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May 1, 2002

By mail, email ([study.comments@ots.treas.gov](mailto:study.comments@ots.treas.gov)) and fax ((202) 906-6518)

Regulations and Legislation Division  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G Street, N.W.  
Washington, DC 20552

Attention: Study on GLBA Information Sharing

Re: Comments for Study on Information Sharing Practices Among Financial Institutions and their Affiliates

Ladies and Gentlemen:

Intuit Inc. ("Intuit") is pleased to be able to respond to the Treasury Department's request (67 Fed. Reg. 7213 (February 15, 2002)) for public comments on information sharing practices among financial institutions and their affiliates. We hope that our comments are of help to the Treasury Department in preparing its study on these practices, required under Section 508 of the Gramm-Leach-Bliley Act ("GLBA"), 15 U.S.C. § 6808. Section 508 of the GLBA requires the Secretary of the Treasury, in conjunction with the federal functional regulators and the Federal Trade Commission ("FTC"), to conduct a study of information sharing practices among financial institutions and their affiliates.

Intuit's business is revolutionizing the way individuals and small businesses manage their finances. Intuit is a financial software and services company, a leading provider of small business, tax preparation, and personal finance software products and Web-based services, and the maker of Quicken®, QuickBooks® and TurboTax®. Intuit has a variety of financial divisions, subsidiaries and partners and a large customer base. It also has a major online presence, providing a variety of services at [www.quicken.com](http://www.quicken.com) and nineteen other Web sites, including offering mortgage loans through its Quicken Loans Web site.

We build trust with our customers by respecting and protecting the privacy of those who visit or use our Web sites or otherwise provide personally identifiable information to us.

Intuit has adopted leading industry privacy policies, is a Premier Sponsor of TRUSTe and a member of its Privacy Program. We provide customers notice of how their data may be used, as well as the ability to opt-out of secondary use of their data by Intuit. Intuit does not share consumer data with outside companies for their promotional use. Additionally, we protect personally identifiable information stored on our servers from unauthorized access using advanced technological security products, such as firewalls, as well as having developed security procedures and practices to protect data from misuse, loss, or unauthorized alteration.

With a nineteen-year track record in handling and securing customer data, we feel that Intuit is well-qualified to comment on customer privacy and the sharing of customer information. Our comments are addressed at the particular questions posed by the Treasury Department (reprinted in bold) where we think Intuit's experience gives us a deeper perspective on the issue at question.

Before commenting on selected questions that we feel our experience would contribute most to because of their relevancy to Intuit, we offer our general comments on information sharing among affiliates. These general comments are applicable to all our specific responses in connection with the request for comment.

Intuit believes that the following principles and ideas should be considered:

1. Information should be allowed to flow freely among affiliated institutions that are defined under Gramm-Leach-Bliley, as "any company that controls, is controlled by, or is under common control with another company."
2. Consumers have more choices of goods and services and at better prices due to information sharing.
3. The consumer's right to make choices and his desire to control information concerning himself need to be balanced with the desire to maintain a competitive marketplace.
4. Current law in this area establishes a carefully drawn balance between assuring that consumers are informed of company practices and are given a choice to limit the use of data pertaining to them without taking away from consumers access to new goods and services.

**Question 1(d): For what purposes do financial institutions share information with affiliates?**

Intuit and its affiliated companies share a small number of brands – chiefly “Intuit,” “Turbo Tax,” and “Quicken.” Our customers expect that whenever those brands are used, they are being used by a single business with a single, unified customer database. This is a natural customer response to the use of brand names. Which entities are business units, which are affiliates, and which merely contract with one another at arm’s length, are distinctions of which the consumer is generally unaware. What the consumer is aware of is the use of brand names: if the same brand is used in two different places, the consumer perceives a relationship.

