

Whose Data Is It Anyway? Conference Report

March 2018

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Whose Data Is It Anyway?



On Thursday 14 December 2017, Trust in Digital Life (TDL) in collaboration with The ID Co. held a one-day personal data conference, hosted by the School of Informatics University of Edinburgh.

In keeping with other TDL events, the conference took a multi-disciplinary approach to the phenomenon that data protection and privacy has become in a very short time. Open Banking, aligned with the European PSD2 legislation, is about to radically challenge the way that financial services operate, creating a landscape that will be virtually unrecognisable in several years. From January 2018, personal customers and small businesses are able to share their data securely with other banks and third parties, allowing them to compare products and manage their finances without having to consult their own bank. In addition, the introduction of GDPR legislation in May 2018 opens the door to new products and services, raising consumer expectations of improved service experience and transparency.

Traditional banks, Fintech companies and consumers would appear to have irreconcilable aspirations, demanding innovative solutions to meet the needs of all. Change is no longer an option but a necessity.

The objective of the one-day event was to achieve a better understanding of what the world might look like three to five years after the new regulations have been in force from the perspectives of all stakeholders.

A one-day TDL conference with the support of:



Speakers, Panelists & Moderators



Stuart Lang

Financial Services Partner, EY

Former international rugby player, Stuart Lang has forged a highly successful career in financial services, holding senior positions at Sage, Royal Bank of Scotland, Capgemini, Deloitte and now EY, where he is a partner. Most recently he co-authored the Open Banking Standard – a guide to how open banking data should be created, shared and used by its owners and those who access it.



James Varga

CEO, The ID Co.

James founded The ID Co. with a mission to create trust online through the miiCard Digital Passport for consumers and the B2B service DirectID. He is active in a number of local and global efforts to help people do more online, including the StartEDIN collective of companies in Edinburgh's tech ecosystem and TDL. Most recently, he co-chaired the data subgroup of the Open Data Working Group (OBWG) with the HM Treasury.



Martin Dowson

Head of Design Forward, Lloyds Banking Group

Martin is head of or leader in Service Design and a Certified Customer Experience Professional (CCXP) who has worked across a range of challenges in different industries. His focus is on creating customer-centred organisations who deliver profitability through meaningful customer experiences. His experience combines a strong background in Service Design and UCD methodologies with organisational design and capability building experience.



David Ferguson

CEO, Nuclear Financial Group

David was a director-owner of strategic marketing consultancy, The Abacus, before he started at Nucleus. He joined Nucleus to consumerise retail financial services, believing that the legacy life and pensions sector had had it too easy for too long. His ambition in his current role is to inspire and motivate highly capable and ambitious people such that we can collectively turn the world upside down.



Gavin Littlejohn

Fintech Stakeholder Group Convenor, UK Open Banking

Gavin is a Fintech entrepreneur with experience of developing innovative solutions to mass market problems. He was appointed as convenor of the Fintech Stakeholder Group of the UK Open Banking Implementation Entity in October 2016 and serves as a director and non-executive chairman of the Financial Data and Technology Association where he successfully led the campaign to have account aggregation added to PSD2. Gavin is the Founder of Money Dashboard, and acted as its CEO until July 2015.



David Goodman

Consultant & Analyst, Trust in Digital Life

David has over 25 years IT and telco experience in senior management positions across a wide range of companies and organizations in Europe and America. He worked in product management roles in the areas of customer experience and subscriber data management at Apertio, Nokia Siemens Networks and Ericsson including cloud and big data planning for mobile operators. Previously, he worked in sales/marketing at IBM Tivoli. David is a Principal Consulting Analyst at TechVision Research.



Jörg Hladjk

Of Counsel, Cybersecurity, Privacy and Data Protection, Jones Day

Jörg has 11 years' experience in EU data protection law, providing advice to multinational clients in all industry sectors on a variety of EU data protection and cybersecurity matters. He also has significant experience in contentious data protection matters and regularly represents clients before the German state and federal data protection authorities. He is recognized as one of the world's leading practitioners.



Andy Harris

Partner, Head of IP and Commercial Contracts, MBM Commercial LLP

Andy has over 12 years' experience advising clients in a wide variety of different industries in relation to intellectual property, information technology and e-commerce matters. His work includes intellectual property strategy, protection and enforcement, software licence and development agreements and other IT related agreements, commercialisation and exploitation of IP assets, data protection and privacy advice and advising on website compliance matters and e-commerce issues.



Iain Henderson

JLINC Labs

Whilst Iain is gainfully employed in CRM and Marketing Automation in Financial Services, his hobby horse is personal data management from the individual perspective, and the intersect between that and the corporate CRM/data world. In that guise he works with JLINC Labs helping steer the emerging personal data service which will help individuals control their own data.



Geoff Revill

Krowdthink Ltd & Partner at Ethos VO

Geoff is incredibly passionate and informed on the technology of implementing interoperability in systems, and separately about privacy in online engagement, both legally and technically. His approach to GDPR comes from realising the commercial potential that it drives, combined with understanding how to take legislation into company culture and product implementation as a commercial asset. Geoff is the Managing Director of Krowdthink, a start-up recently invested in by the UK's Defence and Security Accelerator.



Steven McDermott

Qualitative Analysis and Social Media Lead, HM Revenue & Customs

Robin has 30 years of experience in the IT industry, centred around identity and privacy, IT security, financial services and public policy. He has been a product technical specialist, systems engineer, consultant, and programme and solutions manager, spending the last 20 years in roles with European or world-wide scope. In 2009-2010 he set up and ran his own consultancy company, specialising in digital identity, online privacy, and the intersection of technology and policy.



