

Introduction

HealthEquity has seen an increase in phishing and fraud attempts on health savings accounts (HSAs). Fraudsters recognize the growing value of HSAs and are targeting them industrywide, much like they have with banking institutions. The following FAQs are an educational resource to our valued partners to help prevent further incidents.

Situational overview

- **Have HealthEquity's systems been breached?**

No, we are confident that HealthEquity's systems have not been compromised.

- **How are you sure that HealthEquity hasn't been breached?**

There are several indicators that make it evident that a breach has not occurred:

1. Fraudsters continue to use phishing tactics in an attempt to steal account login credentials. This is evidence that they do not have login information or access to accounts.
2. Phishing emails are being sent to entire organizations, and target individuals who don't even have an HSA.
3. The limited success rate of account takeover.
4. Fraudsters have resorted to credential stuffing as a strategy to use stolen or purchased credentials from other sources and accounts to attempt hijacking.
5. Based on our own monitoring and an ongoing review by a third-party forensic team, we are highly confident that a system breach has not occurred.

- **What fraudulent activity has been occurring?**

We have seen a few trends:

1. First time account activation: Because members are able to access their funds with a provided debit card, many do not log into the member portal to establish a secure username and password. Authentication of new accounts requires information such as name, social security number and date of birth. This information is increasingly available to fraudsters on the black market and as a result of breaches elsewhere. Fraudsters are using this information to initiate a first time login and hijack accounts.
2. Phishing: Fraudsters are posing as HealthEquity to send emails to employees of HealthEquity clients. Because fraudsters don't know which employees have an HSA, they send emails to all, or a large number of employees. The emails are urgent in nature and request immediate verification of account information. Users are urged to click on a link to log into their account. When the link is clicked, users are directed to a website that looks like the HealthEquity login page, but is actually a spoofed page created by fraudsters. When credentials are input, the fraudsters are given access to the account.
3. Credential stuffing: Fraudsters acquire "spilled" credentials obtained from various illicit sources. These credentials are then tried at various other sites, including HealthEquity, to gain account access. Individuals who use the same username and passwords on various sites are particularly vulnerable to this technique.
4. Vishing: Fraudsters have contacted HealthEquity member services, armed with personal information accessed from other illicit sources, trying to reset the password to accounts or initiate money transfers.
5. EFT (electronic funds transfer) fraud: Once an account has been taken over using one of the methods above, the fraudster attempts to transfer funds out of the account.

HealthEquity mitigations

- **What is HealthEquity doing to protect against fraud?**

We are implementing several new defenses to combat the recent fraud attempts:

1. When logging into an account for the first time, members are now required to provide the last 4 digits of the debit card associated with an account. Because cards are only mailed to home addresses submitted by employers, fraudsters don't have access to these digits. (Completed)
2. Captcha authentication is required when logging in to the member portal for the first time and after any failed password attempts. This reduces the likelihood that automated robot authentication attempts will be successful. (Completed)
3. Active monitoring and blocking of malicious IP addresses (Ongoing)
4. Callers are asked additional verification questions when contacting member or employer services. (Completed)
5. Sender policy framework (SPF) has been implemented. This email validation system detects email spoofing by providing a mechanism allowing receiving mail exchanges to verify that incoming email from our domain comes from an authorized host.
6. We continually initiate take downs of phishing sites. (Ongoing)
7. Additional authentication and EFT controls will be implemented. (Coming weeks)
8. An educational campaign, *Tackle Phishing and Fraud*, is being launched to educate members on how to protect their accounts. A website with various resources has been established (HealthEquity.com/protect) and is accessible from our homepage. Emails with tips and tricks will be sent to members. (Ongoing)

- **What is HealthEquity doing to monitor fraud attempts?**

We have an entire team dedicated to analyzing data and patterns. They use a multipronged approach to monitor geographical, IP, transactional and EFT activities. In a large majority of cases, we are able to identify fraud attempts before damage is done. We have hired a third-party data forensics team to review our processes to make sure we are doing all that we can to protect our members.