Sharing of information among affiliates allows Intuit to offer our customers seamless integration among our product lines, thereby maximizing the capabilities within each product or service. For example, Quicken customers who manage their personal finances with this software tool, can benefit by receiving information from Quicken Loans that is helpful in determining whether refinancing a mortgage makes good financial sense. Intuit’s objective is to demonstrate to our customers that we understand their unique requirements and that we respond to those requirements with products and services tailored to their needs. Sharing of information among our affiliates allow us to do this, thereby increasing the value that we bring to our customers, the company and its shareholders. Our ability to do this well, to establish what is, in effect, a more personal relationship with our customers, can serve as a critical component in differentiating Intuit from our competitors.

**Question 1(f): What, if any, limits do financial institutions voluntarily place on the sharing of information with their affiliates and nonaffiliated third parties?**

Intuit voluntarily offers its customers greater privacy protections than the law requires us to provide. With respect to unaffiliated companies, our policy is not to share any personally identifiable customer data with such companies for their promotional use. Accordingly, Intuit does not rent or sell our customer lists to other companies, neither do we share data with non-affiliate “partners.” All Intuit subsidiaries and business units operate under Intuit’s corporate privacy policies. Our customers are offered easy-to-read and easy-to-implement opportunities to opt-out of marketing from Intuit. When they do, the opt-out applies across product lines throughout Intuit and our affiliates. Although not required under Gramm-Leach-Bliley, Intuit offers all our customers the opportunity to

opt-out of all marketing efforts. If they decide to continue receiving marketing materials, they can choose through which communication channel they would prefer to receive it from us: postal mail, e-mail and/or phone.

**Question 2, 2(a): The extent and adequacy of security protections for [customer ] information:**

**a. Describe the kinds of safeguards that financial institutions have in place to protect the security of information. Please consider administrative, technical, and physical protections, as well as the protections that financial institutions impose on their third-party service providers.**

Intuit was pleased to submit two letters in response to the FTC's requests for comment on development of the Commission's security safeguards rule under Section 501(b) of the GLBA. Intuit believes that the FTC's proposed regulations, adequately and appropriately address the security requirements for customer data. Intuit's comments can be found at: <http://www.ftc.gov/privacy/glbact/index.html>.

**Question 3(a): What, if any, potential privacy risks does a customer face when a financial institution shares the customer's information with an affiliate?**

In our experience, the ability of Intuit business units and affiliates to share customer information helps our customers without diminishing their privacy. Our research has shown that our customers have a high level of trust in Intuit and that this trust extends to the full range of Intuit products and services. Our privacy policies and practices have been established to honor and enhance this trust since the company understands it is fundamental to our success in the marketplace. Companies, meanwhile, expect that their customers will have a range of positions on the sharing of information, and companies that want to keep their customers – that is, companies that want to succeed over the long run – go out of their way to be sensitive to their customers' privacy concerns. The need for affiliates of a company to build customer loyalty keeps the affiliates from undertaking aggressive, inappropriate or otherwise invasive marketing of existing or former customers. Informed customers will be assertive enough to keep companies from utilizing abusive privacy policies. Before making changes to current laws, better education of the customer as to what they should reasonably expect from companies that they interact with and what the existing laws provide in terms of protection is needed.

The natural progression of the marketplace, coupled with this type of outreach to the consumer, will pressure businesses to stop any abusive sharing of customer information among affiliates.

**Question 4(a): In what ways do financial institutions benefit from sharing information with affiliates?**

As noted above, Intuit benefits from the sharing of customer information among affiliates by being able to meet customer expectations, offer customers products and services appropriate to their needs, and gain efficiencies on the input and processing of customer information that would otherwise have to be manually re-entered – a tedious and error-prone process. These are the types of benefits that every group of affiliated business obtains from sharing customer information.

We have found that the way in which we share information among our affiliated companies provides benefits to our customers that they would not otherwise have, such as notices of promotions and discounts. Our affiliates and business units are all held to the same standard of privacy protection, embodied in Intuit's group-wide privacy policies and practices. These have been established to honor and enhance customer trust, which we believe is fundamental to our success in the marketplace. Our research has shown that our customers have a high level of trust in Intuit and that this trust extends to the full range of Intuit products and services. We think much of this trust stems from our implementation of group-wide privacy protections.

