

Sustainable Banking

Stakeholder dialogue findings on privacy

2017

Relevance

Introduction

In 2015 ABN AMRO held a round-table stakeholder dialogue on privacy, security and stability of data. As the results of the dialogue were fairly general, it appeared that a more in-depth dialogue would be useful. A new stakeholder dialogue was held in 2017 with a different form and content. This time we held intensive, one-on-one talks with experts from widely different backgrounds. These experts are further mentioned as 'the stakeholders'.

These dialogues were mainly focused on:

- The relationship between privacy and society's trust in banks like ABN AMRO
- How society experiences privacy, and expected future developments in society

To summarize these meetings, the stakeholders expressed the following opinions:

- The stakeholders see ABN as a conservative company. From privacy perspective they assume this is a good thing. Their explanation: *ABN AMRO does not share clients data with others unless it has a very good reason to do so, i.e. if it is legally required to or if the clients requests this.*
- The stakeholders believe that ABN AMRO has an important role as a 'teacher' of its clients in this area.
- The stakeholders see the ability of clients to access their own data is the main reason why, from a privacy perspective, clients' trust in ABN AMRO will continue to grow.
- The stakeholders believe that ABN AMRO should issue a statement on privacy. It would also help if ABN AMRO were to state what it does not want to/will not do in this area.
- The stakeholders view on how ABN AMRO could position itself by showing that the bank wants to play a constructive role in the social debate on this subject.

Definition of privacy

We used the following definition of privacy in the interviews: 'the right to control information'. Stakeholders added the following remarks to this definition:

- Stakeholders see that privacy is about the right to control personal information. The feeling of control grows as more insight about information is provided by the bank. Clients want to have access to their personal data. They want to know what data the bank has about them, and have the power to take decisions on that data, including the right to delete it.
- Stakeholders see that the ability at all times to determine what is done with your data gives clients a feeling of 'being in control', and that is what society wants and where the privacy discussion is heading. ABN AMRO should facilitate this if it wants to handle the privacy issue effectively. Stakeholders also say that it is difficult to formulate a suitable definition of privacy.

Privacy and society

Privacy and society

Stakeholders opinions on the societal developments of ABN AMRO:

1. The stakeholders see that privacy currently is a hot topic in society. It touches a variety of other issues, such as trust, transparency, integrity, ethics and long-term thinking.
2. The stakeholders notice that several laws are in the pipeline, which are designed to regulate the use and documentation of data. However, privacy laws can never cover everything. This means that ABN AMRO has to make policy decisions.
3. The stakeholders see that bank employees are often instructed extensively on what they are or aren't allowed to do. Employees are guided primarily by the company culture when taking ethical decisions, and the sense of individual responsibility disappears.
4. The stakeholders abstract that digitalisation leads to anonymization, making it 'easy' for employees to see the bank's clients as just a number. This works the other way around too: clients do not have a picture of the bank employee, making it easy for them to lose trust in the bank.
5. The stakeholders notice that privacy is experienced differently in different cultures and countries. For example, Germans are very concerned regarding privacy issues. Privacy is also experienced differently by different generations.
6. The stakeholders notice that privacy is experienced differently in different situations. An obvious example is that people understand it if a doctor in the hospital asks them for certain data (probably 'necessary' for a diagnosis). If similar information is requested elsewhere, people experience this as an invasion of privacy.

The privacy paradox

The privacy paradox

Stakeholders see how society experiences privacy as paradoxical.

- Stakeholders see, First of all, that consumers want banks to deal with privacy and their data responsibly, while they are very irresponsible themselves when it comes to their own privacy (apps, websites, etc.).
- Stakeholders notice that companies want to use the digital economy for commercial ends believe they have to do 'something' with their clients' data, while clients want them to handle their data very carefully.
- The stakeholders abstract that the privacy paradox is of a more general nature. People want the freedom and security to do what they want and to have a full range of choices, this is only possible when society creates the necessary controls.

ABN AMRO in relation to privacy

The below mentioned opinion is a summary of the stakeholders opinion on the role of ABN AMRO in relation to privacy.

Aligning internal decision-making with external actions creates trust

If ABN AMRO wants to obtain society's trust, they have to align external communications/actions with internal considerations. Currently, the way in which ABN AMRO handles privacy is experienced as 'neutral' and doesn't have any influence on people's trust in ABN AMRO. This because many stakeholders who participated in the dialogue didn't have specific ideas about ABN AMRO and privacy. Which has a positive influence on how society experiences privacy in relation to ABN AMRO. In order to retain this advantage, ABN AMRO should promote itself as a 'service company' (we provide a service where clients pay for).

The importance of building relationships with clients and society is obvious, but ongoing digitalisation is putting this under pressure. Anonymity is a reason why it is unclear to the outside world how the bank handles data. In the past, clients knew the bank manager personally. This inspired trust, meaning they trusted his or her decisions more easily.

Taking a stand in the public debate

Given the current developments on privacy (regulations, public interest), stakeholders stated that ABN AMRO should formulate a stand on this matter. This could take the form of a statement, underpinned by policies. Preferably ABN AMRO should state what it will never do with its clients' data, unless explicitly requested or required by the client and/or legislation. ABN AMRO could take the lead in this discussion and communicate its (conservative) position. By taking a stand in the public debate, ABN AMRO could show how it deals with these kinds of ethical issues. The stakeholders think that this openness would have a positive effect on society's trust in ABN AMRO.

Decision-making and giving control back to clients

All stakeholders feel it is important that ownership of data should be 'given back' to clients. Clients should be able to decide what happens with their data. It should be clear to them (and be made clear to them) what the implications of their decisions are and it should be possible for them to change their decisions.

ABN AMRO should make it clear why certain information is being requested. Questions that should be answered are: Who is benefiting? How will this affect the client? How will it affect ABN AMRO? How will information be used? ABN AMRO should also make clear that the client could decide what information can be used, and for what purposes. Both clients and society would experience this as a very positive development.

External stakeholders interviewed

- Sander Duivestijn (trendwatcher, internet entrepreneur, advisor, author and columnist on the impact of new technology on people, business and society)
- Muel Kaptein (Professor of Business Ethics and Integrity Management at the Department of Business-Society Management, Rotterdam School of Management, Erasmus University (RSM), and partner at KPMG)
- Daphne van der Kroft (Communications Strategist, Bits of Freedom)
- Udo Oelen (Head of Supervision of Private Sector at the Dutch Data Protection Authority (Autoriteit Persoonsgegevens, DPA))
- Jonathan Soeharno (Professor at UVA: Jurisdiction in legal-philosophical perspective and counsel at De Brauw Blackstone Westbroek NV)
- Daan Spaargaren (Eumedion: Eumedion represents the interests of affiliated institutional investors in the fields of corporate governance and sustainability)
- Sustainalytics (independent global provider of ESG and corporate governance research and ratings to investors)
- Brenno de Winter (Dutch research journalist specialised in IT security and privacy)