Robin Wilton

Technical Outreach Director
(Identity and Privacy), Internet Society

Robin has 30 years of experience in the IT industry, centred around identity and privacy, IT security, financial services and public policy. He has been a product technical specialist, systems engineer, consultant, and programme and solutions manager, spending the last 20 years in roles with European or world-wide scope. In 2009-2010 he set up and ran his own consultancy company, specialising in digital identity, online privacy, and the intersection of technology and policy.



David Alexander

CEO & Platform Architect, Mydex CIC

Before setting up Mydex, David was the Group Development Director at Computacenter plc, with full responsibility for the development and management of its services and solutions portfolio. Prior to this he was the Enterprise Solutions Director responsible for development of strategic partnerships and driving the company's high level consulting revenue. Previous to Computacenter he spent eight years at Northgate Information Solutions plc where he was Director of Strategy and Marketing.



Giles Watkins

UK Country Leader, International
Association of Privacy Professionals

Giles spent 27 years in finance and technology advisory services, specialising in identity, privacy, security, enterprise architecture and technology due diligence. Giles has held partner positions at both EY and KPMG, building significant global practices in both. Giles also founded the boutique privacy consulting firm, Concentium, in 2010, which was acquired by KPMG in 2014. Giles has sat on the Board of the Open Identity Exchange (OIX) and several identity and security start-ups and was the Technology Chair for the UK Digital Catapult's Personal Data and Trust Network.



Matthew Higgs

Data Scientist, The Data Lab

Matthew has worked in academia and industry, and as a data science consultant for 10 years. Prior to joining The Data Lab, Matthew held post-doctoral research positions at the University of Glasgow and University College London (UCL), worked as Chief Data Officer at an IoT startup, obtained a PhD in Computational Statistics and Machine Learning from UCL, and more recently founded the Glasgow AI meetup.



Rhomaios Ram

USC Consortium Executive, Clearmatics

Rhom is a former banking executive with over 22 years' experience and interested in developing digital businesses for finance and finance related areas. He has worked across a wide variety of wholesale banking businesses and functions including sales, trading, product management, and technology. The majority of his experience has been developing businesses where the product is at the intersection of finance and technology.

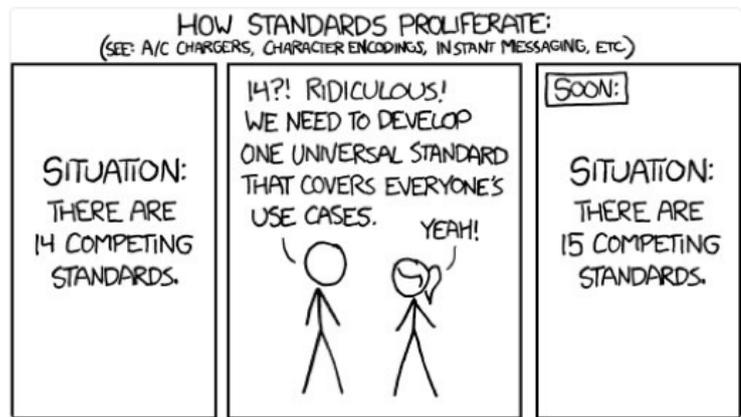


Amardeo Sarma

General Manager, Security and Networking
Research Division, NEC Laboratories Europe

Amardeo is responsible for research and development in the areas of security, networking and standardization. He is also Chairman of the Trust in Digital Life Association. He has previously worked for Deutsche Telekom and Eurescom and held a Chairman position at the ITU-T. He has published in various areas including software engineering, communication protocols, privacy and identity management. He is an IEEE Senior Member and a member of ACM and AAAS.

From xkcd sucks, 20 July 2011



From the New Yorker, 11 March 2013



“Any of these guys look like the Peeping Tom?”

