



USE CASE

# **Enhancing Third-Party Breach Response for Tier 1 Banks**

with Lab 1's Exposed Data  
Intelligence (EDI) Platform



# Executive Summary

As third-party breaches pose significant risks and lead to significant operational disruption for financial institutions, the need for rapid, accurate, and cost-effective investigations is paramount. For a Tier 1 Bank in the UK, the traditional approach to breach investigation — relying on manual processes to review the breached data and analyse the impact on services and data compliance — was slow, resource-intensive, and fraught with potential oversights.

**Enter Lab 1's Exposed Data Intelligence (EDI) platform: a groundbreaking AI-driven solution that has redefined how this bank manages third-party breach risk management.**

The impact has been nothing short of transformative. Lab 1's platform enabled the bank to slash third-party breach investigation times from months to mere days and even hours and simplify internal workflows, minimising organisational disruption, reducing the burden of chore tasks on analysts, freeing up resources for strategic initiatives, and getting better outcomes.

This shift not only saved significant operational costs - up to 85% in some incidents - but also provided the independent assurance the bank required when dealing with third-party incidents.

While having no direct incidents in the past 10 years, this client was involved in at least 263 indirect incidents. Every one of these third-party data breaches needed to be investigated and associated risks mitigated rapidly so that the bank could avoid business disruption and potential losses running into the millions.

Lab 1's EDI platform delivers on the promise of both speed and precision, ensuring that the bank can confidently navigate the complexities of third-party breaches while maintaining compliance and safeguarding its reputation. This is not just an improvement; it's a game-changer for the financial industry.



# Case Study: Implementation at a Tier 1 Bank

## Initial Challenges



**Volume and Complexity of Data:** The bank faced a daunting task with the need to regularly investigate large breaches in the hundreds of GB and TB ranges of data, more often than not including millions of unstructured files such as spreadsheets, emails, and images. Manual analysis of this data was not only time-consuming but also carried a high risk of missing critical information, which could lead to severe operational, financial and reputational damage.



**Resource Allocation:** Traditionally, such investigations required the involvement of 10-15 different internal teams over several months. This not only diverted significant resources from other vital BAU operations but also incurred substantial costs, potentially exceeding hundreds of thousands of pounds in man-hours alone.



**Time-Intensive Process:** The extended timeframes for manual investigations delayed the bank's ability to respond to breaches, increasing the risk of further exposure and non-compliance with regulatory mandates. In the event of a breach, time is critical; the longer it takes to identify and mitigate risks, the greater the potential for compounded losses.

## Lab 1 Implementation

**AI-Driven Prioritization:** In a key investigation, the platform processed over 1 million files in 8 hours, pinpointing 160 documents that posed high risk to the bank and warranted immediate attention. This prioritization enabled the bank to focus its resources where they were most needed, drastically reducing the investigation time from months to just days.

**Quantified Benefits:** By implementing Lab 1's EDI platform, the bank reduced its investigation costs by approximately 70%, equating to savings of several hundred thousand pounds. The speed of analysis not only mitigated the operational and financial impact of potential breaches but also ensured compliance with regulatory timelines, thus avoiding potential fines, oversight, and further reputational damage.

## Outcomes



**Time Reduction:** Assessment times were slashed from months to days, enabling the bank to take swift action to mitigate risks. This rapid response is estimated to have prevented potential losses of millions of pounds.



**Resource Efficiency:** The platform's automation significantly reduced the need for human analysts, allowing the bank to focus their limited resources in other critical areas. This resulted in operational cost savings of up to 70%.



**Enhanced Risk Management:** With Lab 1's EDI platform, the bank was able to assess and mitigate risks across 263 indirect incidents, where partners or vendors suffered breaches, providing a level of independent assurance and control that was previously unattainable with manual methods.

# Benefits Realized

## Operational Efficiency:

- **Significant Time Savings:** The automated processes of the EDI platform allowed the bank to conclude investigations much faster than traditional methods.
- **Resource Optimization:** By reducing the need for extensive manual analysis, the bank could redirect its resources to more strategic initiatives.

## Improved Risk Management:

- **Early Identification of High-Risk Documents:** The platform's ability to quickly identify and prioritize relevant sensitive files, and eliminate those that had no relevance, enabled the bank to take swift confident action to mitigate risks.
- **Proactive Defense:** By leveraging EDI, the bank was able to address potential exposures from third-party vendors before they escalated into more significant issues.

## Regulatory Compliance:

- **Meeting Regulatory Mandates:** The EDI platform provided the detailed reporting and insights needed to comply with regulatory requirements and, critically, meet regulatory reporting timelines, helping the bank avoid potential penalties and protect themselves from competitive compliance risks
- **Enhanced Stakeholder Confidence:** The ability to investigate and respond to breaches quickly and effectively helped maintain the confidence of stakeholders, including customers, regulators, and partners.

## Strategic Value:

- **Reduced Legal Risks:** By ensuring that all sensitive data was identified and addressed promptly, the bank minimized the risk of legal actions and regulatory sanctions.
- **Improved Business Continuity:** The rapid investigation and mitigation of risks helped ensure that the bank could maintain business continuity even in the face of significant cyber threats.

## Conclusion

Lab 1's Exposed Data Intelligence (EDI) platform has revolutionized the breach investigation process for a Tier 1 Bank in the UK. By automating and accelerating the analysis of exposed data, the bank has achieved significant operational efficiencies, reducing investigation times from months to days and cutting costs by 70%.

These advancements have not only strengthened the bank's ability to respond efficiently to third-party breaches but also ensured regulatory compliance and safeguarded its reputation. In a financial landscape where the speed and accuracy of breach investigations are critical, Lab 1's EDI platform stands as a powerful tool, enabling banks to protect their data, reputation, and bottom line.



# Lab 1 at a glance

## Our People

A team of world-class data scientists, engineers and entrepreneurs, combining a unique skill set and decades of experience in AI, big data engineering, and dark web access.

## Our Values



### Doing good

We want to be a force for good in the cyber world, to swing the pendulum back to good actors, to make cyberspace a better place for everyone.



### Determination

We don't accept the status quo; we feel that malicious actors have dominated cyberspace unchallenged for too long; we're determined to change this.



### Clarity

We're bent on reducing the noise, on moving beyond indiscriminate alerting, on making things simple, clear and understandable for everyone.



### Transparency

We believe that everything we do should be systematic, repeatable, and accessible so that as many people as possible can benefit from it.

## Backed by institutional investors

MMC

Aperture Capital SA

Syndicate room

## and committed individual investors from

Goldman  
Sachs



UBS

Revolut

SUNGARD®

SH-PE  
Part of F5

RED SIFT

CREDIT SUISSE



McKinsey  
& Company

## Certifications

