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Data Privacy: An essential part of consumer protection for OGS companies

24 May 2022

CDC Investment works

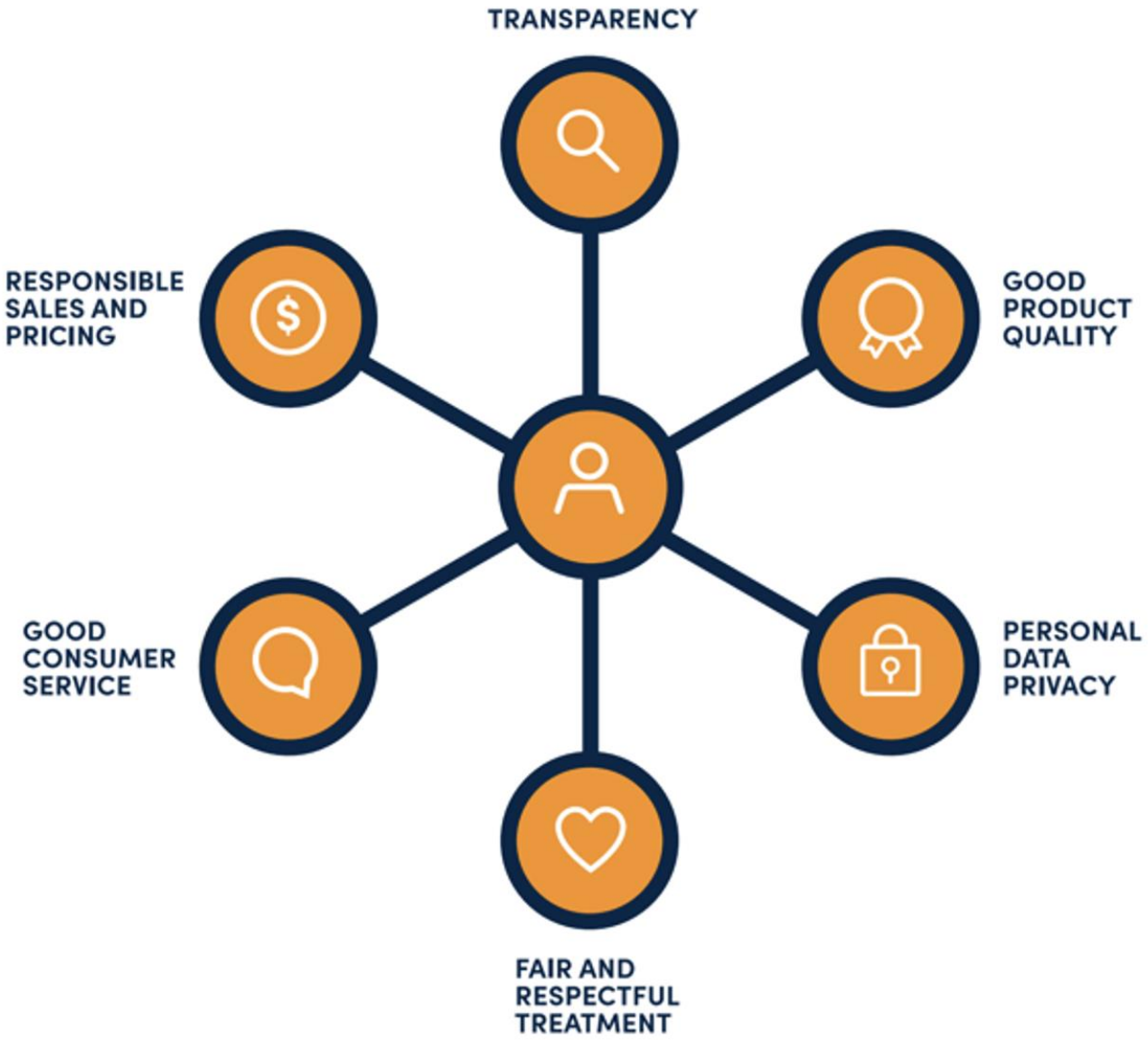
STICHTING DOEN NATIONALE POSTCODE LOTERIJ

FMO Entrepreneurial Development Bank

Agenda

1. Briefing note launch
2. Personal data privacy and risks for OGS consumers
3. Company insights: SunCulture
4. Good practice for OGS companies
5. Company insights: Solaris Offgrid

Data Privacy and Consumer Protection



- Increasingly data-driven business models
- Low levels of digital literacy among consumers
- PAYGo companies often have several partners (MNOs, PAYGo software, third-party sellers)
- Increasing data threats worldwide, growing exponentially.

