



# Payments data: do consumers want to keep them in a safe or turn them into gold?\*

Carin van der Cruijssen, ECB-Banca d'Italia conference "Digital transformation of the retail payments ecosystem", 2017

DeNederlandscheBank

EUROSYSTEEM

\*Any opinions and conclusions expressed herein are those of the author and do not necessarily represent the views of DNB or the ESCB. For more information see DNB Working Paper No. 563.

Consumers' privacy with respect to payments data is a highly debated topic.



Payments data



# Insight into consumers' attitudes is important for policymakers and companies.

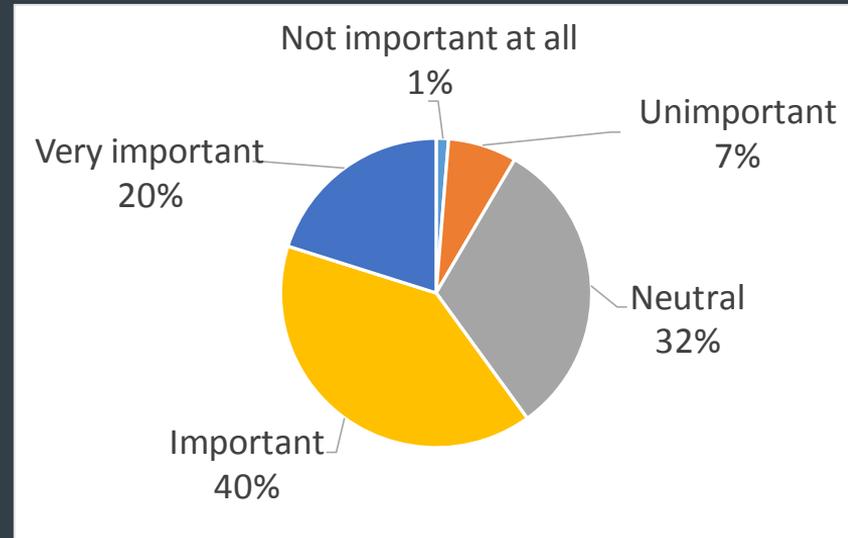
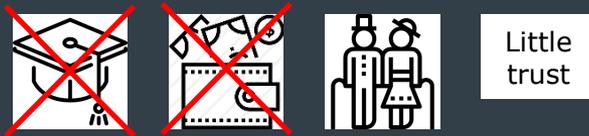
- Policymakers try to prohibit the misuse and disclosure of information and seek to protect financial stability.
- Companies need to constantly rethink their privacy and data protection policies owing to new rules and innovations. Ignorance of privacy issues can have detrimental effects. Privacy issues will be aggravated and there will be threats to privacy because of the Internet of Things. It is especially interesting to obtain payments data.

It is key to know consumers' attitudes towards the use of their payments data. However, detailed research is missing.

- Current developments (e.g. PSD2) increase the need for research on consumers' attitudes.
- However, in-depth research on these attitudes, the related factors and the context-dependence is lacking.
- This research uses unique survey data and contributes to the literature on (1) informational privacy, (2) payment behaviour, and (3) trust.

# Attitudes towards the use of payments data and the related factors are context-dependent, and in several cases they are negative.

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- 1) Privacy is considered an important payment instrument attribute, especially by low-educated, low-income, and elderly consumers and consumers who have little trust in others or in their bank.
- 2) Attitudes towards the use of payments data by banks and related factors are context-dependent.

