SKIPLEVEL

Tokenization: How It Works

Tokens are an industry-standard way of securing sensitive data on the internet. A token is a unique identification symbol that replaces a piece of sensitive data. Tokenization is the process of creating a token that maps to the original sensitive piece of data via an authorization server.

Tokens are used in many use cases:
- to store sensitive data (i.e. address, personal identification)
- authentication (i.e. access into accounts),
- authorization (i.e. API access),
- crypto/blockchain, etc.

For example:

1
You visit your bank's website and click a button to see your bank account number.

1
USER
(ON BANK WEBSITE)

2
On button click, an API request is made out to the bank's server and gets the token (ex. 4a7cdlj17dbju211) from the bank's database.

2   **4**

3
The API will pass the token to a special authorization server. The authorization server runs through processes and special algorithms before sending back the real bank account number mapped to the token.

BANK SERVER

2   **3**

4
The API returns the bank account number to you/the browser. Security checks happen throughout this entire retrieval process.

BANK DATABASE   AUTHORIZATION SERVER