#### FACTSHEET

## SIM farms: weighing the risks

### Smishing is distressing. Fraud is a crime. SIM farms are unaccountable.

The scales of justice represent fairness. Whilst there are two sides to every story, why is it that the risks of using SIM farms outweigh the benefits, and why do attitudes need to change? It's time we #AddressTheMess.

## Seemingly shortterm benefits...

Competitive pricing — it's often cheaper: Shady aggregators split SMS traffic, sending some to mobile operators and the rest to SIM farms to be able to reduce the price they offer for SMS campaigns. The competitive pricing then often entices reputable companies looking to send business SMS at a costeffective price.

# ...Lead to unnecessary risks and consequences

Businesses using SIM farms are directly or indirectly allowing access to their customers' personal data. This exposes them, as well as their customers, to significant risks:

Fraud — spams and scams: Customer data sold on the dark web to cybercriminals can be used in spam, phishing campaigns, and other more sophisticated attacks that combine personalized phishing emails and SMS with malware. These can cause serious financial and emotional damage for people. Companies don't want to put their customers in harm's way. Data protection breaches – uncontrolled access to customer information: In many markets, including the EU and Brazil, businesses are responsible for data compliance when sending SMS. Using SIM farms is a breach of data protection laws and can result in regulatory fines and classaction lawsuits.

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**Reputation — trust is lost:** If fraud is reported by customers as a consequence of a company's mishandling of their personal data, the company's reputation will suffer as it will be deemed unsafe and untrustworthy.

## Using SIM farms is a #RiskyBusiness.

We encourage businesses to protect customer data by looking into their SMS delivery chains. Be cautious of below-market prices offered by third-party suppliers. Be aware and tip the scale back in your favor.

Sinch is a global leader in customer communications helping companies better connect with their audience. <u>Follow us</u> and <u>get in touch</u> to learn how to address the SIM farm threat.

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