

Many Consumers Still Don't Trust Retailers with Their Data

ARTICLE

Jennifer King

The retail industry is no stranger to data breaches, and unsurprisingly, consumers have little confidence that retailers can keep their personal data safe from hackers, according to findings from First Data.

In a July 2018 survey of US internet users, First Data found that although the majority of respondents realize cybercrime is a threat in every industry, more trust is placed in records-driven companies, like financial services (46%) and healthcare (39%), when it comes to protecting private information.

Retailers, on the other hand, aren't trusted to provide the same degree of data security. Just 8% of respondents trust retailers with their data, and about an equal amount (11%) feel confident in a retailer's preparedness should a data breach occur.

The retail industry is particularly susceptible to data breaches, and when they happen, nearly half of respondents (45%) said they want to be told within an hour of discovery. Given the lack of trust in retail's ability to safeguard data, this transparency is important because without it, consumers may think twice about shopping.

In fact, some 11% would no longer buy from a retailer that experienced a data breach, but it's more likely they'll rethink payment methods.



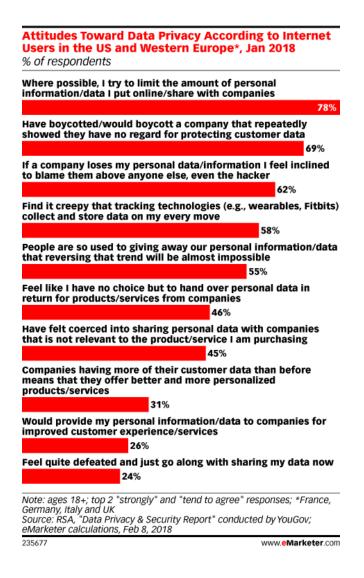
More than four in 10 respondents (43%) said they would continue to shop at the compromised retailer but would instead pay with cash.

One change consumers can make is to use a different payment method to protect themselves from fraud.

According to a study from the American Institute of CPAs (AICPA) conducted by The Harris Poll, due to safety concerns 43% of US consumers reported using cash or checks more often, and another 5% said they used cryptocurrencies instead of paying by card. Other steps included self-monitoring credit and debit card accounts (56%) to check for fraudulent activity.

AICPA's findings are in line with a separate survey from security company RSA, which also looked at the steps people take to protect their privacy. Of the 7,579 internet users surveyed in the US and Western Europe, nearly 80% said that wherever possible, they try to limit the amount of personal information they share with companies.





Although consumers take precautions, many believe it's the retailer's responsibility to protect their financial data. In a survey conducted last year, the Transaction Network Services (TNS) found that roughly two-thirds of US internet users felt that way.

