

# Privacy and security: what do cyber-consumers need?

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# Background

- The National Consumer Council is a UK-based not-for-profit research and policy organisation
- We are a member of Consumers International (a global federation of more than 250 organisations)

# Overview

## 1. What are the problems?

- What security and privacy issues affect cyber-consumers?

## 2. What might the solutions be?

- What do consumers need?

# What security and privacy issues affect cyber-consumers?

- Poor consumer awareness about information use - consumer anxiety is common
- Poor compliance with legislation by some organisations
- Poor website design, and business practices which don't reassure consumers
- Poor enforcement by authorities
- Poor consumer redress

# Poor consumer awareness

- Most consumers do not know what happens to their data online **but** express concerns about privacy and security

*“On the internet,  
nobody knows you’re a  
dog.”*

*(Peter Steiner)*

# Poor consumer awareness – what consumers say...

“I think the big worry is not knowing what is held... you just don't know how secret your information is or how easily it's available.”

“I think if everybody was honest about how everybody got our names, it would make us feel better.”

# Consumer anxiety

- Privacy and security fears are still major reasons why consumers don't shop online
- UK research this year (by YouGov) found privacy was the biggest factor affecting consumers' decisions to buy online



Image courtesy of Paul Lachine

# Poor compliance with legislation

- Some organisations (especially small companies) have websites that do not comply with data protection legislation
- Organisations may lack the skills and resources to implement security policies and strategies – 44% of UK businesses suffered at least one malicious security breach in 2001



# Poor website design, and business practices which do not reassure consumers

- 42% of UK sites surveyed in 2002 did not have any form of privacy statement
- Privacy policies are not always accessible and many don't provide enough information

# Poor enforcement by authorities

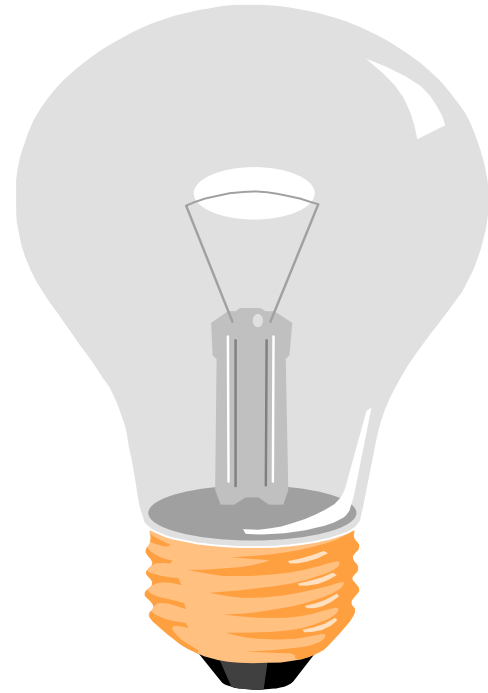
- It can be difficult for authorities to monitor and detect breaches of data protection legislation
- Criminal activity, such as fraud, can be particularly hard to address

# Poor consumer redress

- It can be difficult for consumers to identify who has misused their data and consumers often do not know who to complain to
- In many cases, consumers are not provided with information about complaints procedures – in the UK in 2002, only 27% of sites surveyed gave any information about how to complain about privacy or the misuse of data

## **2. What do consumers need?**

**The possible solutions...**



# Consumer information and representation

- Consumers need clear and easily accessible independent information, which explains their rights and how they can protect their privacy (including advice on privacy enhancing technology)
- Authorities should use advisory boards with consumer representatives

