

Consumers International identifies serious website privacy deficiencies

ON JANUARY 25TH 2001, Consumers International, the global federation of 263 consumer organisations, issued the results of its comparative study of privacy protection on 751 Internet sites for consumers.

The study was based on a survey conducted between March and July 2000 by 13 national consumer organisations. The study identified and examined 751 Internet sites based in the EU or US where consumers were likely to be asked to give personal information. These included retail sites, financial sites, health-related sites, sites targeting children and the most popular or heavily used sites on the web.

The study concludes that existing measures introduced by various governments to protect privacy are not adequate. Many European and American Internet sites aimed at consumers, it says, "fall woefully short of international standards on data protection". The study notes that most sites collect personal information but fail to tell consumers how that data will be used, how security is maintained, and what rights consumers have over their own information.

Concerns over confidentiality and security rank highly among reasons why consumers are reluctant to buy goods and services online. Unless policy makers and companies address issues of data protection, these concerns will continue to be well-justified, and electronic commerce may suffer.

Among the specific findings:

- Just over two thirds of sites collect some sort of personal information and almost all of these sites asked for details that made it easy to identify and contact the person.

- The vast majority of sites gave users no choice about being on the site's own mailing list or having their name passed on to affiliates or third parties.

- Despite tight EU regulation, sites within the EU are no better at telling users how they use their data than sites based in the US. Indeed, some of the best privacy policies were found on US sites. The study explains this as follows: as US consumers do not have legal protection in this area, companies have to make more effort to reassure their users that their privacy will be protected. As well, the study concludes that many EU sites appear to be failing to comply with EU rules that state that the consumer must be given the right to opt out if their data is to be used for direct marketing purposes.

- The most popular US sites were more likely than those in the EU to give users a choice about being on the company's mailing list or having their name passed on. This occurred despite legislation obliging EU-based sites to provide users with a choice.

- Only ten percent of sites targeting children asked children to get their parents' consent before giving personal information, or to tell their parents afterwards.

Anna Fielder, Director of the Office for Developed and Transition Economies of Consumer's International, stated

that, "Privacy is recognised as a fundamental human right, yet we've found that too many companies collect a lot of unnecessary, very personal information about their customers – and because of inadequate implementation of existing government measures, people don't have control over their data. This widespread neglect of good privacy practice is all the more worrying when you consider that electronic technologies for collection of data develop so rapidly."

Consumers International is now calling for policy makers at the national and international level to act quickly to adopt the laws, rules and procedures necessary to ensure that:

- Users are given control over the collection, use and disclosure of their personal information and that personal information is only collected and held as long as necessary to fulfil the original purpose for collecting it;

- Users can easily check, correct or delete any data sites may hold about them and that it is collected, stored and transmitted in a secure manner appropriate to the sensitivity of the data;

- An independent oversight body is established to ensure compliance, provide adequate sanctions for

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