'My data or yours?'
Unravelling Multi-Party Privacy Issues among Consumers of Digital Credit in India

Background and Context

The problem of Multi-Party Privacy (MPP) hinges on the fact that the details of several individuals may be enmeshed in any piece of content that is shared on a network, whether in the form of correspondence, aggregated information, photos, audio clippings or videos. Thus, an individual's or entity's voluntary sharing of such co-owned details might result in privacy intrusions and negative experiences for others in their network who never explicitly agreed to the sharing of that content. While scholars have suggested that resolving complex MPP scenarios would require facilitating coordination of privacy boundaries held collectively by all co-owners of data online, most MPP solutions fail to account for the social and cultural context that shapes people's understanding of privacy.

Furthermore, current solutions predominantly focus on online social media networks (OSNs), ignoring MPP encountered on other types of networks, such as digital finance and credit. The potential challenges posed by MPP beyond OSNs and individual parties have received relatively little attention from researchers.

About the Initiative

CUTS in partnership with the International Institute of Information Technology, Bangalore (IIITB) examine MPP in digital finance platforms that offer lending services in India. These services collect personal and financial data from consumers, as well as alternative data from various sources, to offer credit-based advance wage access. Co-owned data, such as photos, messages, and contact directories, are shared with third-party agencies, raising privacy concerns.

The decision to offer credit and the amount is dependent on this data, which is used to create a financial profile and determine creditworthiness. This provides a unique opportunity to study the implications of MPP for different categories of consumers.

Objective

The study will bring forth the current practices of data sharing and privacy of consumer privacy in India's digital finance sector, which currently operates in the regulatory vacuum. This is particularly critical as consumers may not be aware of how their data is collected and used, and how their privacy expectations vary in different contexts and sociological particularities. Through this, the study will provide insights on privacy expectations and practices to understand how technology can be redesigned or regulations can be developed that respect the privacy boundaries of consumers. In summary, the study is an attempt to contribute to developing a balanced mechanism that safeguards innovation, growth, and data-related risks, values privacy, and enhances trust in the digital financial sector.

We will examine:
- The theories of MPP and their relevance in Digital Credit?
- Attitudes, Concerns and Perspectives (ACP) of these consumers towards their data and privacy?
- How do different demographics of consumers (by region, gender, prior exposure to credit) end up determining their trade-offs between access and privacy?

- What strategies do they use to navigate their privacy boundaries with their lenders and associated third parties?

Methodology

We will use a mixed-methods approach to achieve the proposed objectives, which will be supported by secondary research and a comprehensive literature review. To this end, we will also engage in Focus Group Discussions (FGDs) consisting of experts of privacy in academia, media, think tanks, experts, as well as non users of such services. In addition to the above, the following methods of research for the study will be utilised:

a. Controlled Behavioural Experiment with 50 respondents to understand how they negotiate MPP boundaries in practice. Learnings from the experiment will be used to design cohesive survey tools.

b. Survey and Interviews across India, covering around 2000 consumers and examine privacy boundaries, practices, negotiations, and inadequate redressal mechanisms when privacy is being compromised within digital financial services and its socio-economic ramifications on consumers. We will also speak with experts and stakeholders from digital credit platforms, academic institutes etc to learn nuances of the subject matter.

c. Contextual Observational Study and Follow-up Interviews of 50 consumers in their natural settings post-survey to delve more deeply into how their context has shaped the privacy expectations and practices of different consumers.

Envisaged Outcomes

The study will attempt to widen the discourse around privacy and Digital Financial Services and to better understand the issues of MPP in digital credit in India. The study will be particularly relevant as India is attempting to further digitise its economy, provide universal access to financial services and deliberate on regulatory mechanisms that will enhance privacy, democratise credit, and create a robust framework for privacy and data protection. The study will lead to an enhanced understanding of MPP and its placement in the Indian digital credit landscape. In addition, the following outcomes can be expected:

- Consumer awareness, perception and perspectives about privacy boundaries and possible change in behaviour in case of breach of such boundaries.

- Possible regulatory approaches to the appropriate use of alternative data by the fintech firms for credit lending using informed consent, respecting the privacy boundaries of the consumers, and human autonomy over algorithmic decision making.

- Privacy harms and associated audit mechanisms for protecting MPP.