The newest briefing note in our CP Toolkit

"Building trust with off-grid solar consumer through better data practices"

Available on the GOGLA Consumer Protection Hub: https://www.gogla.org/resources/consumer-protection-briefing-note-personal-data-privacy

Data privacy risks for consumers and companies

Isabelle Barres

Data privacy risks for consumers and companies

Isabelle Barres

Risk Category 2

- Accidental damage or loss
- Negligence or misuse
- Ineffective culture, roles and responsibilities
- Lack of awareness of the need to safeguard data
- Untrained and unmonitored agents

- Implementation failure
- Poorly designed policy and/or processes
- Mismanagement
- Lack of remediation / dispute resolution

- Poorly designed products
- Transaction failures
- Hardware/software vulnerabilities
- Inadequate IT security

- Theft or fraud
- Malice
- Cyber attack

Risk Category 1

Employees

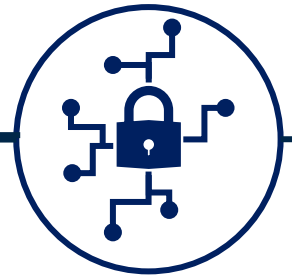
Process Failure

System Failure

External

Data processing lifecycle:

- Data collection/capture
- Data transportation
- Data storage
- Data access
- Data usage
- Data sharing
- Data retention
- Data disposal



Consumer data rights

- Right to Object
- Right of Data Portability
- Right to Be Forgotten
- Right of Rectification and Erasure
- Right of Access

Mitigations

- Implement a data register - identify vulnerabilities and define purpose/legal basis
- Training for new and existing employees and agents.

- Digitalisation of data lifecycle
- Assign a responsible person(s)
- Develop and implement a data privacy policy
- Remediation / access procedure.

- Build in data privacy from product design stage
- Deploy robust IT security tools and procedures.

- Audit data privacy for vulnerabilities.

Personal data:
any information related to an identified or identifiable individual, or "**identifier**"

Identifiers:
> **Objective** (e.g. name, address) **Vs** **Subjective** (e.g. credit score, income estimate)
> **Direct** (e.g. Name, ID number) **Vs** **Indirect** (e.g. telephone, address)

Poor data privacy harms both consumers and companies

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Lack of data privacy	Affects the... Consumer	Company
Customer's contact and ID information are stolen	...suffers from increased scam and phishing attacks, and increased risk of identity theft.	Suffers financial loss, reputational damage and reduced impact: E.g., loss of consumer trust; lower customer satisfaction leading to loss of revenue, reduced profitability and lack of new customers; impact goals not met.
Customer's financial information is obtained	...loses financial assets and suffers psychological harm.	
Customer's location and product type are revealed	...is at higher risk for theft of product.	