From Opening Keynote: Principles and Reality

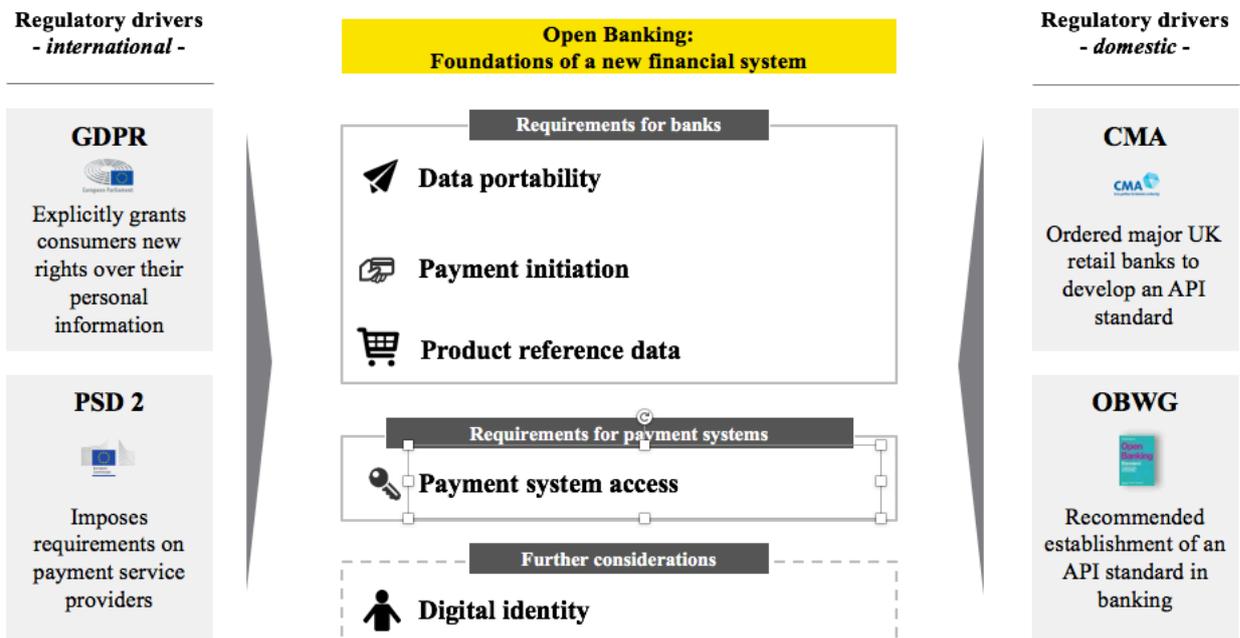
What's important and what isn't

Stuart Lang

Financial Services Partner, EY

Stuart introduced the meeting to Open Banking observing that banks are being forced to 'open' their platforms, allowing customers to securely share data and 'push' payments from their accounts. He showed how the European regulatory drivers, GDPR and PSD2, had prompted the UK government's Competition and Markets Authority (CMA) to order the major UK retail banks to develop an API standard which was then taken up by the Open Banking Working Group (OBWG) as a recommendation. He also highlighted that the lack of digital identities was an outstanding issue.

The implications of banks assuming a new role as public API providers or data custodians by sharing data are that the banks' competitive advantage could be eroded, requiring innovation to traditional approaches. This would lead to competition being innovation-led, inviting new entrants into the marketplace and providing Fintech companies in particular the conundrum as to whether to collaborate or compete. Consumers will get more choice and their preferences will naturally adjust over time.





Open Banking will make a transformational change to banking for personal customers and small businesses. For the first time, innovative and secure apps will provide personalised services and information to cover all financial needs in one place, and make it easy for people to find out what bank account is best for them.

Alasdair Smith

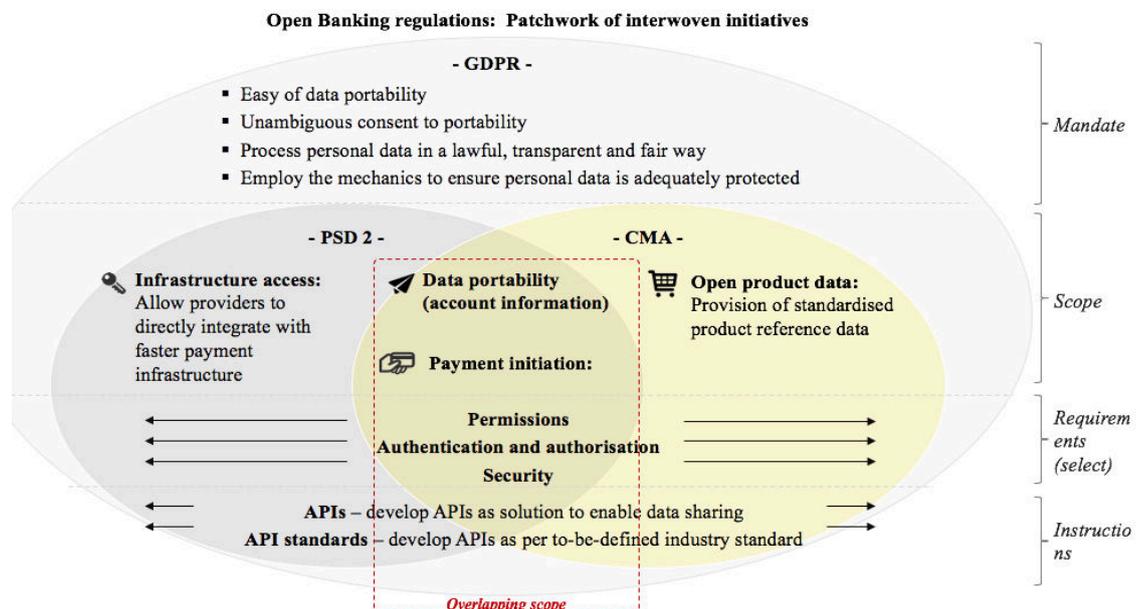
Inquiry Chair, Competition and Markets Authority

Stuart claimed that Open Banking is emerging as a global movement with the world watching what banks in the UK are doing. In Europe, Open Banking is mandated through PSD2 but non-standardised as it is in the UK. Interestingly India is going for digital identity first before proceeding with Open Banking.

Banks will be exposed to new risks and opportunities, both in complying with regulations and in maintaining market position with the focus now on implementing Open Banking as a secure environment. For the innovators, there are huge opportunities to address driving loyalty, improving customer service and developing a utility infrastructure. There is a discussion around what will effectively become ‘open KYC’ that might have ramifications in the context of GDPR. There are questions too about the role of merchant data, the missing link in the chain of greater transparency.

