

Rackspace's massive email outage caused by ransomware

Article

The news: Hosting provider **Rackspace** said a ransomware attack was responsible for its dayslong outage that began on December 2, meaning the emails of tens of thousands of users could be lost, per [The Register](#).

A big target for ransomware criminals: Ransomware attacks happen through phishing emails or websites containing malware that can gain access to a user's PC and spread throughout a

network.

- Most ransomware attacks infect individuals or companies and hold their data hostage. In the case of Rackspace, a ransomware attack could have taken email and other customer information worth billions of dollars.
- Rackspace stated that the [intrusion was isolated to its hosted Exchange businesses](#).
- The company also said [in an SEC filing Tuesday](#) that the attack "may result in a loss of revenue" for its \$30 million Exchange business, as well as other "incremental costs."
- Rackspace customers, made up of thousands of companies and tens of thousands of users, were told to "self-migrate" to a competing mail hosting service.
- Customers haven't heard back on data loss, restore time, or access to email archives.

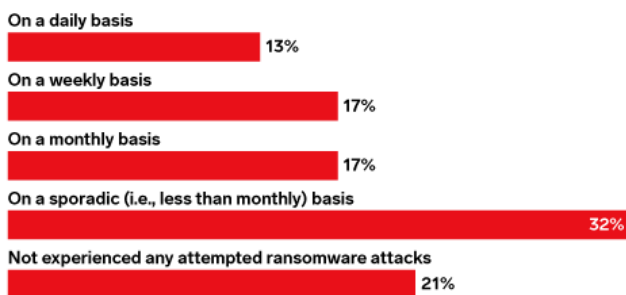
Rising tide of cyber threats: One in 40 organizations is targeted by a ransomware attack weekly, with government, military, education, research, and healthcare industries the most targeted, per [CheckPoint Research](#) (CPR), a **32% YoY increase**.

More than **25% of organizations expect double-digit growth in cybersecurity budgets in 2022**, per [PwC's 2022 Global Digital Trust Insights](#) report.

The bigger picture: The ransomware attack could be devastating for Rackspace and a wake-up call for any business relying on third-party hosting services to securely manage their data.

Attempted Ransomware Attack Frequency According to IT and Cybersecurity Experts in North America and Western Europe, Jan 2022

% of respondents



Note: in the past 12 months
Source: OwnBackup, "The Long Road Ahead to Ransomware Preparedness" conducted by Enterprise Strategy Group, March 31, 2022

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