

The HMD Global

ANZ

Smartphone and Data Security Report



Unlocking our
smartphone security
habits and attitudes

hmd.
The Home of Nokia Phones

01

Comment from
HMD Global

02

Pandemic brought
us closer to
our phones

03

Worries over
smartphone
security

04

Data
doubts

05

Smartphone
security
struggles

Contents

06

Update
Operating
System, now
or later?

07

The download
on 5G

08

Work-life
balance through
our phones

09

Phones playing
hazardous
dual roles

10

Top tips
for keeping
connected, safely

Comment by James Robinson

2020 has been a year of uncertainty with bushfires, an ongoing pandemic, geopolitical divides, and hacking. Issues that are critical to consumers, businesses and government alike.

Throughout this instability, our need to communicate and be connected, has never been more important.

Knowing this, hackers are getting bolder and more successful in a global picture that looks more fragmented and uncertain than ever. This combination is having a real impact on our lives. Locally here in Australia, Service NSW just confirmed unidentified hackers stole 180,000 customers' personal details. In New Zealand, a recent attack crashed New Zealand stock exchange for over four days.

At HMD Global, the home of Nokia phones, we've always understood the importance of ensuring our fans are protected. **In our research and recent discussions with consumers and partners, we've found gaps in knowledge and concerning misinformation when it comes to smartphone security.** Fortunately, consumers are also showing an appetite to know more about their data – so, we took a deeper look.

This is why you're reading our first iteration of **HMD Global ANZ Smartphone and Data Security Report**. As the findings reveal, there is an urgent need for more transparency and education in smartphone security.

At HMD Global, we are fully focused on the security of our customers. In fact, it is our number one priority. This is why we need to inform customers, as we value their privacy and security, even if they don't (as some of the report findings show).

In February 2017, we made a commitment to our customers that your Nokia smartphones will stay pure and secure for longer with our promise of two major OS updates and three years of regular security updates. The commitment that we made is further endorsed by the [Counterpoint Research](#) as the fastest to deliver updates to devices. The quicker the update, the less likely the hacker is to get to you.

We're also transparent about where we store our customer data. Ever been to Finland? If you have a Nokia phone, your data certainly has.

All Nokia Android One smartphones are designed in Finland with all activation and performance data stored at the Google Cloud Region in Hamina, Finland. The data is also protected by European security measures and legislation, including General Data Protection Regulation (GDPR) – providing extra peace of mind.

Enough about us, it's time to unlock smartphone security habits and attitudes of Australians and New Zealanders.

Stay safe, keep connected.

**James
Robinson**
Country Manager, ANZ
HMD Global

Pandemic brought us closer to our phones

While we might have been physically distanced, the pandemic brought us closer to our smartphones as we connected with family, friends and the world around us like never before.

Around

1/3

of Australians & Kiwis say their phone has become more important than ever

The essential physical distance of 2020 led Australians and Kiwis to find connection with the world around them via their mobile phones.

During the pandemic, many increased their phone use to keep in touch with family and friends (32% in AU; 43% in NZ) while keeping on top of the news (27% in AU; 41% in NZ). Around a third also agreed their phone had become more important than ever to stay connected (29% in AU; 38% in NZ).

With the economic instabilities of 2020, being smart about spending is a top priority. Hence, price was the number one consideration when buying a new phone for almost half of all Aussies (43%) and Kiwis (48%) followed by long battery life (36% in AU; 34% in NZ) and brand (34% in AU; 32% in NZ).

Although COVID-19 related scams, online crime and smartphone security continue to make headlines, worryingly only 12% of Australians and 6% of Kiwis noted phone security as a consideration when buying their next handset.

As the focus on smartphone security varies significantly between phone manufacturers, it's more important than ever that consumers arm themselves with the knowledge needed to stay connected, safely.

Worries over smartphone security

The relationship with our phones? It's complicated. While we're holding onto our phones tighter than ever, we're also increasingly worried about the threats involved.

Among the 98% of consumers who have a mobile phone, only 52% in Australia and 51% in New Zealand are concerned about their phone's data security, while a worrying 44% of Australians and 46% of Kiwis are unconcerned.

This amounts to 11.2 million Aussies and 2.3 million Kiwis currently vulnerable to hackers and scammers targeting consumers through the devices in their hands and pockets.

Unfortunately, scams are big business. In fact, Australians made over 350K reports and lost over \$634 million to scams in 2019 according to government figures, with the top contact methods being via phone (41.4%), email (24%), text messages (16.6%) and the internet (7%). The picture doesn't brighten up on the other side of the Tasman; Netsafe reported a 73.1% increase in scam and fraud reports between April and June 2020, with a spike in reports about scammers using well-known retail brands in text and email scams to secure personal and credit card details.

