

## **Michelle Pinheiro – Privacy podcast for bluenotes**

\* Jazz music plays in the background \*

**Female voiceover:** Welcome to bluenotes on air. Join us as we chat with experts, analysts and commentators from the Asian region about business culture, and economics.

**Michelle Pinheiro:** Can you imagine your social media profile being used to determine whether or not you are a viable renter for housing and they deny you based on a frat photo?

**Female voiceover:** Today we speak to ANZ's Michelle Pinheiro about privacy, Cambridge Analytica and the right to be forgotten. We hope you enjoy the discussions.

**Andrew Cornell:** In the last couple of weeks, we've been getting all these emails with whether it's Google or Twitter or whether it's a retailer saying "here is our new privacy policy" or "we are restating our privacy policy" and you think oh is this just because of Facebook? We all know what's going on with Facebook or is there something else? What is generating all this interest in privacy at the moment?

**Michelle Pinheiro:** You are right. In the last couple of months there have been many e-mails, many news stories that have come out of what's known as the Cambridge Analytica-Facebook scandal. But that's really I think the tipping point. I think there's been an undercurrent of concern that has been growing around privacy for a number of years. Particularly in the last couple of years as there's been a lot of talk around data science and deep analytics in data. But the Facebook Analytica scandal is certainly an interesting one and one that I've done a bit of research about and it's probably the worst case scenario that has caused the mass uproar across the globe in terms of privacy. And it's really quite a nefarious use of personal information.

**Andrew Cornell:** You say nefarious so I suppose if we can break that down what was nefarious? My understanding, and I'm not an expert, is people didn't know it was happening, people had no idea about the detail of the information that was being gathered and where it had been gathered from and just how complete a picture could be garnered of individuals and then how it could actually be used. Is that is that sort of what we're talking about here.

**Michelle Pinheiro:** That is exactly what we're talking about. So there are a number of different elements to this story. The first one is how the data managed to leave Facebook and that's one element of the story and there's an issue around consent in regards to that. So a number of users were targeted for a particular app called My Digital Life. And as a result of giving consent for their personal information to leave Facebook to go into that third party app, all of their friends' personal information went as well. The issue is that they didn't tell anybody that this happened. And that's not really the nefarious part either the nefarious part is that the data managed to get into the hands of Cambridge Analytica and then they conducted a process of what they call psychographic profiling. So there's a lot of profiling of individuals that goes on in organisations - demographic profiling, marketing segment profiling - but this kind of psychographic profiling really doesn't pass the reasonableness test in the eyes of most people. So this is the kind of thing where they are able to understand how open you are to change or different things in the world; whether you're introverted; whether you're argumentative; whether you're neurotic; and what kind of things can push your emotional buttons.

**Andrew Cornell:** From what you're saying the picture that can be built up now of individuals is both incredibly accurate and able to be manipulated.

**Michelle Pinheiro:** One of the quotes out of the scandal is that based on 300 of your likes Cambridge Analytica were able to predict your personality better than your spouse. The challenge for you is that as a person you have a right to change. So the person you are now may not be the same person that you were when you were 18. So can you imagine your social media profile being used to determine whether or not you are a viable renter for housing and they deny you based on a frat photo that was posted about you when you were 18 years old. So the challenge is that it is your history laid out bare for everyone to see and evaluate.

**Andrew Cornell:** The general data protection regulation which actually is the specific thing that a lot of these e-mails we've been getting is about - it's a piece of European regulation. You talk about how this has been an emerging issue for a number of years now. Is this what GDPR is attempting to address? Does it help us in Australia or does it affect us in Australia and New Zealand and Asia?

**Michelle Pinheiro:** It does impact us. So it's a global regulation that follows the EU resident wherever they go. So where it impacts us and our organisation as part of ANZ is wherever we have a record of a human - so it doesn't necessarily need to be a customer - it can be an employee or a contact within a third party organisations such as a director. If they are domiciled in the EU then they are covered by GDPR. So this is called long-arm jurisdiction which means that a local court in the EU has the ability to assess jurisdiction over someone in another country. It gives the individual much greater control over how their data is used how it is collected and it gives them the ability to give consent into how it is used and the right to object in how it is used as well. Individuals that are covered by GDPR now have additional rights. They're called SARs or subject access request and an example of one of those is the right to be forgotten. And that really goes to the essence of what privacy is about. When the thoughts around privacy were being created, it was the right to be left alone. That's an inherent human right of being left alone. And so what these laws do are allow people to be left alone and have their data removed so that they are no longer contacted or cannot be profiled by particular organisations if they don't want that to happen anymore. So it's really about the value exchange that you perceive you're getting out of that exchange for your data. Where we need to really think about it and object, is where you feel that there is more information being collected than is required for you to be provided with that product or service. And quite often that really goes into sensitive information or information that is about your behaviours or things that you can't change about yourself that might be used to deny a product or service to you in the future or treat you unfairly. At the end of the day this is all about fairness. As an organisation, we need to be fair with our customers in terms of how we use their data. So in GDPR and also in our privacy law they talk about the reasonableness test. So it has to be reasonable in the eyes of the person whose data it is and as an organisation we've interpreted that into our privacy and ethics data principles. And fairness and benefit to the customer are two of the key principles that we evaluate in use cases of data against.

**Andrew Cornell:** Is what you're in charge of? In effect, deciding whether things are reasonable or not?

**Michelle Pinheiro:** Yes, yes. I would have to say in the last two to three years there's a greater focus over data use. As there's much more prolific sharing of data and access to data, how data is used has a much greater focus. And so bringing governance controls within the organisation to ensure that we protect our customers. We also protect the bank in terms of how data is used in any data initiative or use case across the organisation.

**Andrew Cornell:** And I mean we're in the middle of a royal commission into the financial services sector and it hasn't been happy reading for a lot in the sector. But underlying a lot of this is the issue of trust. You know we've seen various surveys talk about trust in, not just financial institutions, but a lot of institutions decline and trust in government decline. So your role essentially picks up some of the ways that we may be able to build trust I suppose?

**Michelle Pinheiro:** Absolutely - this is all about trust. Trust is the key factor here. When I look at the legislation that we need to adhere to now and also potential legislation as it comes in the future I always look at it from a trust perspective and how that is going to build the trust relationship with our customers - not purely from a risk based perspective for the organisation. The privacy and ethics data principles that we have created are simple and they've been created so that they can be embedded in our culture.

**Andrew Cornell:** Is this what is called privacy by design, is that this concept?

**Michelle Pinheiro:** Yes it is. So it is building the foundations for maintaining a customer's privacy into everything we do in the foundational elements of our software engineering and our application our digital strategy.

**Female voiceover:** Thank you for listening to bluenotes on air. bluenotes on air was produced by this bluenotes editorial team with music by Kevin MacLeod.