*"To what extent do you judge the use of payment information acceptable in this situation?"*



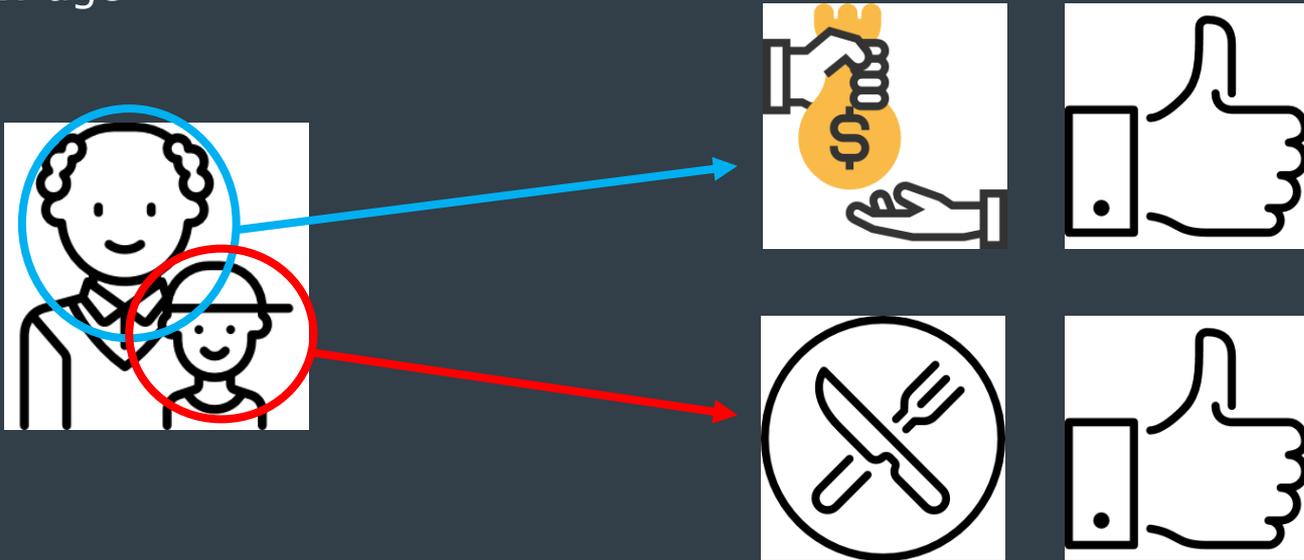
Very unacceptable

Not acceptable, not unacceptable

Very acceptable

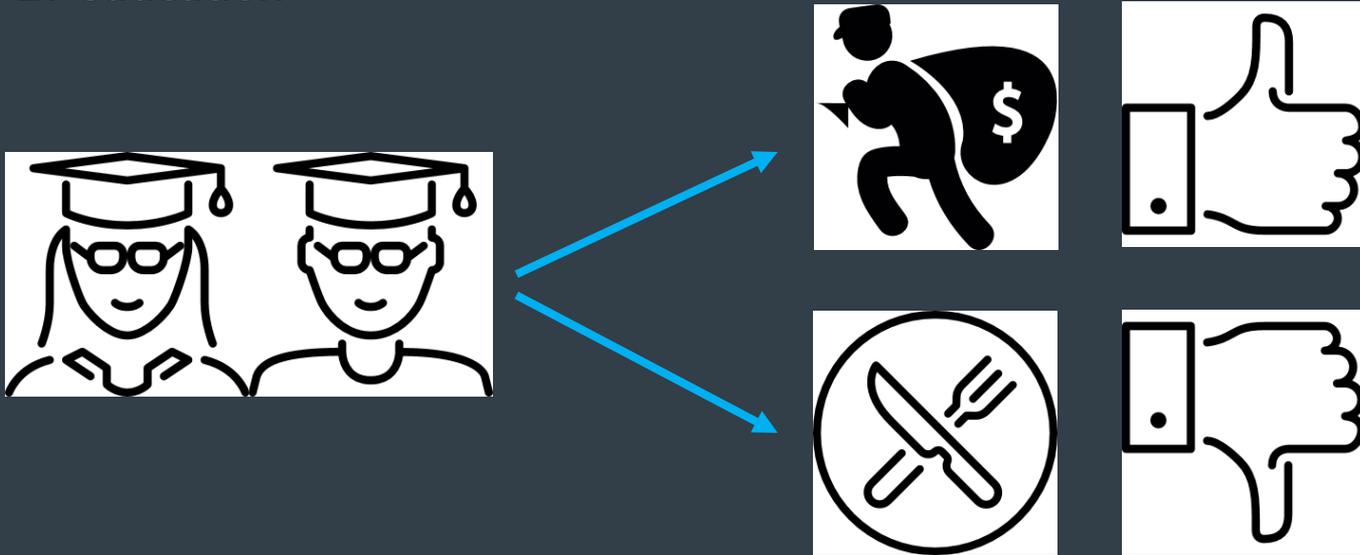
Depending on the purpose of the data use, attitudes relate to socio-demographic factors, online behaviour, satisfaction with the bank and perceptions of current data usage practices.

