

Press Release

For immediate release 24 May 2011

Do you know what you're signing up to online? Panel calls on companies to make small print clearer

While nearly four in five people surveyed said they are highly concerned that their online data might be sold on by a company to a third party, just 50% of people say they regularly read companies' privacy policies. The Panel says companies must make clear to consumers if they share data with third parties, and improve awareness to ensure people can make an informed choice about what to reveal online.

"We were concerned that there was a lack of awareness about the various ways online personal data is collected and used, and our research reveals the extent of the problem," Consumer Panel Acting Chair Bob Warner said.

"Consumers have told us that they are more comfortable sharing information when they are aware of, and have control over, what they are disclosing," Bob Warner explained. "It's much easier for people to use simple opt-in/opt-out tools - rather than reading the complex small print of company terms and conditions and privacy policies."

Bob Warner said that this shouldn't mean longer and more complicated privacy policies: "Companies should be able to explain how they protect people's privacy in a straightforward way that makes sense to consumers."

Three-quarters of the UK population now have broadband at home, and consumers make more online transactions than any other major European country. The market in consumers' personal data is growing rapidly and producing many benefits, and the Consumer Panel member for Wales Kim Brook says that it's vital that consumers feel confident about sharing their personal data online.

"People must feel confident about sharing their information "or this could become a barrier to the development of innovative services," he warned.

The Panel's latest UK-wide research *Online personal data: the consumer perspective* found that people were most concerned about sharing financial information such as credit/debit card details, information from social networking profiles and their mobile numbers. Nearly nine in ten people said that they were highly concerned about giving, or companies being able to collect credit or debit card details.

During interviews one consumer said there should be more clarity about how information is used, and more assurances around data protection: *"If I was giving someone information I would expect it to be confidential....I don't think anyone should be able to get my information from company. If they need information about me then they should come and ask for it."* (Male, 35-44 years old, Holywell)

Another was happy to receive tailored ads: *"Normally when I am on these sites I won't click on the adverts to see what they are offering. But I am happy for them to use my information to tailor the ads."* (Female, 45-54 years old, Merseyside)

KEY FINDINGS

- 6 out of 10 people (58%) when prompted said that they were concerned about privacy online.
- 47% of consumers using the internet on their mobile phone are unaware that companies can use mobile apps to collect data about their location or what products/services they are interested in.
- 79% of people surveyed said that they were highly concerned about their data being sold to third parties for companies to target the consumer with offers.
- 50% of consumers said that they did not regularly read companies' privacy statements or terms and conditions before deciding whether to use a site/service.

RECOMMENDATIONS

The Consumer Panel considers that consumers will only be genuinely empowered if they have:

- information to allow them to make an informed decision about the implications of releasing their data
- control over the use of their data
- confidence that companies will follow the rules and manage personal data
- reassurance that companies will always minimise the amount of data that they collect and retain it for no longer than is necessary.

"Our report highlights people's very real concerns about control over their online data, and we are organising a roundtable discussion early in the summer with the International Institute of Communications to take the issue forward. The Panel's research will also act as a benchmark to facilitate future studies looking at the extent to which legislative developments, industry initiatives and tools have actually empowered consumers," Bob Warner concluded.

Ends

CONTACTS

Consumer Panel Media Adviser Siân Evans on 07713997510 or 020 7981 3798

NOTES TO EDITORS

The Communications Consumer Panel was established to advise Ofcom on the consumer interest in the markets it regulates. The Panel is independent and sets its own agenda. Visit www.communicationsconsumerpanel.org.uk for more information.

The Communications Consumer Panel commissioned Accent, an independent market research company, to conduct the research. A representative sample of 1,000 UK

internet users was interviewed. Ten in-depth interviews were then conducted over the telephone with respondents recruited from the main survey, and chosen to represent a range of age groups and a number of attitudinal positions.

Online personal data: the consumer perspective can be downloaded at www.communicationsconsumerpanel.org.uk