The report findings reveal almost a third (30% in AU; 31% in NZ) would like to learn more about how to use their phone safely when it comes to their data security. This unfortunately leaves the majority not interested.

The silver lining? There are simple steps anyone can take to protect themselves against cyber threats targeting us through phishing emails, malware, and scams on our phone screens. More on that later.

Over

1/2

of Aussies and Kiwis are concerned about their phone's data security

Almost

1/3

of Australians and Kiwis would like to learn more about safe phone use

Data doubts

More than ever, we want to know about our data and how it's being handled – yet we have no idea where our data currently calls home.

How often do we think about what actions we take online that could compromise our phone and the security?

Consider the sensitive information your phone holds, such as that bank statement you downloaded, the investment app you started using to gather extra savings or the confidential work email you received from your boss.

But do you know where this data lives beyond your phone screen? In fact, more than a quarter in both markets (28% in AU; 27% in NZ) say they don't understand how their phone manufacturer handles their data.

Worryingly, over a third of mobile phone owners in Australia (37%) and New Zealand (35%) have no clue in which country their phone's data is stored. What's more, 5% of Aussies and 7% of Kiwis don't care where their phone's data is stored. This however, means that over 90% on both sides of the Tasman Sea do. So why don't we know – or aren't we demanding to know more about our data?

The findings show that **just short of a quarter of Aussie and Kiwi phone owners (24%) wish their phone manufacturer would be more transparent** about how they handle customer data.

Here at the home of Nokia phones, we're committed to ensuring our fans have peace of mind by being transparent about how we handle activation data and offering them the most up-to-date and secure Android experience on their Nokia smartphones.

All Nokia Android One smartphones are designed in Finland with all ANZ smartphone activation and performance data stored at the Google Cloud Region in Hamina, Finland.

The data is also protected by European security measures and legislation, including General Data Protection Regulation (GDPR) – providing extra peace of mind.



Smartphone security struggles

Leisa Donohoe, 43, Australia ***Car Detailer, Nokia 7.2***

Leisa owned her first Nokia phone in 2000 and has been loyal to the brand ever since. When looking for a new phone, she considers the camera quality and storage space as two of the most important features. Leisa also appreciates a phone that is intuitive and easy to use, whilst being valued at an accessible price. These are just two of the reasons she loves Nokia devices and has been a repeat customer.

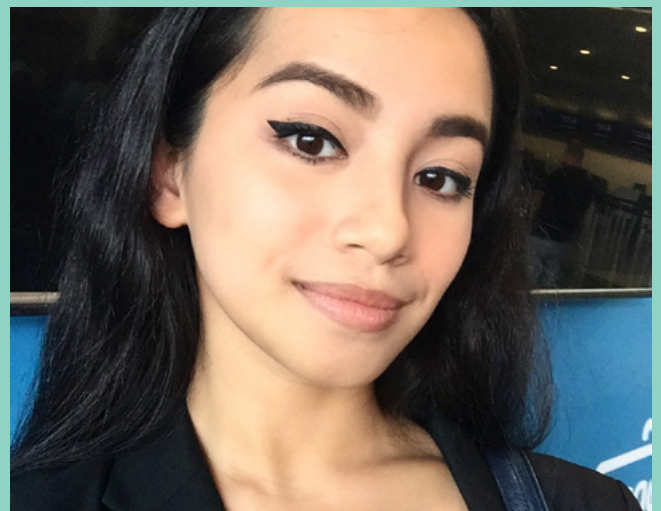
Recently, she's become more interested in learning about where her data is stored as well as data security. As part of her job, she uses her mobile phone to take photos of people's drivers licenses. She also relies on her personal smartphone to navigate the roads as she delivers and picks-up cars. For this reason, if her employer offered her a work phone, she'd like to use it to separate her work and personal life.

Lelaine Dela Cruz, 18, ***New Zealand*** ***University Student, iPhone***

Lelaine received her first smartphone from her parents when she was 13. As a university student living through COVID-19, she relied more on her phone to keep in contact with family and friends.

When looking to buy a smartphone, the features she prioritises are price, battery life and data security. She uses her phone for predominantly for social media, calling and texting and she understands that the more users there are worldwide, the more data there is that could be potentially exploited.

Lelaine says that if her employer was to offer her a work device, she would definitely use it to separate her work life and personal life. She finds it hard to keep track of time when both lives are packed into one device as she's constantly switching between work and personal communications. In doing so, Lelaine once accidentally sent a confidential work file to a personal contact. She also believes that having a work device will help streamline internal communications between colleagues..



Update Operating System, now or later?

While many manufacturers update their Operating Systems diligently, stragglers remain.