- Example 1: age



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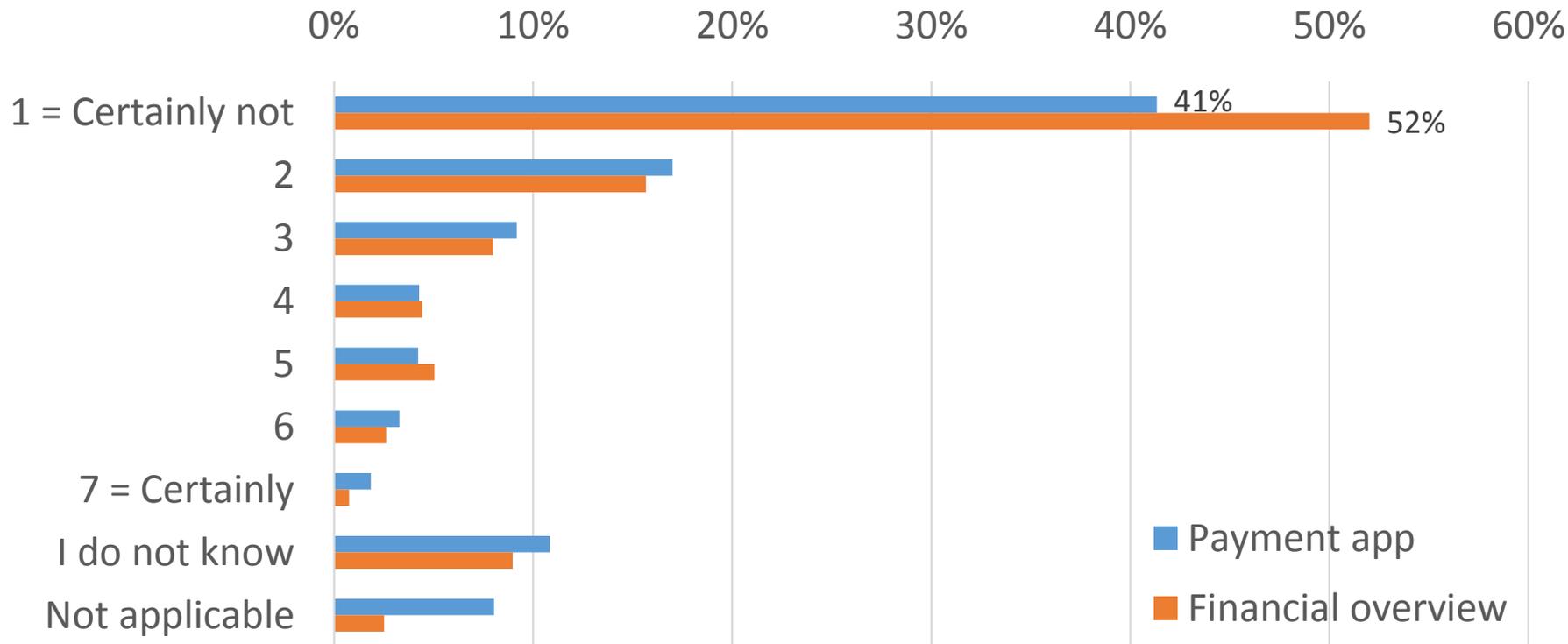
- Example 2: education



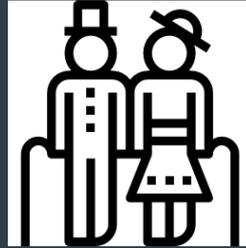
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- 1) Privacy is considered an important payment instrument attribute, especially by low-educated, low-income, and elderly consumers and consumers who have little trust in others or in their bank.
- 2) Attitudes towards the use of payments data by banks and related factors are context-dependent.
- 3) The willingness to share payments data with non-banks is low, especially among females and elderly consumers and consumers who have little trust in others or in banks.

