

## Big Data: The promises and pitfalls for the finance industry

Trust, ethics and a healthy respect for the consumer should be the key drivers for financial and tech companies seeking to harness the burgeoning power of Big Data and artificial intelligence. So says journalist **Jeremy Gaunt** from a timely ING-hosted conference



Chris Bannocks, ING's  
Chief Data  
Management Officer

Source: ING

### The key drivers for financial and tech companies

How can companies, particularly in the financial sector, properly exploit the explosion of personal data that moves around the world in a flash and is gobbled up by algorithms that can tell businesses who wants what and when they want it? They can only do it by focusing on trust, being on the right side of the ethical debate and by having true respect for their customers. That's one of the key themes from a high-level discussion hosted by the Think Forward Initiative, ING and the Centre for Economic Policy Research this week in London.

*Trust, ethics and a healthy respect for the consumer are key drivers*

---

At the same time, companies should learn to say “no” when the use of customer data looks likely to infringe on privacy, but imminent data protection rules are more of an opportunity for business than a threat. Indeed, financial companies, used to regulation, may have the edge over others when it comes to smooth compliance.



Source: ING

Suzanne Frey, director of Google Apps Security, Trust, Compliance and Privacy

## **The General Data Protection Regulation, GDPR, coming soon**

The discussion could hardly have been better timed, coming just days before the European Union's General Data Protection Regulation (GDPR) comes into force on May 25. Both main speakers, Suzanne Frey, pictured below, who's the director of Google Apps Security, Trust, Compliance and Privacy, and Chris Bannocks, pictured above, ING's group chief data management officer, have spent at least two years preparing for GDPR, which is designed to give Europeans control over their personal data.

*There are many things that are legal but not ethical*

---

Asked whether the regulation which will affect anyone dealing with a European's data, even if they are not themselves European, would be a help or hindrance, Frey and Bannocks both opted for the former. *"I don't see it as an impediment. It can make us all sharper,"* Frey said, while Bannocks reckoned *"It helps us improve our dealings with the customer."* Bannocks, who is an advocate for making the financial sector what he dubs *"data-centric"*, said regulation would be nothing new to his industry and emphasised ING's own internal data ethics as a bonus. *"There are many things*

*that are legal but not ethical,” he said. “We cannot and must not only rely on the law to guide us. “*



Suzanne Frey and Moderator, Michael Haliassos, Chair of Macroeconomics and finance and Goethe University, Frankfurt

## Data is water

Indeed, the complexity of dealing with Big Data was apparent. In lively presentations, both speakers emphasised the importance of trust in exploiting its use -- trust in the data and trust in the agency using it. Frey, for example, asked the audience whether, given a choice, they would choose to go in a driverless car with a steering wheel or without one. Most would go in one with a wheel, a decision based on lack of trust in the automated driver. She noted a long history of people demanding evidence for trust, including shaking hands (originally to ensure no weapons were being held) and vigorously clinking beer glasses (leading to some liquid being shared as proof it was not poisoned).

---

### *We need to understand where it can go wrong*

---

So, companies need to build their future on trust. *“Machines are computing a whole lot more for us. We need to understand where it can go wrong,”* Frey said, presenting the behind-the-scenes thinking used to improve Google spreadsheet and e-mail response apps. Bannocks, meanwhile, likened data to water, something that could not be lived without but may not always be pure. *“We need clean data. Once we know it is dirty, we have to do something about it,”* he said. *“Our organisations have to have conscious in ensuring that society and all stakeholders are considered in our use of data.”*

The discussion was moderated by Michael Haliassos, chair of macroeconomics and finance at Goethe University Frankfurt.

Find out more about the Think Forward Initiative [here](#)

*Guest contributors do not necessarily reflect ING House views*

## Author

### Owen Thomas

Global Head of Editorial Content

+44 (0) 207 767 5331

[owen.thomas@ing.com](mailto:owen.thomas@ing.com)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.