

# **Building Consumer Trust in Electronic Commerce – Panel Response**

Interpreting Privacy Principles Symposium  
UNSW

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# Changing Privacy Threat Landscape: Diminution of Consumer Trust

- ✦ Personal information ultimate “criminal prize” and currency on the web
- ✦ Numerous high-profile data breaches reflect inadequate data governance in organizations
- ✦ Consumers may not be aware of the tracks they leave when they navigate the web and/or use search services
- ✦ Search services raise a number of complex and important privacy issues, and are increasingly a focus of privacy scrutiny.
- ✦ Online advertising - big market with new players not familiar with data protection schema
- ✦ The emergence of “cloud computing,” and potential privacy risks for health or other sensitive data
- ✦ Growth of user-generated content

**These trends are driving the policy debates (and the confusion)**

# Microsoft's Commitment to TwC

## Trustworthy Computing

### Security

- Secure against attacks
- Protects confidentiality, integrity & availability of data & systems
- Manageable

### Privacy

- Protects from unwanted communication
- Controls for informational privacy
- Products, online services adhere to fair information principles

### Reliability

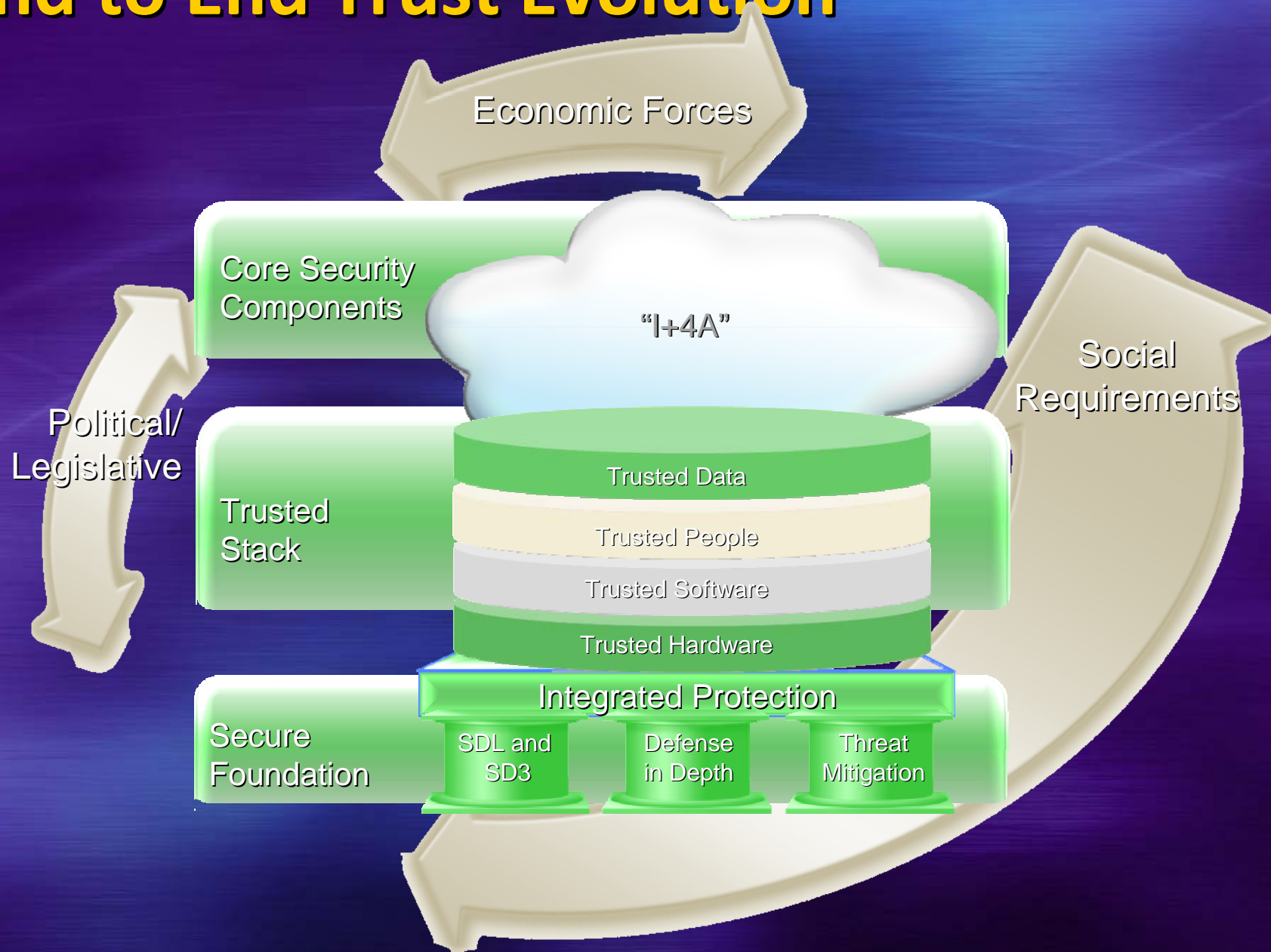
- Dependable, Available
- Predictable, consistent responsive service
- Maintainable
- Resilient, works despite changes
- Recoverable, easily restored
- Proven, ready