Stuart described the emerging competitor landscape as comprising well-established players (traditional banks), new companies (digital platform banks and specialist Fintechs) as well as new entrants from parallel industries such as aggregators and telcos. However, the biggest threat to the current ‘order’ will come from the major technology players. He went on to share a vision of a consumer’s journey, using her personal data available through Open Banking to facilitate financial services and engagement like never before, although he did caution that, while the advantages are transparent, the risks may not be.

He stated that Open Banking will be governed through a patchwork of interwoven regulations, dealing with similar themes and in certain areas, overlapping in scope. He expects there to be greater convergence between the work of the CMA and PSD2, notably around permissions, authentication and security as well as the standardisation of APIs. Stuart concluded by observing that policy makers are working hard to remove hurdles to consumer and developer adoption, thereby maximising impact and that, to respond appropriately, banks need to address a complex set of strategic and compliance considerations which in his view no-one has yet answered.



Panel 1:

Open Banking & PSD2

The new transparencies will bring concerns and fears to businesses and consumers. What is the likely impact for both?

Moderator:

James Varga

CEO, The ID Co.

Martin Dowson

Head of Design Forward,
Lloyds Banking Group

David Ferguson

CEO, Nuclear Financial Group

Gavin Littlejohn

Fintech Stakeholder Group
Convenor, UK Open Banking

Session Background

2018 is going to be an 'interesting' year in terms of EU regulations coming into force that will impact not only the whole of the current financial community but a slew of new entrants into the payments market – and of course consumers. For anyone who hasn't been having a news blackout, the second Payment Services Directive (PSD2) became law across Europe on 12 January 2018.

A business might argue persuasively of the need to profile its users to manage any risks associated with offering products and services; and yet on the other hand a consumer may have justifiable security and privacy concerns about how their data is being handled and managed securely. Both may turn to the emerging regulations for guidance and come away either confused or simply give up. Nevertheless, it is hard to blame the regulators who had in mind clear and reasonable principles when striving to cater for the ambition of businesses while at the same time upholding the rights of citizens. With so much at stake, it isn't surprising that some things are getting 'lost in translation'.

Although GDPR and PSD2 would appear unrelated, they share two common aims – putting customers in control of their own data and keeping the data safe.

Both are built on the principle that individuals own their personal data and have the right to choose how it is used and with whom it is shared. But moving from principle to the reality of implementation, the challenges reconciling the details of each become apparent. Not least because the GDPR is a EU-wide regulation with an onerous system of enforceable fines; if there is a conflict, businesses will opt to comply with GDPR, if necessary at the cost of PSD2. So could GDPR in fact limit the value of PSD2 to consumers?

This session focussed on the new transparencies associated with PSD2: the fears consumers may have over the security of personal data with Open Banking that are largely unwarranted, contrasted with the real threats that do have to be addressed such as when trusted third parties (TTPs) start sharing data.

Where is the trust in trusted third parties (TTPs) – even regulatory bodies can do harm by allowing lawful access when they shouldn't. How can we establish trust and who with?

Discussion

According to David, from a pensions perspective, there are data records for maintaining person records, and having freedom of movement between providers is going to be highly significant.

For Martin, in banking, 'customer forward' means looking ahead three to five years when there will be 30 million customers. In the future, it's not clear that the customer will win, but they definitely should. Current accounts are free but with that there is a loss of privacy which becomes more evident with the advent of Open Banking.

Gavin pointed out that FDATA (the Financial Data and Technology Association) and the Open Banking Steering Group led to Open Banking, which is not new but we do now have regulations and a legal framework. In fact, there are two million people already using Open Banking. In contrast, the United States is supervising Fintechs but not customers.

There are inevitably unintended consequences when granting trust and apportioning responsibility and accountability. For example, not everyone would want to be responsible for using step information for authentication, whereas it has become apparent that other forms of biometrics are less sensitive.

Regulation works for large corporates and is often based on their practices, so it's no surprise that SMEs pushed for Open Banking.

With respect to trust, it is said that Fintechs are good with the interests of the bank but not with money, whereas banks are good with money but do not always appear to be motivated by the best interests of their customers.

Trust and trustworthiness are contextual. Expectations are key. Quoting Kieron O'Hara, *"It makes no sense to say, something like, I trust you with my kids. Of course I expect you to abuse them, but I trust you with them anyway. That's just idiotic."*¹



I think in this case, Mint totally won at the first (making users happy quickly), and we both totally failed at the second (actually helping people). No one, in my view, solved the financial problems of consumers. No one even got close. Yes, both products helped some people ... (But) Neither product had any significant impact beyond what the overall economy led people to do anyways.

—
Marc Hedlund
 former CEO, Wesabe

¹ BCS, 6 July 2015, Kieron O'Hara, Associate Professor in Electronics and Computer Science at The University of Southampton

Can a pension company discover ancient pensions? Ten years ago it could take a year to move from one pension to another, but now it's electronic.

It's important to know how people are going to behave in order to manage risk. It is also a matter of perception and the consequences of poor decisions which are continual.

According to research carried out by Experian, only 9% of people surveyed *"take extreme care not to share anything they don't want to"*. Having said that, most people care deeply about what happens to their data, although it isn't always reflected in their behaviour. This becomes more apparent when one asks whether in 10 years' time money will still be more important than data.

It's all about the context of the question being asked. Consider the case of Wesabe and Mint from 2007, in which in the trade-off between security and convenience, the latter won. At least with Open Banking there's no possibility of phishing.

GDPR wasn't designed for financial services, where end-to-end services are required. PSD2 provides better redress than GDPR, particularly with the role of the Financial Ombudsman Service (FOS). There is a tendency to think that compliance comes before the customer. But, if you put the customer first, then you're not likely to breach compliance, which highlights the tension between regulatory compliance and customer transformation.