Digital threats are constantly evolving. Operating System and security updates play a critical role in protecting smartphone users from these threats. In simple terms, the quicker a smartphone is updated, the more secure it is against cyber threats.

To add to the complexity, consumers are keeping their smartphones for longer. This means more and more consumers are using phones running on outdated and risky Operating Systems leaving them vulnerable.

It is therefore concerning that around a **third of Australians (30%) and Kiwis (33%) are either unsure of the importance an OS makes or claim it's not important that their phone runs on the latest Operating System.** This figure increases with Baby Boomers (41% in AU; 46% in NZ), a generation who seem less educated on the importance of OS than consumers who grew up with mobile technology.

Many do diligently ensure their OS is up-to-date, with over a third (37% in AU; 36% in NZ) of phone owners updating their device immediately when prompted. There is still room for improvement on this front, with 27% in Australia and 29% in New Zealand who wait a week or more – **leaving nearly 6.9 million Aussies and 1.5 million Kiwis east targets for hackers as they press snooze on their security updates.**

z z z

6.9M

Aussies and

1.5M

Kiwis are targets for hackers as they press snooze on their security updates

Update Operating System, now or later?

The figures reveal some confusion, partly due to some manufacturers not highlighting the critical role phone software updates play in keeping us connected, safely. Beyond lack of consumer education, [Counterpoint Research](#) (2019) notes big differences in approach with manufacturers. They're expending little effort 'in focusing on regular updates to the Operating System and device security, despite it being a critical element in the continued safe performance of the smartphone'.

While Operating System updates mostly improve functionality and user experience, they also deliver critical security updates to users. Security patches are the other critical component of fixing security holes in our phones and often happen automatically. It's still down to the user to check their phone's security settings to make sure it is up-to-date. Ensuring a phone is running on the latest OS and updating it with security updates when prompted are simple steps to keep out of harm's way.

If a phone is over two years old, check if the phone manufacturer is still committed to keeping the device safe and secure – otherwise it's time for an upgrade.

For HMD Global, delivering on our promise of safe and secure phones means we rank highest for software updates and security, putting us ahead of many other smartphone brands. Nokia smartphones get two years of software upgrades and three years of monthly security updates.

Around **1/3** of Aussies and Kiwis don't think OS is important or are unsure of its importance



The download on 5G

5G causes excitement but confusion for some.

5G stands for fifth generation in mobile network technology. It is rolling out all over the world, bringing us faster download speeds, less buffering when streaming our favourite shows, and making working from home or on-the-go with your device simpler and snappier. And there is a lot more to come.

As 5G rolls out in Australia and New Zealand, customers keen to get involved need to consider three things: making sure they are in an area covered by the 5G network, choosing the right 5G plan and choosing the right device. HMD Global will help customers make the most out of 5G with a future-proofed device, Nokia 8.3 5G*, that will enhance access here and abroad to 5G services for today and tomorrow's networks.

Despite the benefits of 5G, many of us remain doubtful and confused. **Only 12% of Australians and New Zealanders expect 5G to benefit their lives, with around a quarter (25% in AU; 29% in NZ) confused as to what advantages 5G brings over 4G.** Starkly, only 7% of Aussies and Kiwis believe that 5G mobile phones are secure – so 5G still seems to have big reputational hurdles to overcome.

While some remain doubtful, **Millennials (21% in AU and NZ) are particularly excited about the better streaming service 5G will bring to their screens compared to Baby Boomers (8% in AU; 7% in NZ).**

By choosing a device like the Nokia 8.3 5G, we believe our customers now have a choice to use any network both here and abroad with peace of mind and are able to capitalise on tomorrow's 5G.

*HMD Global will bring Nokia 8.3 5G to Australia in October 2020.

12% *of Aussies and Kiwis expect 5G to benefit their lives*

Work-life balance through our phones

The pandemic has increased our need to find new ways to separate work from our personal lives with our phones playing a key role.

With the rise of BYOD (bring your own device) work policies, many employers are now managing teams working on a diverse bunch of smartphones and Operating Systems. This mix of devices can open up the organisation to security vulnerabilities and leave employees frustrated, as they pack their professional and personal lives into one device.

And as many employees continue to work from home, keeping these two lives separate is a priority.

Of those employed during lockdown, more than three quarters (77% in AU; 85% in NZ) would use a complimentary work phone if offered by their employer.

The reasons for desiring a work phone are to keep many aspects of their work and personal lives separate including phone numbers (41% in AU and NZ), files (24% in AU; 31% in NZ), and personal and work lives in general (39% in AU and NZ).

Gen Z employees are particularly interested in a separate work device in Australia (54%), compared to 31% of Baby Boomers. This trend is reversed in New Zealand where Baby Boomers (37%) are more interested than Gen Z (29%) in using two phones to separate their work from the personal.