# Better compliance and recognition of the need to build trust

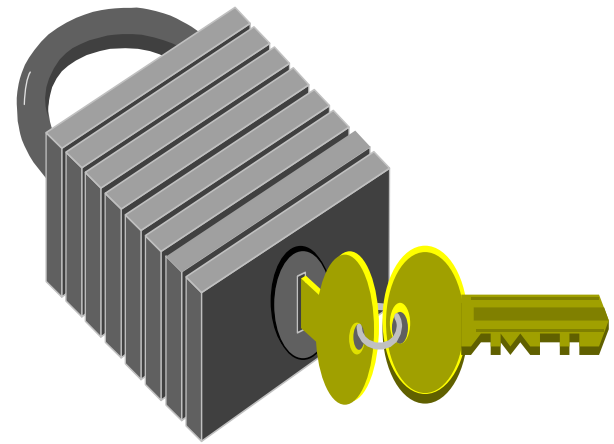
Training and advice are particularly important - research in the UK found that smaller companies need:

- reasonably priced and accessible education
- more advice on good practice, tailored for their types of businesses



# Better business practices

- Effective privacy policies are needed (ISPs can help!) – see Privacy@Net by Consumers' International
- Secure payment mechanisms are important, under which consumer liability for the fraudulent/ unauthorised use of cards is limited



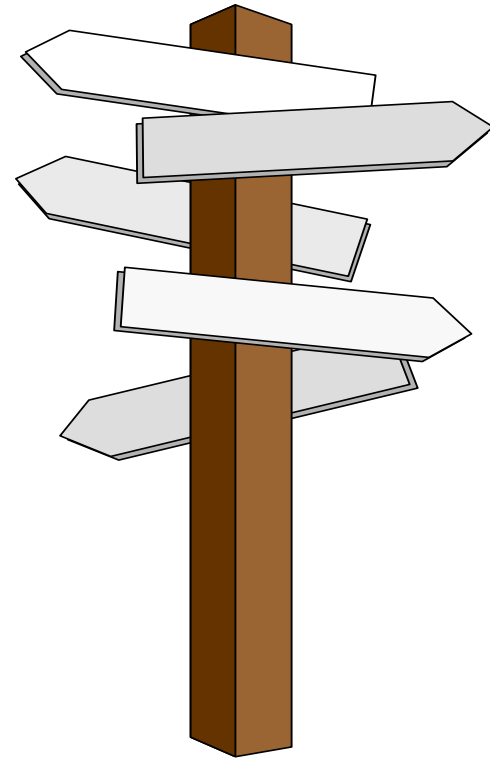
# Effective enforcement

- Enforcers should be proactive and should not rely on formal complaints by consumers
- Cross-border cooperation is key, particularly in cases of fraudulent, misleading or unfair commercial conduct



# Effective redress

- Consumers need access to independent redress mechanisms which are cheap, quick and effective
- International standards for online dispute resolution should be developed and used



# Effective redress

- Authorities should provide guidance on complaints procedures
- National authorities should monitor satisfaction with complaints (and court) procedures for enforcing rights under data protection legislation

“If the ‘virtual society’ is perceived by people as the perfection of surveillance without appropriate safeguards, its promise will remain unfulfilled.”

*(Charles Raab)*

# Further reading

- Consumers International ([www.consumersinternational.org](http://www.consumersinternational.org)):
  - “Consumers@shopping” (1999)
  - “Disputes in cyberspace” (2000)
  - “Privacy@net” (2001)
- DTI ([www.dti.gov.uk](http://www.dti.gov.uk)) (2002) “Information Security Breaches Survey”
- National Consumer Council ([www.ncc.org.uk](http://www.ncc.org.uk)):
  - “Consumer Privacy in the Information Age” (1999)
  - “Consumer Representation: Making it work” (2002)
- Office of Information Commissioner ([www.dataprotection.gov.uk](http://www.dataprotection.gov.uk)) and UMIST (2003) “Study of Compliance with the Data Protection Act”
- Perri 6:
  - “Who wants privacy protection and what do they want?” (2002) 2 (1) Journal of Consumer Behaviour 80
  - “The Future of Privacy” (1998) London: DEMOS
- Trans Atlantic Consumer Dialogue ([www.tacd.org](http://www.tacd.org)) (2002) “Resolution on protecting consumers from fraud and serious deception across borders”

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