There will be a campaign in 2018, explaining how the financial redress will be handled, which will be reminiscent of direct debit and credit card guarantees. However, it will be harder to communicate the mechanisms for dealing with data loss. The disconnect can be compared to climbing different sides of a mountain: the eventual goal is the same but the paths taken are very different. Fortunately, a recent Open Banking Steering Group meeting took the initiative to co-ordinate the messaging around all aspects of Open Banking.

How are consumers going to find out about Open Banking – it has had so little visibility in the media?

Panel 2:

GDPR: A High-Level View

What are the main areas of contention when implementing GDPR; and how do we go about addressing those issues?

Moderator:

David Goodman

Consultant & Analyst,
Trust in Digital Life

Andy Harris

Partner, Head of IP and Commercial
Contracts, MBM Commercial LLP

Jörg Hladjk

Of Counsel, Cybersecurity,
Privacy and Data Protection,
Jones Day

Iain Henderson

JLINC Labs

Session Background

Although PSD2 has not yet achieved very much visibility outside the financial community, the same cannot be said for GDPR. If one had the time and the inclination it would be perfectly feasible to attend at least one webinar or event focussed on GDPR every day of the week; and GDPR experts are increasing in number, fast and furiously. Much has been made of the wide-ranging improvements to data protection and privacy embodied in the regulation, and the stringent rules pertaining to data management and the severe penalties that may be applied for non-compliance. Nevertheless, with less than six months before the regulation becomes enforceable across Europe, it is remarkable that corporate enterprises have been slow in embracing the spirit of GDPR and that there are even company executives who remain blissfully unaware of the responsibilities and the changes to the business methods GDPR demands.

Discussion

Andy observed that In 1998, not many people cared about data breaches and the maximum a company was likely to get fined was £5,000. By 2010, that had risen sharply to £500,000. But today, reflecting the impact of GDPR, the figure is astronomical by comparison. This is gradually being matched by a growing level of interest to such an extent that a recent legal GDPR seminar had to be repeated because of the unusually high degree of interest.

The bottom line is that companies will have to prove compliance with the letter of the law and this will entail a massive amount of administration in collating evidence which has a tremendous nuisance value for those involved. Added to which there are still plenty of areas that are still not clear.

The corporates now have data protection officers (DPOs) who are having to carry out large scale processing – a task that will also fall on small companies which are unlikely to have the resources to employ a full-time DPO.

To date the ICO has reported 14,000 complaints that have resulted in 75 fines, suggesting that the rules around data protection and privacy rights are really not well understood. Is common sense going to prevail?

Jörg declared that he was totally focussed on GDPR in his practice. He agreed that there are still holes in the legal application of the regulation and mentioned the draft guidelines on consent and transparency that the Article 29 Working Party produced in relation to children and GDPR in early December. The next Working Party document to be released will set about determining a legal definition of security breaches.

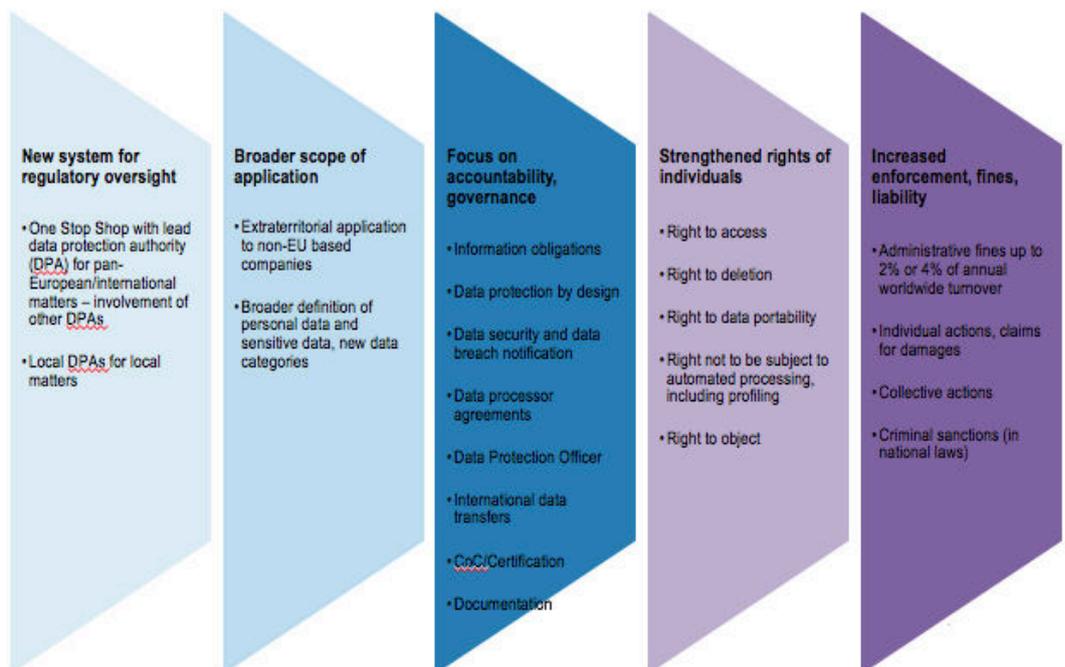
He went on to mention the particular case being brought to Ireland’s High Court to ban Facebook from transferring data as well as employee contracts from the EU to the United States. It is only being recognised latterly that employees are just as entitled to data protection rights as consumers and have to be governed by the same rules as consumers when it comes to the way the companies they work for handle their data. There are still a lot of open questions when it comes to the transfer of data from one jurisdiction to another, particular when employee data is involved.

