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

24 May 2022
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:
Data privacy risks for consumers and companies

Isabelle Barres
Data privacy risks for consumers and companies

Isabelle Barres
Risk Category 2 | Risk Category 1
---|---
- 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

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

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
- Direct (e.g. Name, ID number) vs
- Subjective (e.g. credit score, income estimate)
- Indirect (e.g. telephone, address)

Consumer data rights:
- Right to Object
- Right of Data Portability
- Right to Be Forgotten
- Right of Rectification and Erasure
- Right of Access
Poor data privacy harms both consumers and companies.

**Lack of data privacy**

- Customer’s contact and ID information are stolen
  - Affects the Consumer: ...suffers from increased scam and phishing attacks, and increased risk of identity theft.
  - Affects the Company: 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
  - Affects the Consumer: ...loses financial assets and suffers psychological harm.
  - Affects the Company: 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 location and product type are revealed
  - Affects the Consumer: ...is at higher risk for theft of product.
  - Affects the Company: 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.
Risks across the data lifecycle

Source: Based on Venture Lab (2019)
Company insights: SunCulture

Jon Saunders
Chief Operations Officer

Tom Vranken
Director of Software
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

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
<table>
<thead>
<tr>
<th>Why do you collect the data?</th>
<th>Data owner</th>
<th>What data</th>
<th>Data processing</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of OGS product and related services</td>
<td>Customer</td>
<td>Name</td>
<td>Customer interview</td>
<td>Customer Identification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Telephone number</td>
<td>Customer interview</td>
<td>Customer identification and service provision</td>
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<tr>
<td></td>
<td></td>
<td>Geo-localisation coordinates</td>
<td>GPS location / W3W</td>
<td>To supply installation and aftersales services</td>
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<tr>
<td></td>
<td></td>
<td>National ID number</td>
<td>Consumer interview</td>
<td>Verification of customer identification – required by CRB</td>
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<td></td>
<td></td>
<td>Housing type</td>
<td>Customer interview / visit</td>
<td>KYC for product financing</td>
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<tr>
<td></td>
<td></td>
<td>Size of household</td>
<td>Customer interview</td>
<td>KYC for product financing – verify capacity to repay</td>
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<tr>
<td>Guarantor</td>
<td></td>
<td>Name</td>
<td>Customer interview</td>
<td>Provision of guarantor for product financing</td>
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<tr>
<td>Provision and improvement of predictive aftersales service (IoT products)</td>
<td>Customer</td>
<td>Energy usage – KWh and times</td>
<td>Product – automated GSM transfer</td>
<td>Consent from customer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Payment data</td>
<td>Mobile Money provider</td>
<td>Payment for product/service</td>
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</table>
Good practices: Helping consumers make better decisions about their data

1. Improve OGS consumer contracts.
   - Make sure consumer contracts are complete and readable
   - Improve the delivery of the contracts

2. Improve mechanisms for consent.
   - Give OGS consumers choices
   - Protect consumers by default

3. 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

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

Start with...

1. Understand and address specific business model vulnerabilities

2. Take stock of consumer data via a data register

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<th>Act as a fiduciary for consumer data</th>
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<td>3. Improve OGS consumer contracts</td>
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<td>4. Improve mechanisms for consent</td>
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<td>5. Empower OGS consumers to exercise their data rights</td>
<td>8. Strengthen data security protocols</td>
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Company insights: Solaris Offgrid

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Thank you!

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