Our customer research has also shown that our small business customers often intermingle their business use of our products with personal use of the product. For example, our QuickBooks software can be used to manage personal financial records as well as business accounts. Intuit is concerned that laws regarding affiliate sharing might make it difficult for us to determine which laws apply in situations where business and personal customer use is intermingled.

**Question 5(a): In what ways does a customer benefit from the sharing of such information by a financial institution with its affiliates?**

Sharing customer information among Intuit affiliates and business units provides us the opportunity to meet our customer's expectations by allowing us to help our customers optimize the use of our products, bringing greater value to their software purchases and to the management of their personal and/or business finances.

This can take the form of letting customers know about potentially valuable products that they may not otherwise have been aware of. For example, we make and sell both Quicken (a financial management program) and TurboTax (a tax planning and preparation program). A person wanting one type of financial planning software may well want access to other financial planning help. Providing information about both of these software programs to both Quicken and TurboTax customers enables both sets of customers take full advantage of both programs. By providing TurboTax customers with current mortgage rate information from Quicken Loans, we may be able to help customers save money by reducing their interest payments. In addition, in this case information-sharing can allow customers to realize greater savings more efficiently. Intuit's software customers have one of the highest qualification rates for Quicken Loans among all types of customers, and the ability of Quicken Loans to access these customers reduces customer acquisition costs, lowers overhead, and allows customers to receive better loan rates without having to spend an extensive amount of shopping time.

Information sharing among affiliates allows us to give our existing customers access to new products and services as we introduce them. In fact, our existing customers often receive special savings and promotions in connection with these new products and services, saving them money as well as giving them early access.

Affiliate information sharing restrictions that would mandate certain opt out choices on behalf of our customers would not allow us to meet our customer's expectations of doing business with a unified company with many products and services and would unnecessarily interfere with customer relationship communications.

In addition, affiliate information sharing restrictions can make it difficult for us to deliver products that are easy to use, and responsive to customer needs. For example, when a customer has provided information to Intuit during the purchase of a product, and that information resides within our customer database, and the customer then decides to purchase another Intuit product from a different affiliate, the expectation that our customer has is that we will use the information previously provided (e.g., name, address, etc.) to populate the required order form so that the customer is not required to provide information that we already have. Customers expect simple to use applications and can become frustrated when ease of use is unnecessarily complicated.

A major consideration in developing a new product is the fact that there is an existing affiliate customer base that would uniquely benefit from this new product. Without the

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ability to readily offer this new product to the affiliate's customers, it would be difficult to justify the investment in such a new product offering.

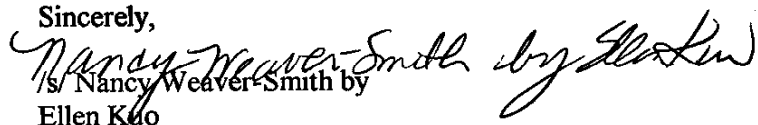
Bottom line, we share information among affiliates not to take advantage of the customer, but to allow the customer to take advantage of our data management capabilities.

*Conclusion*

Intuit would like to thank the Treasury Department for this opportunity to comment on financial institution affiliate information-sharing practices. As we have pointed out in the context of a number of specific questions, the current combination of evolving market discipline and thoughtful, selective legal restrictions encourages businesses to share information with affiliates only in responsible, customer-sensitive ways. The cost of this mixed system of market and regulatory forces is low, and the benefits that accrue to business and consumers alike are significant. We hope that the Treasury Department is aware that the delicate balance that has been achieved can easily be upset by inappropriate, heavy-handed regulation, and that this awareness informs the ultimate shape of the Treasury Department's study on this issue.

If Intuit can provide any additional information on this subject, please contact Ellen Kuo, Manager, Intuit, at 499 S. Capitol Street, Suite 518, Washington, D.C. 20003. Her phone number is (202) 484-3902.

Sincerely,

  
/s/ Nancy Weaver-Smith by  
Ellen Kuo

Nancy Weaver-Smith  
Chief Privacy Officer  
Intuit