Another area that is still totally unclear is in the calculation of fines for data breaches, and what mitigation might apply in the implementation of GDPR.

A point was made that, as there appears to be a different set of data processing rules between employers and employees than with consumers, should they not all be contract based? Iain said that his workload was split between consulting and promoting a start-up in the personal data management space.

In his CRM/data automation work for Aegon, a massive company in the financial services sector, 90% is B2B and the remainder B2C. There are three phases to the project he is involved with:

- Phase 1: Where is the data? (June 2017)
- Phase 2: What do we get rid of? (September 2017)
- Phase 3: What do we do with what’s left?



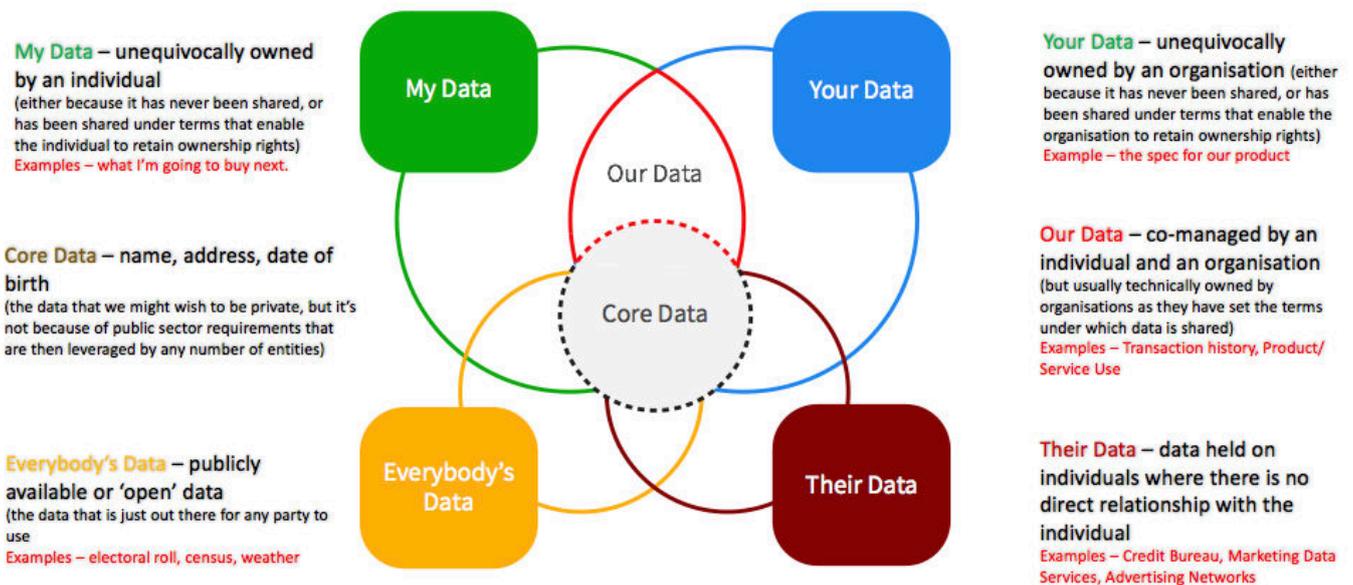
In relation to contact records, it is a 'mixed economy' in terms of contracts and consent agreements and, even with the considerable filtering process in the second phase, there is a lot to do to achieve satisfactory regulatory compliance.

JLINC is a new protocol designed to address the question, "How do you control your data after you've shared it?", making it effectively a holistic data sharing agreement. Iain noted that JLINC's Salesforce app had been approved that morning.

It was mentioned that on average 75-90% of organisational data is bad. This in turn provoked the observation that there is a trade-off between ownership rights of data and accountability/responsibility. There is a difference between owning and replacing data.

Finally, to highlight a different aspect of the enormity associated with the introduction of GDPR, there is a shortage of qualified professionals, creating intense competition for the same limited resource. It was observed that the Information Commissioner's Office (ICO) is having difficulty retaining its newly-hired staff as, once they've been trained up, they are sought after by the major companies who are in a position to offer them more attractive employment terms.

A provenance-based framework to address the question: whose data is it anyway?



Panel 3:

Consumers & Business

Is there a clash of expectations and aspirations, and, if so, how are we going to achieve and manage a win-win?

Moderator:

Geoff Revill

Krowdthink Ltd & Partner
at Ethos VO

Steven McDermott

Qualitative Analysis and Social Media
Lead, HM Revenue & Customs

Robin Wilton

Technical Outreach Director
(Identity and Privacy),
Internet Society

David Alexander

CEO & Platform Architect,
Mydex CIC

Martin Dowson

Head of Design Forward,
Lloyds Banking Group

Session Background

There is a fundamental shift in the way we do business with people's personal data that is a lot more than just a legislation compliance exercise. If the full impact of this shift has not quite hit home yet, this session aimed to look at the new personal data regulations from the point of view of the individual consumer and customer and to help see the sorts of cultural business changes the new legislation will drive as consumers start to exercise the new rights they are given.

