

2001: The GLB Odyssey ... We're Not There Yet

Privacy Rights Clearinghouse Financial Privacy Project

Comments by Tena Friery

Interagency Public Workshop

Effective Financial Privacy Notices

Dec. 4, 2001

PRC Financial Privacy Project

- ⌘ Grant-funded
- ⌘ Development of five fact sheets
 - ☑ www.privacyrights.org
- ⌘ Sponsored readability study
- ⌘ Conducted media campaign
- ⌘ Conducted consumer outreach

Summary: Consumer Contacts

- ⌘ Letters (about 1,000)
- ⌘ E-Mails (about 1,000)
- ⌘ Telephone calls
- ⌘ Community outreach (about 500 persons)

Level of Consumer Knowledge

- ⌘ Low (or no) knowledge of GLB
(about 65%)
- ⌘ Moderate level of knowledge of GLB
(20%-25%)
- ⌘ Highest level of knowledge of GLB
(about 10-15%)

Low Level of Knowledge

- ⌘ First heard about GLB from a media story in May, June or July 2001
- ⌘ Vaguely remembered seeing notices
 - ☒ Failed to understand significance
 - ☒ Tossed the notices

Moderate Level of Knowledge

- ⌘ Consumer had seen the notice, but had questions about ...
 - ☒ Deadline
 - ☒ Continuing nature of opt out
 - ☒ Whether they could opt out - joint marketing
 - ☒ Why they got the notices - unknown relationship
 - ☒ Financial institutions covered
 - ☒ Closed or joint accounts

Highest Level of Knowledge

⌘ Complaints about ...

- ☒ Time and cost of opting out
- ☒ Form of notice
- ☒ Attempts to follow up with Financial Institution
- ☒ Would opt-out be honored?
- ☒ Information required to opt out

Recommendations: Industry

- ⌘ Notices written at high school reading level
- ⌘ Important messages at the top
- ⌘ Notices designed to get attention
- ⌘ Separate mailings

Industry, cont'd.

- ⌘ Accept alternative opt-outs
- ⌘ Easy access to privacy policies
 - ☑ At branch and on web site
- ⌘ Provide means to confirm opt-out
- ⌘ Educate staff

Industry, cont'd.

- ⌘ Consortium of financial services industry associations
 - ☒ Develop standards
- ⌘ Single web site with opt-out information

Recommendations: Government

- ⌘ Consumer education focused in one agency -- FTC
- ⌘ Online list of types of companies
- ⌘ Interagency cooperative enforcement
 - ☒ Share information from audits and consumer complaints

Government, cont'd.

- ⌘ Work with industry to
 - ☒ Simplify notices
 - ☒ Cut cost of compliance
 - ☒ Fact-finding workshop regarding information-sharing practices

Nonprofits and CBOs

- ⌘ Why nonprofits are essential components of overall consumer education campaign
 - ☒ Shape the message to maximize understanding
 - ☒ Deliver message in many languages
 - ☒ A trusted source

Nonprofits & CBOs, cont'd.

- ⌘ The funding challenge
- ⌘ Recommendation to develop funding program for nonprofits and CBOs
 - ☑ Model it on California grantmaking programs

Final thoughts . . .

- ⌘ Our collective efforts have only just begun.
- ⌘ The PRC pledges our ongoing involvement in efforts to develop effective consumer education and outreach.
- ⌘ Contact us:
 - ✉ E-mail: prc@privacyrights.org
 - ✉ Web: www.privacyrights.org
 - ✉ Telephone: (619) 298-3396

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