

A panel discussion featuring five individuals seated in a room with large windows overlooking the Tower Bridge in London. The participants include a woman on the far left and four men. They are dressed in professional attire, including suits and a blazer. The man on the far right is actively speaking, gesturing with his hands. The other participants are listening attentively. A dark coffee table with several glasses of water is positioned in front of them. The background shows the iconic Tower Bridge and the surrounding cityscape under a clear sky.

General Data
Protection
Regulation:
what does it
mean for you?



Intro

The clock is ticking for financial institutions.

The EU-wide General Data Protection Regulation (GDPR) comes into force in May 2018, with significant financial penalties for non-compliance. As panelists at the Marketforce, FIS webinar on GDPR made clear, financial services organisations have what Vivienne Artz of Citi called a “gargantuan” challenge ahead.

“Implementation of GDPR will be time consuming, costly and hard, without a shadow of a doubt,” said Artz, Citi’s Managing Director and Head of International IP and O&T Law Group. “If you have not started, my goodness you need to start ASAP.”

Indeed, Cameron Craig, Group Head of Data Privacy at HSBC, noted that even with ten years to prepare it would be difficult to be 100 per cent compliant, such is the scale of the task.

Much of this work will be incremental, tightening up existing data protection and increasing the burden of evidencing compliance.

"We need to be able to demonstrate compliance...and that's going to mean a lot more procedure, record keeping and getting a lot more organised about the way in which we comply with data protection law."

– Cameron Craig, HSBC

“Under the new law, it will be more difficult to get consent and more difficult to justify processing,” said Craig. “And we will need to be able to demonstrate compliance, not just comply, and that’s going to mean a lot more procedure, record keeping and getting a lot more organised about the way in which we comply with data protection law.”

While much of this work will be incremental, building on existing data protection principles, there are some new rules that organisations must accommodate, including the security breach notification requirement, the appointment of data privacy officers and consumers’ new rights to data

erasure and data portability. Organisations are still getting to grips with these new concepts and rights, and our panelists appealed for more guidance and clarification on some points, such as standards for data portability.

"There's a bit of a car crash going on between data max on one hand and data min on the other. That's a significant challenge for financial institutions."

– Vivienne Artz, Citi

Artz pointed out there’s a conflict between the data minimisation approach of the GDPR and the data maximisation urge of regulators, which require financial institutions to collect ever more data in order to assess risk and prevent money laundering and financial crime. “There’s a bit of a car crash going on between data max on one hand and data min on the other,” said Artz. “That’s a significant challenge for financial institutions.”



GDPR:
rebooting the
customer
relationship

GDPR: rebooting the customer relationship

Yet with these challenges, come new opportunities. “It’s not just regulation for regulation’s sake,” said Stuart Lacey, Chief Executive Officer of Trunomi, a FinTech that empowers customers to safely share their personal data. “It’s an opportunity to embrace and engage the customer in a more open and transparent data exchange.”

"The hope is that at the end there will be a more positive trust relationship between the end consumer and the institution, and that can lead to competitive advantage."

– Andy Roe, FIS

This was echoed by Andy Roe, Strategy Director of FIS. “There’s an awful lot of regulation and process that will change but the hope is that at the end there will be a more positive trust relationship between the end consumer and the institution, and that can lead to competitive advantage.”

Indeed, while GDPR will involve a lot of process change, one of its biggest impacts will be on the corporate culture and the relationship with the customer. “It brings a culture of privacy into your organisation in a living and organic way,” said Artz, “It’s introducing a different way of looking at how you handle customer data, employee data and personal data from institutional clients. It’s a real mind set and culture change.

"It's a real mind set and culture change."

– Vivienne Artz, Citi

GDPR: building trust

GDPR: building trust...

One of the biggest changes introduced by GDPR is that customers must give explicit, informed consent for the processing of data and have the right to withdraw that consent.

This is a big change from the tendency of many organisations to harvest data permissions by papering the issue with extensive - and often unread - terms and conditions. The balancing act for organisations under GDPR will be to meet the requirement to get specific informed consent while ensuring the flexibility to revisit permissions to reflect changing business models and customer lifestyles. "This will require some mechanism that can work with the customer to ensure on-demand permission and access to a flow of data rather than creating a fortress of data and then interrogating it with AI," said Lacey.

He pointed out this change is part of a wider picture as organisations seek to keep pace with changing customer expectations in a highly personalised and dynamic "Uber, AirBnB world". A key part of these changing customer relationships is trust in the brand, and GDPR done right can build that trust by fostering open and transparent interactions. "Customers will feel as comfortable as they can if they have a trusted relationship with a large brand and this is an opportunity for banks to reinforce their relationship," said Lacey.