To achieve the win-win between businesses and consumers, we have to understand the consumer's perspectives and expectations and how they will evolve in the light of the new empowerments they receive in the new legislation. Otherwise how can we possibly understand what a win-win looks like? This question was addressed from the consumer perspective and with a look at the emergent market changes that will be driven by the more empowered customers.

The new environment begs a number of key questions:

- How will consumers engage with the new legislation? In the context of the power balance shift between business and customer, how will consumers learn their rights and how to exercise them – and how long will it take?
- Company lawyers in particular and businesses in general will need to change from a viewpoint of looking at legislation as a risk to be mitigated and instead see it as a compliance assurance business opportunity with their customers.
- A new approach to online services needs to be considered by banks which have, for example, Google DoubleClick and Facebook tracking cookies active during an online banking transaction session. Informed users will challenge this more often – and expectations will be higher for trusted agents – yet the evidence suggests that they are currently unable to figure out how to respond.
- Both GDPR and PSD2 will foster new business ecosystems. How do we see these ecosystems evolving and changing the market from the perspective of the consumer in, say, five to ten years' time?
- If the ecosystem brings in new intermediaries to help us as consumers manage our online activities, how should consumers hold them to account if they are bad or poor actors, especially as with PSD2 not only will these third parties have access to personal data, but also our money too? How does this accountability change post-Brexit, if at all?



No legislation rivals the potential global impact of the EU's General Data Protection Regulation (GDPR), going into effect in April 2018. The new law will usher in cascading privacy demands that will require a renewed focus on data privacy for US companies that offer goods and services to EU citizens.

—
Jay Cline

PwC's US Privacy Leader

Discussion

Geoff opened stating that 'change is a business opportunity' and referenced a PwC press release from January 2017 that suggested GDPR is the most impactful piece of legislation the world has known.

Steven revealed that in his role as a data scientist looking at social media he often uses the Brandwatch Analytics app, and is responsible for analysing every customer feedback written to the HMRC, using the tools available such as machine learning algorithms and sentiment analysis. His mantra is that, "I am my data, my data is me" and that getting colleagues to recognise that they are dealing with people and not just data requires a set of seismic shifts, so fundamental that it parallels the introduction of medicine to healthcare. He suggested that there was a need for a 'General Data Council' or a 'Data Governance Body' along the lines of the General Medical Council (GMC). He has concerns about 'duty of care' and frequently asks himself, "Am I personally liable if there is a data breach?"

Robin continued by saying that, if we don't have such a fundamental shift, we're not going to find the answers we need. He is currently working on privacy choices and how making bad decisions can lead to bad behaviours, as well as how this relates to ethical data handling. He compared the behavioural characteristics with having a poor diet or bad posture and asked the question as to how we can 'nudge' people into doing the right thing. He likened making trust decisions to the simple purchase of a bar of chocolate, which doesn't involve considering the longer term, bigger picture which comes as a consequence of a poor diet. The crucial task is to make people aware of linking decisions made today with consequences tomorrow.

David said that his company, Mydex, was about empowerment and delivering a personal identity assistant, but not along the lines of Siri or Alexa.

Martin followed by looking ahead three to ten years and asserting that, if you're not designing something for a human being to use, why are you doing it? And if a product or service can't be used within a year, to forget it.

Whilst we all agree that a human-centric approach is the way to go, how is it going to happen and when?

The ensuing conversation centred on having trust in a digital ecosystem or society, in which a human-centric approach had to be the priority of the regulatory agencies, although it was questioned as to whether regulation or technology would achieve that aim.

Iain Henderson was quoted as having said, “People just want to get stuff done” and are looking for frictionless, ease of use solutions that shouldn’t be difficult to design.

Robin declared that the behavioural characteristics of the future ‘networks of control’ will be determined by resolving the questionable uses of personal data. This leads to the emergence of data ethics as a primary differentiator that in turn creates a new competitive advantage. The question that businesses and consumers need to address is how to make ethical decisions in relation to sharing data.

Iain observed that there were roughly six billion people on the planet but 200 billion data records, a statistic that highlighted the scale of the problem that needs to be addressed.

David referenced an interesting reflection on a utopian/dystopian future based on the novel, *The Unincorporated Man*, in which individuals are incorporated at birth, and spend years trying to attain control over their own lives by getting a majority of their own shares. He suggested that it would take 15 years to achieve the desired human-centric approach and it would be an evolution rather than a revolution – a movement of individuals who are motivated.

Robin suggested that living in the outrage economy which demands convenience above all else is also a contender to bring about change.

Geoff observed that the United States want a GDPR, as they see the value proposition, having after all created the data economy, and that this in turn creates a great opportunity for Europe. The US has 80% of the digital market and Europe hasn’t competed properly – yet. The ‘We Care’ battlefield will be to compete with the likes of Facebook and LinkedIn, waving the banner “computers are there to serve us”.

Ensuring the continued free flow of data, which is seen to be vital for the digital economy, we should be qualifying or even removing much that isn't necessary. For example, Facebook adds 500,000 new users every day; six new profiles every second. Needless to say, GDPR is clearly going to accelerate change and transparency.

David told a personal story about how he had talked to some friends about renting a boat in Montevideo, only to find that within a very short time he was receiving advertisements relating to sailing in Uruguay. He reflected that this type of scenario will both get better and worse in the future.

Steven concluded the session, observing that as a result of the greater awareness of the issues associated with data protection and privacy, we had acquired a new set of words, a new vocabulary to facilitate future debates.



Panel 4: Start-Ups & Regulations

How can start-ups and innovation flourish without the resources of the corporates to interpret and implement the regulations?

