

Evolving Global Consumer Privacy Regulations

Consumers and regulatory bodies around the world are developing or have developed perspectives about consumer privacy that are trying to keep pace with the rapid evolution of technology. As consumers become more comfortable using mobile devices to connect with friends or interesting places through social media sites or to shop for goods and services, and innovative solutions are being created to engage consumers, certain privacy issues have begun to emerge that governmental bodies around the world will seek to address through new legislation, regulations, and decrees.

Key privacy themes contained in global regulatory proposals:

Security Breach Notification

- Would require a single, uniform standard for how and when to notify an individual when his/her personal information has been breached

Right To Be Forgotten

- Would require businesses to comply with consumer request to purge all data relating to that consumer

Do-Not-Track

- Would allow consumers to opt-out of companies' sharing their personal information or online behavior with other entities without their express consent

Data Safeguards

- Would establish baseline data security standards for entities that use, possess or maintain personally identifiable or sensitive information on consumers

Explicit Consent

- Would give consumers greater control over who accesses or uses their data for various purposes

Access and Correction

- Would enable consumers to review and correct any data relating to them from any entity that holds the consumer's data

Forecast

In the United States, it does not currently appear likely that the President and Congress will agree on a comprehensive privacy reform measure this year.

In the European Union and other developed nations around the world, more robust consumer privacy measures are expected to be approved in 2013.

Bottom Line

The new level of consumer protections that governmental bodies around the world are seeking to impose means that those within, and outside of, the payments ecosystem should consider the concept of *privacy-by-design*: the idea of incorporating privacy best practices into the product development process—from ideation through commercialization.