Risks across the data lifecycle

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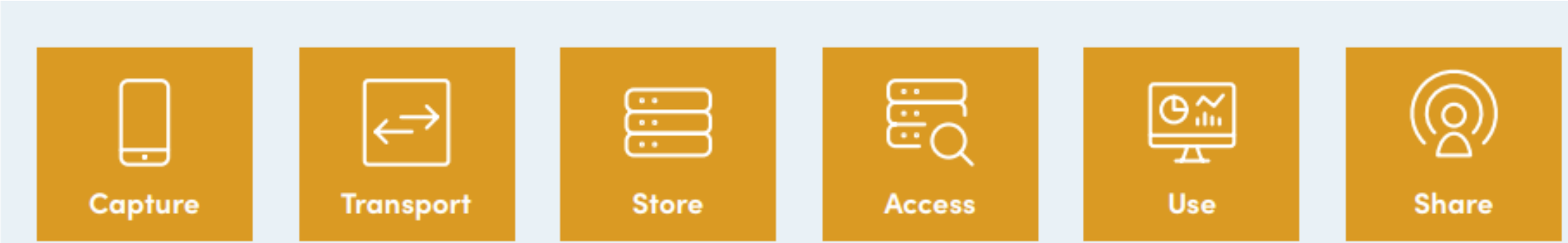
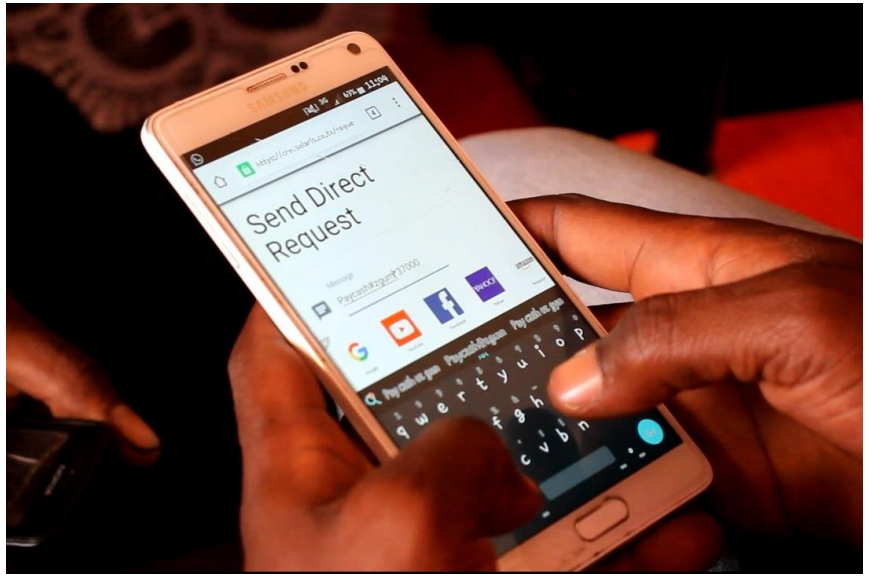


Source: Based on Venture Lab (2019)



Company insights: SunCulture

Jon Saunders

Chief Operations Officer

Tom Vranken

Director of Software

Poll Question

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What is your biggest priority in regards to data privacy? (pick top 3)

- Improve client understanding of contracts/ Terms of Service
- Keep up with data privacy regulations
- Build data privacy into product design
- Improve accountability of agents
- Improve accountability of partners
- Improve security linked to processing personal data
- Improve understanding of customer preferences about data privacy

Good practices to improve personal data privacy

Isabelle Barres

Identifying particular vulnerabilities of the business model

Lower risk

Higher risk

OGS companies with:

- Simple, small cash transactions (e.g. solar lanterns)
- Few external partners and a more centralized workforce (e.g. salaried sales staff)
- Simple customer journey with in-frequent touchpoints
- Minimal customer data – especially of sensitive or financial nature
- Robust data security policy and tools in place
- Small, low-profile company

OGS companies with:

- High volume of digital payment transactions
- High number of external partners (e.g. distribution or after-sales service partners) and decentralised workforce
- Frequent and long-term customer touchpoints
- Collect sensitive or financial data from customers
- Lack of adequate data policy and security
- High-profile brand with large customer base
- Complex, vertically integrated business model

