

AMERICAN BANKER.

Helping Banks Get Data from Consumers Who Don't Want to Share

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SEP 20, 2011 6:39pm EDT

Consumers are sharing more personal information online than ever — but they don't want to share it with banks.

A few companies are trying to find a middle ground, helping consumers connect to lenders without exposing even basic contact information until absolutely necessary.

Google Inc.'s Advisor, for example, puts prospective borrowers in touch with card and mortgage lenders using a temporary email address. If a consumer ignores a lender's pitches three times, "that email is turned off, automatically, forever," Dan Shapiro, the product manager for Google Advisor, said Tuesday in a presentation at the FinovateFall conference in New York.

Consumers also choose whether to contact lenders by phone. The lender never sees the applicant's phone number unless the applicant calls first, Shapiro said.

Google also makes two mystery-shopper calls a month to lenders to make sure the rates they advertise on Google Advisor are accurate. "There's no bait and switch," he said, and this further improves trust with consumers.

Weemba Inc., which launched its service at the conference, pairs borrowers and lenders online in a system that is "not a peer-to-peer lending platform," Annette Gallagher, Weemba's chief executive, said.

Even though the business model is different, Weemba's website looks like a p-to-p site.

Weemba lets borrowers post profiles to pitch themselves to lenders, much like Prosper Marketplace Inc. and other p-to-p loan facilitators do. On Weemba, "borrowers are in complete control of their information," Gallagher said. "They decide what to post, what to keep private and what to make public."

Eventually borrowers must disclose more information to interested lenders, which use Social Security numbers and other data to run their own credit checks, but that is only after the borrowers vet the lender. Lenders must be "completely transparent" through this process, she said.

Weemba is paid by the lender when a borrower agrees to see its offer. It does not have a financial stake in whether the loan is approved or accepted.

Credit Sesame Inc. seems to want it both ways. It presented a credit-badge system, through which it provides online icons that consumers can display to show off how good their credit is. The company suggested users put these badges on resumes or eBay listings to help generate trust with their audience, but it's all in the user's hands.

"These badges are designed to be shared," said Adrian Nazari, Credit Sesame's CEO, in a presentation. "However, they are private by default."

MyCyberTwin takes a different approach to generating user trust. Rather than make promises of heightened security or consumer control, the company presents an illusion. It makes lifelike digital avatars that respond to plain-language customer service inquiries online.

It is clear to the user that they are talking to a computer, even when a human model was hired to be the face of the avatar. But the illusion provides real results, John Zakos, the company's co-founder and chief information officer, said.

After implementing MyCyberTwin's system, online sales rose from a few percentage points to up to 200%, depending on the customer and the nature of the implementation (the avatar can be a human model, a cartoon, or even just text). Sixty-five percent of people who interacted with the avatar said they would have otherwise made a phone call. In this way, the technology deflects costs for the call center. Banks also get copies of the transcript for business intelligence.

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