Indeed, Craig of HSBC noted that the timing of GDPR has proved fortuitous, pulling together several emerging themes. "Banks would have had to get their data in order anyway to take advantage of the opportunities of the digital economy," said Craig. "It also fits with the conduct agenda in the UK, with the focus on fair outcomes for customers and treating customers fairly, which ties very closely into the principles of GDPR."

...and fueling innovation

Yet there's a risk that if customers withhold permission, then organisations will have less data to work with, thereby limiting their ability to develop compelling and personalised customer experiences. However, Lacey said giving customers more control over their data will build trust, and that will deliver far greater results over the long term. He pointed out that the old model where data was king had its limitations because so much data was anonymised, making it a blunt instrument for personalisation.

"We have seen a big move from data is king to consent is king"

– Stuart Lacey, Trunomi

"We've seen a big move now to consent is king," said Lacey. "Individuals are the best source of rich, recent and relevant data about themselves. Creating a trusted framework through which people are comfortable to share a flow of data is fantastic for large organisations that want to personalise the experience and create a great user experience. This is the real value and a huge benefit coming out."

"Segregating information so you can use it for a particular purpose... will empower organisations to use data in a more positive way rather than being frightened of it"

– Andy Roe, FIS

Andy Roe of FIS highlighted that GDPR will fuel innovation by forcing organisations to confront legacy systems and data siloes that may have previously held them back. "A lot of institutions have a lot of data and an awful lot of them do not know how to best use it," said Roe. "Segregating that information so you can use it for a particular purpose will empower them to use it in a more positive way rather than being frightened of it, and that will lead to innovation and new business models."

A close-up, low-angle shot of a circuit board with numerous gold-plated pins protruding from it. The pins are arranged in a regular grid pattern and recede into the distance, creating a strong sense of depth. The background is a soft, out-of-focus light blue.

Data portability

Data portability

Another key theme of GDPR is that customers must be able to request and receive a digital copy of their personal data in a useable format that they can transit to another controller without hindrance.

There is still a lot of work to be done to agree standards on data portability, and to help customers understand their rights. Lacey pointed out that while customers are increasingly aware of the data they generate and its possible value, the market is still a long way from maturity when it comes to pricing. "But there is growing awareness that if people share their data they can get a better level of service," he noted.

Andy Roe of FIS pointed out that data portability will have benefits within organisations. "We all get annoyed when we have to repeat our personal data," he said. "For institutions with multiple business silos, portability will be helpful for data access."

Vendors: a massive challenge

GDPR will not only force change on an organisation's customer-facing front office. The vendor-supported back office could prove a hidden pitfall for many organisations.

"The relationship with vendors is a huge part of this and many organisations have not reached the point of understanding just how many relationships they are going to have to repaper and revisit," explained Artz, highlighting that the legal relationship between processors and controllers changes under GDPR. This is a significant change, and one that Artz advised banks to focus on sooner rather than later. Craig agreed with this assessment. He said looking at contracts with service providers will be a key step for organisations as they plan for implementation, and one that is "simple to say but difficult to achieve in practice".

"These tracks have all got to be kicked off now and run in parallel because if you try to do it one after another you will never get there."

– Andy Roe, FIS

Roe backed this point, saying that financial institutions cannot look at GDPR implementation as a serial process. "These tracks have all got to be kicked off now and run in parallel because if you try to do it one after another you will never get there."

Brexit

And those hoping that the UK's vote to leave the EU might free them from the burdens of GDPR implementation should think again. "The reality is that when Article 50 is invoked, there's still a two-year notice period and GDPR will arrive before that, so you need to be compliant," said Lacey, stressing that even when the UK does leave, the regulators have given very clear guidance that there will need to be equivalency. "Whether Fintech, financial institution or service provider, you need to engage and embrace, move quickly and take clear attention of the timeline," he said.

The clock is ticking...



Watch the
webinar

General Data Protection Regulation: what does it mean for you?

Watch the full webinar online now on:

<http://live.marketforce.eu.com>

To find out more about GDPR and the wide-ranging changes it will introduce please watch our live webinar on “*General Data Protection Regulation: what does it mean for you?*” with:

- **Cameron Craig**, Group Head of Data Privacy, **HSBC**
- **Vivienne Artz**, Managing Director, Head of International IP and O&T Law Group, **Citi**
- **Andy Roe**, Strategy Director, **FIS**
- **Stuart Lacey**, Chief Executive Officer, **Trunomi**

With GDPR coming into force in May 2018 it is vital to prepare now, so don't miss insights from our expert speakers on how to not only prepare for the change but also be ready to gain a competitive edge.



Watch the webinar online now!

Empowering
the Financial World



Find out more!

FIS

**Empowering
the Financial World**

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Fla., FIS employs more than 55,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor's 500® Index.

For more information about FIS, visit:

www.fisglobal.com

For further information please contact:

Bonita Osgood

Marketing Director, **FIS**

bonita.osgood@fisglobal.com

Thank you for reading

General Data Protection Regulation: what does it mean for you?