Employer defenses

- **What can employers do to help fight fraud?**

There are several ways you can help your employees:

1. Encourage your employees to treat their HSAs like any other banking account and safeguard login credentials. Support HealthEquity's *Tackle Phishing and Fraud* campaign and spread the word.
2. You can block known phishing IP addresses so employees don't receive emails from:
 - 104.152.185.178
 - 104.171.115.117
 - 104.193.10.124
 - 104.255.68.115
 - 108.167.138.231
 - 155.94.190.98
 - 162.213.31.51
 - 162.213.31.51
 - 162.213.31.53
 - 172.93.148.175
 - 172.98.202.165
 - 173.242.118.105
 - 192.198.80.139
 - 193.105.107.182
 - 198.27.105.163
 - 216.40.38.60

- 27.23.3.78
- 31.172.80.250
- 45.58.119.44
- 68.68.5.213
- 69.178.92.74
- 83.244.197.194


For an up-to-date list of known phishing IP addresses and domains that you can block, please visit the employer portal or request it from your account manager.

3. Enable sender policy framework (SPF) in hard fail mode so that your system can determine if e-mails that appear to be from HealthEquity are sent from authorized HealthEquity e-mail servers.

Member defenses

- **What can members do to protect their accounts?**

Here are a few things members should do to help reject “phish” bait:

1. **Log into your account:** As soon as your account is open, log in and create a unique and secure password.
2. **Don’t use the same password for multiple sites.** If one account is compromised, fraudsters may attempt the combination of credentials on other sites.
3. **Use unique passwords:** We recommend creating a strong and unique password specific to your HealthEquity account.
4. **Don’t click on email links:** If you are asked to urgently sign into your account, type in the website yourself that you know is correct. HealthEquity.com is our official site where you can access the secure login page.
5. **Learn to identify “phishy” details:** Understand what to look for to uncover an email scam. Here are some common giveaways:
 - Subject line is “Urgent” or “Immediate Action”
 - Sender name looks odd or unfamiliar
 - *Dear Customer...* The greeting is not personalized with your name
 - *Please confirm your identity...* Legitimate sites won’t ask to verify identity
 - Misspellings and grammatical errors, including UK spellings
 - Attachments: Unless you requested a document from HealthEquity to be sent via email
 - Links that look modified or unusual (healthequ1ty.com or the link may not contain healthequity)
 - Vague information
 - Asking for information, such as the last 4 of your HealthEquity debit card
6. **Look for secure site indicators:** Authentic login sites have certificates of security indicated by a locked keypad icon  by most browsers or an “s” added to the url, i.e. <https://www...>
7. **Enable email notifications** to alert you when information has changed on your account
8. **Review your transaction history frequently**
9. **When in doubt, call HealthEquity** direct 24/7 at the number found on the back of your debit card or 866.346.5800.

For victims of phishing and fraud

- **What do I do if I receive a phishing email?**

Forward the entire email to phishing@healthequity.com, then delete the email completely. Do not click on any links. You can also report the email to the federal trade commission by forwarding it to spam@uce.gov.

- **What do I do if I click a suspicious link or provide credentials to a suspicious site?**

Call HealthEquity member services immediately. We are available 24 hours a day and can be reached at the number on the back of your debit card or 866.346.5800.

- **What happens if my funds are lost due to fraud?**

HealthEquity will evaluate your situation and determine how to proceed. If HealthEquity approves restoring your lost funds, we require a few steps:

1. Call HealthEquity to report the fraud and open case number
2. Sign and notarize release form and liability waiver
3. We also recommend that victims file a police report with local law enforcement and provide the case number and detective's contact information.

Once these steps are completed and approved, HealthEquity will deposit your lost funds into your account within 10 business days.

- **Are my funds insured by FDIC?**

Yes, HSAs are FDIC-insured. However, FDIC insurance does not cover fraudulent activity. It only protects your funds in the event that your financial institution goes out of business.

- **If my account is compromised, what other information is at risk?**

Fraudsters who compromise an account have access to other personal and financial information that is associated with the account.

- **Is HealthEquity legally required to notify members if their account has been compromised?**

The legal requirement to notify members with compromised accounts varies from state to state. Where required, we comply and communicate to members. In every case, we evaluate any information that might have been accessed and the risks associated with each situation and provide notification as warranted.

- **Will HealthEquity provide credit monitoring if my account is compromised?**

We offer free credit monitoring services to compromised accounts on a case-by-case basis based on the facts of each incident.