

# Deepfake technology has the potential to disrupt financial markets

Deepfake artificial intelligence-based human facial synthesis and reconstruction technology is alarming the weakness of biometric security in the financial sector.

On November 17, the *South China Morning Post* reported that experts warned financial companies about biometric security problems as Deepfake technology became more and more popular.

Deepfake technology was previously used to create pornographic images and videos of celebrities. Currently, experts say the technology could be used by hackers to trick facial recognition systems.

There is currently very little evidence of the use of Deepfake technology bypassing the identity system, however, this information is enough to undermine public confidence in monetary institutions.



*A product of Deepfake technology. Photo: SOUTH CHINA MORNING POST*

Jon Bateman, a member of the Carnegie Foundation for International Peace, said: 'The problem is not that Deepfake technology poses a security risk, it can lead to distrust and skepticism. People are starting to doubt things because it's easy to fake with Deepfake'.

The anxiety generated by Deepfake could contribute to economic crises in underdeveloped countries. If customers at banks in these countries start to have doubts about security issues, there is a risk of mass withdrawals.

In 2019, there was a case of fraudsters using software based on artificial intelligence to fool the CEO of a UK-based energy company over the phone. The scammer used voice imitation technology and tricked this CEO with

\$ 242,000.

The technology also poses concern for China, which frequently uses facial recognition in currency transactions. In response to this issue, online trading platform Alipay stated on Weibo: 'There are a lot of online face-swapping applications available right now, however it's impossible to bypass our security barrier.'

Earlier in 2018, the Alipay app saw a scam using personal data and images generated by artificial intelligence to steal money via Alipay. However, the mission quickly failed.

In the face of a security threat, businesses and professionals rapidly develop new security measures to combat the development of Deepfake and algorithms to detect sophisticated tampering.

Evidence shows that hackers used Deepfake to target banking and currency transactions. According to a survey by biometric authentication service provider Iproov, the two most noticeable threats currently are third-party payment authorization and banking fraud.

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