### Business Practices

- Commitment to customer-centric Interoperability
- Recognized industry leader, world-class partner
- Open, transparent

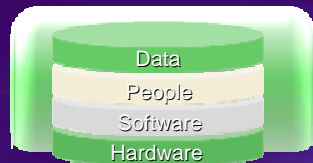
- Launched in January 2002
- A Microsoft company-wide mandate
- Intrinsic to Common Engineering Criteria & product lifecycles
- Key consideration when designing product features

# End to End Trust Evolution





# Establishing End to End Trust



## Trusted Stack

- Needed for a trusted stack
  - HW, SW, people & data validation
  - Robust trust model
  - Informed decisions based on integrity & reputation
- Scalable across all user scenarios

## Core Security Components

- Identity Claims
- Authentication
- Authorization Policies
- Access Control Mechanisms
- Audit

## Trust Founded on "Identity Claims" not Identity

- Authenticate users on certified attributes
- In-person proofing
- Protects identity, reveals only data required to be
  - Authenticated
  - Authorized for Access
- Actions auditable, privacy protected
- Stolen identity claim insufficient to cause data breach or ID loss

## Alignment of Social, Political & Economic Forces

- PII control is right of the individual
- Web anonymity optional but state clear to all parties
- Successful end-to-end trust needs IT solutions aligned with
  - Society
  - Economy
  - Politics/Legislation

# A Growing Patchwork of Laws

- ✦ A growing jumble of overlapping national, regional and local laws - a daunting and increasingly expensive challenge for organisations
- ✦ A “global” approach is needed - key principles for global privacy approach:
  - ✦ A baseline standard applicable across all organisations and industries
    - ✦ Strong federal preemption
    - ✦ Apply to both online and offline
    - j4 ✦ Support international harmonization and cross-border data flows
  - ✦ Increase transparency through:
    - ✦ Privacy notices (including layered notices)
    - ✦ Standards for material changes to privacy notices
    - ✦ Reasonable access by individuals to personal information about them (with certain important exceptions)
    - ✦ Limited and thoughtful breach notification guidelines
  - ✦ Provide meaningful control over the use and disclosure of personal data
    - ✦ Tiered approach to consent based on risk (use vs. disclosure, sensitivity of the personal information)
  - ✦ Ensure at least a minimum level of security
    - ✦ Flexible and scalable

Slide 6

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j4

local ref to privacy regulation?

jules, 13/08/2008

# ALRC Review: Contribution to Building Trust

- ✦ Re-ignited broader public interest in and awareness of privacy
- ✦ Principles-based, technology neutral, forward-looking
- ✦ “UPPing” the ante – reducing current fragmentation and inconsistencies in current law
- ✦ Reform of health privacy laws should give rise to substantial benefits
- ✦ Balanced approach to breach notification (potential tweaks around threshold and liability questions)
- ✦ Substantial work will be required in terms of translating concepts into desired policy outcomes but...the debate has begun....



# Working Together to Build Trust

- ◆ Privacy is critical to the ongoing advancement of the digital lifestyle and social and economic opportunity
- ◆ Organisations should consider a multi-pronged approach
- ◆ Microsoft is committed to offering leadership in:
  - ◆ Technology solutions
  - ◆ Progressive and robust internal policies
  - ◆ Industry partnerships
  - ◆ Customer guidance and education
  - ◆ Support for strong legislation and enforcement
- ◆ We're all in this together