Identifying risks through the implementation of a data registry

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Reason for processing	Data owner	What data			Data processing				Control
Why do you collect the data?	*Who's data is it?*	*Type of data*	*Source of data*	*Purpose / basis of collection*	*Point of collection*	*Update frequency*	*Storage Location*	*Retention*	*Who is responsible?*
Provision of OGS product and related services	Customer	Name	Customer interview	Customer Identification	PoS / Sales agent	As required	CRM software		Head of Sales
		Telephone number	Customer interview	Customer identification and service provision	PoS / Sales agent	As required	CRM software		Head of Sales
		Geo-localisation coordinates	GPS location / W3W	To supply installation and aftersales services	Product installation	No, unless correction required	CRM software		Head of Sales
		National ID number	Consumer interview	Verification of customer identification – required by CRB	PoS / Sales agent	N/a	CRM software		Head of Sales
		Housing type	Customer interview / visit	KYC for product financing	Credit check (call centre)	N/a	CRM software		Head of Credit
		Size of household	Customer interview	KYC for product financing – verify capacity to repay	Credit check (call centre)	N/a	CRM software		Head of Credit
	Guarantor	Name	Customer interview	Provision of guarantor for product financing	Credit check (call centre)	N/a	Contract – manual record	Until end of repayment	Head of Credit
		National ID number	Customer interview	Provision of guarantor for product financing	Credit check (call centre)	N/a	Contract	Until end of repayment	Head of Credit
Provision and improvement of predictive aftersales service (IoT products)	Customer	Energy usage – KwH and times	Product – automated GSM transfer	Consent from customer	From installation	Daily	PAYGo software - BMS	10 years	Head of Aftersales
		Payment data	Mobile Money provider	Payment for product/service	From installation	Daily	PAYGo Software - Payments		Head of Aftersales

Good practices:
Helping consumers make better decisions about their data

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Improve OGS consumer contracts.

✓ Make sure consumer contracts are complete and readable
✓ Improve the delivery of the contracts

Improve mechanisms for consent.

✓ Give OGS consumers choices
✓ Protect consumers by default

Empower OGS consumers to exercise their rights.

✓ Make it easy for consumers to access their data and enact their rights.

Good practices:
Adopting responsible data practices in OGS

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Minimize the consumer data footprint to reduce exposure.

- ✓ Conduct a legitimate purpose test
- ✓ De-personalize consumer data

Train staff and agents on data protection practices.

- ✓ Data privacy modules into staff and agent onboarding
- ✓ Educate consumers

Strengthen data security for OGS companies and third-party providers.

- ✓ Implement quality data security software
- ✓ Digitize data collection and contracting

Building trust with off-grid solar consumers through better data practices

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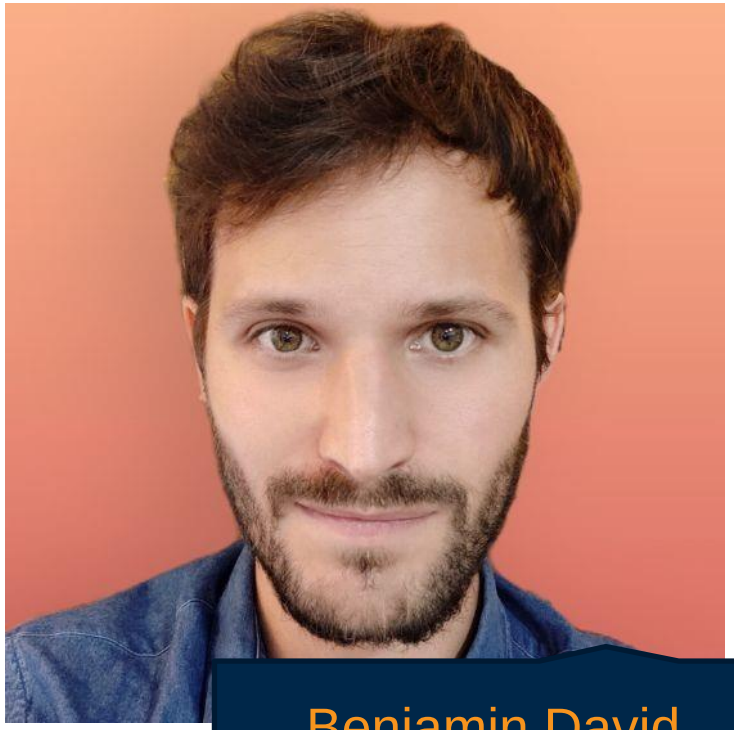
Start with...

1. Understand and address specific business model vulnerabilities	
2. Take stock of consumer data via a data register	
Empower OGS consumers	**Act as a fiduciary for consumer data**
3. Improve OGS consumer contracts	6. Minimize the consumer data footprint
4. Improve mechanisms for consent	7. Train staff and agents on data privacy
5. Empower OGS consumers to exercise their data rights	8. Strengthen data security protocols

Company insights: Solaris Offgrid



Benjamin David

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Thank you!

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