them were not in compliance the Payment Card Industry Security Standard; also known as PCI. The results are significant because PCI standards are designed to protect credit and debit cardholders from data breaches and identity theft. The study data provide an interesting snapshot of the views of data security professionals and some insight into the effectiveness of PCI.

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The Ponemon study shows that hackers are alive and well on the internet. Of the 670 organizations surveyed, 85% of them had experienced some form of data breach over the past two years. 39% of these data breaches involved the release of some cardholder data.

Interestingly enough, there was apparently no correlation between what companies spend on data security and the actual number of data breaches experienced. But there was significant data to show that companies in compliance with PCI were far less likely to experience a data breach than those that weren't. 64% of companies that were PCI compliant had no data breaches at all over the past 24 months. 62% of companies that were not compliant with the standard did experience data breaches; many of these experienced multiple data breaches.

Even in light of this evidence, there was a lot of disagreement over the effectiveness of PCI. 59% of those interviewed for the survey didn't think that the PCI standard make their cardholder data any more secure. And 50% of those interviewed actually view PCI standards as an unnecessary burden on their organizations.

Based on the results of the study, it is apparent that organizations that are not in compliance with the PCI standards are placing their customers in harm's way; leaving them significantly more susceptible to having their credit card data stolen. They are also taking a significant business risk.

According to the Ponemon Institute's own blog, the cost to companies for data breaches has risen to $214 for every record exposed and average $7.2 million per breach. 69% of these costs are from lost customers as a direct result of the data breach itself.
byJim Malmberg
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