Moderator:

Giles Watkins

UK Country Leader, International Association of Privacy Professionals

Matthew Higgs

Data Scientist, The Data Lab

Rhomaïos Ram

USC Consortium Executive, Clearmatics

Andy Harris

Partner, Head of IP and Commercial Contracts, MBM Commercial LLP

James Varga

CEO, The ID Co.

Discussion

Giles opened by asking how can start-ups compete with corporates, while at the same time the banks are reaching out to innovators.

Matt explained that the Data Lab in Glasgow is one of eight innovation centres and that GDPR is going to provide the first layer.

Rhom said that banks do not want to innovate themselves and prefer to collaborate with innovators – but for all the wrong reasons. Among these are keeping shareholders happy by getting innovators in, carrying out the appropriate proofs of concept (POCs) – and then moving on.

Andy didn't see a problem with the current scenario and James advised that start-ups have to be nimble and play to their strengths. Rhom concurred, giving the example of Clearmatics, a 25-person start-up, which, despite working closely together, recognises that it cannot join up all the pieces on its own. By contrast, corporate experts are keen to collaborate with each other but tend to be distributed far and wide.

The ICO is not worried about the GDPR compliance of corporates; but there is a concern that SMEs lack resources and awareness to cope with the regulation even though they can be far more agile: 20 people are far easier to educate than 2,000 or 20,000. It's hard to know what's going on in the corporates, added to which the exposure is far less with SMEs.

SMEs should collaborate with other like-minded companies, for example, by taking part in workshops. There is a greater hesitancy here than in the United States, whether it be a lack of cohesion, doubts about intellectual property (IP), fears over competition or simply a lack of confidence.

It was suggested that innovators should look to 'run the bank' and in so doing 'change the bank' to counter the lack of vision and accountability.

Closing Debate: Whose Future Is It Anyway?

Based on today's debate, where will we be in three to five years?
What can we do today to get to where we want to be?

Discussion



No legislation rivals the potential global impact of the EU's General Data Protection Regulation (GDPR), going into effect in April 2018. The new law will usher in cascading privacy demands that will require a renewed focus on data privacy for US companies that offer goods and services to EU citizens.

—

Moderator:

Amardeo Sarma

General Manager, NEC Laboratories Europe



Privacy is partly about who has control over your data. The GDPR is meant to empower the individual with much more control. PSD2 similarly breaks down banking control over your data with respect to your financial activities, empowering the individual with greater rights in this regard.

However what is obvious in both cases is that this is disruptive to the business competitive landscape; incumbent organisations struggle to nimbly adjust while start-ups seek to leverage new rights they can give individuals. How fast or well this will turn out is hard to say still as incumbents move slowly and culturally resist change, but what is clear is that we are at a cusp of fundamental change in the digital sphere as the balance of power via personal data use is adjusted in favour of the individual. Lumbering beasts now have to get light on their toes and move fast or risk losing customer trust.

—

Geoff Revill

Krowdthink Ltd & Partner at Ethos VO



Despite the two year transition periods before the introduction of GDPR and PSD2, it's increasingly apparent – but not surprising – that neither businesses, consumers nor the supervisory bodies are going to be ready when the regulations come into force in 2018. In addition, it's likely that over the course of the next five years, we can expect to see deployment-driven refinements to both sets of regulations, resulting in GDPR2, if not GDPR3, when the impact of widespread blockchain adoption becomes clear.

–
David Goodman

Consultant & Analyst, Trust in Digital Life



Markets, regulators and consumer groups need to think carefully about how they strike the balance between privacy, financial exclusion and market performance. The promise of data science to solve real customer problems and improve efficiency in markets may be severely inhibited if the implementation becomes too restrictive. There is a real dynamic at play where national policy in data law may also impact economic growth.

–
Gavin Littlejohn

Fintech Stakeholder Group Convenor, UK Open Banking



‘Are you aware that you can now do all of this online?’

Glossary of Terms

AI	Artificial Intelligence	GMC	UK General Medical Council
B2B	Business to Business	HMRC	Her Majesty's Revenue & Customs
B2C	Business to Consumer	ICO	UK Information Commissioner's Office
CRM	Customer Relationship Management	IP	Intellectual Property
DPO	Data Protection Officer	OBWG	UK Open Banking Working Group
EC	European Commission	POC	Proof of Concept
EU	European Union	PSD2	Payment Services Directive 2
FDATA	Financial Data and Technology Association	SME	Small and Medium-sized Enterprise
FOS	UK Financial Ombudsman Service	TDL	Trust in Digital Life Association
GDPR	General Data Protection Regulation	TTP	Trusted Third Party

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Digital
Life

TDL's vision is that trust must become an intrinsic property of any online transaction involving personal information, incorporating legal, business, and technical advances. By supporting cyber security policies, and integrating societal considerations, we believe that citizens and end users will recognize trustworthy services, transactions, and data, and be prepared to pay for them. Trustworthy ICT will increase confidence and trust in modern society, bring new and attractive ways of living and working, and further strengthen Europe's democratic and social values.

The association's mission is to provide its members with a European business development platform in order to stimulate development and user acceptance of innovative but practical trustworthy ICT. Guided by its strategic research agenda, TDL acts as an incubator for a portfolio of sprint projects intended to validate new and innovative technology concepts, promotes cross-sector collaboration, and aggregates the results into industry recommendations for policy makers and the European Commission.

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