# The willingness to share payments data with non-banks is low...



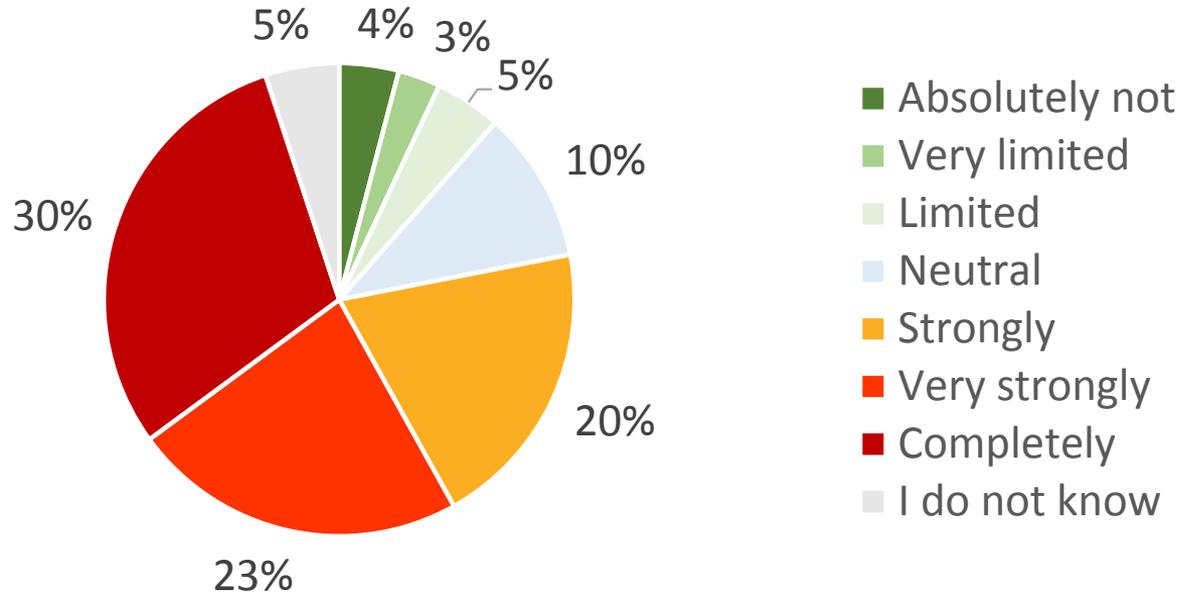
...especially among females and elderly consumers and consumers who have little trust in others or in banks.



Little  
trust

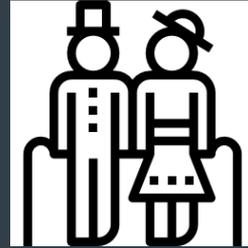
What are the risks of not taking into account consumers' attitudes?

# Banks risk losing customers...



*"Suppose one of the following events occurs at your bank(s). To what extent will your trust in your bank(s) decrease? Your bank(s) wants (want) to sell your data to other companies."*

...especially females, high-educated and elderly consumers and consumers with little trust in banks.



Little  
trust

# Summary: main insights for policymakers and banks

- Attitudes towards the use of payments data and the related factors are context-dependent.
- In several cases attitudes are negative.
  - Most people find the selling of payments data to commercial companies unacceptable and it would result in strong decline of trust in banks.
  - Most people are unwilling to share their payments data with non-banks to use a payment app or get a financial overview.
- Attitudes clearly differ between people.

# Policy implications

- These results support the notion that the aim of data usage must be communicated clearly to consumers and that it is important to ask for their consent in such a way that people know what they are saying yes to.

# Thank you for your attention! Questions?

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