Chapter X
Privacy and Banking in Australia

Supriya Singh
Smart Internet Technology Cooperative Research Centre/RMIT University, Australia

Margaret Jackson
Smart Internet Technology Cooperative Research Centre/RMIT University, Australia

Jenine Beekhuyzen
Smart Internet Technology Cooperative Research Centre/RMIT University, Australia

ABSTRACT

Enabling customers to influence the way they are represented in the bank’s databases, is one of the major personalization, responsiveness, and privacy issues of banking. In this chapter we draw on the results from a qualitative study of the ways in which Australians think of privacy, security, and money. We find that changes in life stages, residence, and relationships motivate people to share additional personal information with their bank, in order to receive personalized services. The chapter proposes ways in which privacy rights management can help customers better represent themselves in a flexible manner, reflecting the changes in their lives.

INTRODUCTION

In industrialized countries, the use of electronic money has increased. From the customers’ perspective, electronic payments instruments and channels have made money impersonal and virtual (Singh, 2004). Seeing the same changes from the organizational point of view, it is the customer who has become impersonal and virtual. As a bank manager said, “I’m actually seeing very, very few of my own... customers... we never see them. We’ve never even heard of them...” (Hughes et al., 1999, p. 31). The challenge for the bank is to align the “customer in the machine” with the real customer. As Hughes et al. say, banking technologies help represent this customer ‘in the machine’. They say these technologies
... appear to be routinely deployed as an integral aspect of cooperating with the customer; as a factor in the configuring and reconfiguring of customer behaviour; and as an element in relationship management (Hughes et al., 1999, p. 30).

So from the bank’s perspective it is the customer who has become information, with money remaining “real”. This is the reverse picture when seen from the users’ perspective, where the customer is “real”, but the money is virtual.1

One of the contributions of our study will be enabling the customer to influence the way the “customer in the machine” is represented. Privacy Rights Management technologies could enable the customer to personalize how he or she wants to be treated by ensuring that the relevant information is included in the way the customer is “configured” within the organization.

In this paper we are reporting on the results of a qualitative study on Banking, Personal Communications and Financial Decision Making. This research is part of a wider project focusing on Security, Trust, Identity and Privacy in the Smart Internet Technology Cooperative Research Centre. We are studying these issues from the users’ perspective so that users can be central to the design of financial services and bank strategy.

We conducted a qualitative study between April 2005 and July 2006, covering 108 people in Melbourne, rural Victoria and Brisbane in Australia. We conducted 84 open-ended interviews, two ‘yarning’ circles (these are like group interviews) with six Indigenous people in Brisbane and three focus groups with 18 people with disabilities. Our sample had:

- 62 persons who used Internet banking and 46 who did not.
- 45 men and 63 women. This dominance of women was partially explained because women manage money particularly in the lower income households;
- 43 participants had a Certificate or lower educational qualification, 64 had a BA or higher degree, and one did not say. Of those who had a BA or higher degree, at least 11 were in IT. This reflected our personal networks also participants’ interest in issues of privacy, security and identity.
- Four participants were aged between 18-24; 24 aged 25-34; 28 aged 35-44; 21 aged 45-54; 18 aged 55-64; and 13 aged 65 or over.
- We had a range of annual household income levels: 23 had an income below $25,000 (all dollar values are in Australian dollars); 25 between $25,000-$49,999; 20 between $50,000-$74,999; ten between $75,000-$100,000; and 21 had over $100,000 a year. Nine participants did not want to disclose their household income.
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We chose the qualitative approach for we needed to understand how people manage their financial information across life stages. We also wanted to go beyond attitudes to behavior. The study had at its centre the perspectives of user-centered design where the users’ activities within their social and cultural context are at the centre of design (Singh et al., 2004; Vredenburg, Isensee, & Righi, 2002). It was a ‘grounded’ study in that there was a fit between data and emerging theory, rather than a testing of hypotheses (Glaser & Strauss, 1967).

The interviews were transcribed. We used N6, a computer program to assist with qualitative analysis. This meant we first broadly coded the data, then organized the data into matrices to check emerging themes in a transparent manner. We also used the N6 program to identify negative cases so that the study was rigorous. As Morse and Richards (Morse & Richards, 2002) say

The key to rigorous qualitative inquiry is the researcher’s ability ... of being constantly aware and constantly asking analytic questions of data, which, in turn, constantly address the questions...
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