With our living rooms and kitchen tables turning into office spaces, working Australians and Kiwis see many benefits to keeping these two realms apart. Around a quarter in Australia (24%) and New Zealand (28%) say that a work phone would make it easier not to answer work-related communications after work hours, while many (24% in AU; 31% in NZ) would want separate phones for added convenience.

More than

75%

of Australians and Kiwis would use a complimentary work phone if offered by their employer

Around

25%

of Australians and Kiwis say that a work phone would make it easier not to answer work-related communications after work hours

In Australia

54%

of Gen Z employees are particularly interested in a separate work device, compared to 31% of Baby Boomers

Phones playing hazardous dual roles

Workers worried about packing their personal and professional lives into one device, with younger generations especially nervous.

When it comes to work phones, security is a consideration. **Over one in five of those employed during lockdown desire a work phone for secure work communications (22% in AU; 27% in NZ) in addition to device security for work data and files (21% in AU and NZ).**

Only 13% of working Aussies and 15% of Kiwis are worried that hackers will be able to access their work files on their personal phone, with younger generations more concerned than their older counterparts. **Many Millennials (15% in AU; 16% in NZ) also admit that friends and family have occasionally seen work-related files** and conversations on their personal devices compared to significantly lower figures with Baby Boomers (2% in AU; 3% in NZ).

During lockdown, packing our personal and professional lives into one device has also led to 475,000 Australians and 54,000 Kiwis accidentally sharing a work file with a personal contact whilst on their mobile phone.

While secure work phones undoubtedly add an extra layer of safety for work communications and bring much-needed balance to our increasingly busy, fluid working lives, both countries have a long way to go. **Among the Australians employed during the pandemic, only 16% currently have a work phone offered by their employer. As the corresponding figure on the other side of the Tasman is 21%, 2020 should be the year when employers reconsider their device policies.**

HMD Global has partnered with Google, creating smartphones that run on Android with a long-term promise of security and software updates. Plus, a number of our phones meet the requirements set by Google for demanding business use cases, earning them the Android Enterprise Recommended seal.

475K
Australians and
54K

Kiwis have accidentally shared a work file with a personal contact on their phone

Top tips for keeping connected, safely

1 /

Be security up-to-date:

Know which Operating System your smartphone is running on and make sure to immediately update your device with the latest software when prompted.

OS and security updates ensure your device's digital safety by updating any security or software vulnerabilities that could put you or your data at risk.

2 /

Protect your device from harmful content:

Cyber threats come in many forms so you should be vigilant. **Be cautious when opening messages as they may contain malicious software or otherwise be harmful to your device.** You should also be cautious when accepting connectivity requests, browsing the Internet, or downloading content. Don't accept Bluetooth connections from sources you do not trust. Only install and use services and software from sources you trust or that offer adequate security and protection. You can also install antivirus and other security software on your device but only use one antivirus app at a time.

3 /

Get cosy with two-factor verification:

Applying a two-step authentication process when signing into your accounts on your mobile and other devices keep your data and accounts safe from scammers or hackers.

Two-factor verification can be applied by combining your regular password with an additional security factor. This can be a fingerprint scan, facial recognition, or you can download a smartphone authenticator app that allows you to link your accounts and will send you a code via text message, which changes each time you use it. Check your app store for a reputable app to help you do this.

4 /

Research your phone manufacturer's data security policy:

Do you know where your data is stored or how it is handled? **Ensure peace of mind by researching the data and security policy of your device manufacturer.** It's worth understanding how your phone manufacturer manages customer data so you know who is handling your information and from where in the world. This will ensure your data and security needs are aligned with the device you choose to use.

5 /

Harness technology to set boundaries:

As the lines blur between our work and personal lives, finding ways to use technology to set boundaries brings benefits, from added security to better work/life balance. By separating your work phone from your personal device you can leave your work contacts and emails behind when clocking off – by putting down your work device.

A work phone also ensures your work-related communications and data is kept safe and secure – and doesn't accidentally mix with your personal life.

If your employer does not offer a work phone, you can still use apps and phone settings to help set up boundaries. Turn work email notifications off and promise yourself not to check your work email after 6pm. There are many apps that help you limit screen time and help with goal setting, whatever they may be.

The HMD logo, consisting of the lowercase letters 'hmd.' in a bold, white, sans-serif font. The background is a dark teal color with several thin, white, concentric circular lines that create a ripple effect around the logo.

hmd.

The Home of Nokia Phones

The HMD Global ANZ Smartphone and Data Security Report is based on survey findings of nationally representative samples (1,020 Australians and 616 New Zealanders aged 18+) conducted by YouGov in August 2020.

You can download a copy of the report online [here](#)