

Research Project

Topic: Data collection at fintech company and data ethics

Student Name: Natalia-Antonia Baluta

Student Number: 1811783

Lecturer Name: Dr Kazeem Oseni

Module name: Digital Skills and Research Methods

Table of Contents

Introduction.....	4
Literature Review.....	5
Research methodology.....	6
Population	6
Sample.....	7
Sample size	7
Finding Analysis and Discussion.....	7
Conclusion	10
Bibliography	12
Appendix 1.....	13

Abstract

In this research project there is effort taken to shed light on the importance of ensuring that there is need to improve the digital fintech companies regarding the way they handle and protect the interest of their customers regarding data privacy. There are many unethical practices that may fall on the this industry as they are privy to sensitive data and it is important that there are practices that are present that will ensure that there is protection of the sensitive data and there is also the need to put in practices that will make sure that the data of the consumer is protected and cared for. The financial service industry has been completely changed by the use of technological processes. Data collection has become easier with use of electronic devices and it has led to banking and other financial apps and it has also led to worldwide banking and increase in online financial transaction. This only enhances the need for better ethical practices and better use of procedural checks.

Introduction

Financial technology that goes by the acronym of fintech, is the core of so many business in the current business world. In today's digital age data collection by fintech companies is a common phenomenon as it helps in the process of ensuring that the technology helps in leveraging the business and allows business to be more effective. The financial service industry has been revolutionized by the use of technological advancement. Data collection has become unanimous with use of electronic devices and it has led to banking and other financial apps and it has also led to worldwide banking and increase in online financial transaction.

This has given rise to the context of factors that are associated with data collection methods and the ethics associated with gathering of information and the use of the information. There are a lot of areas where the firm needs to balance between generation of data and usage of the data and ensure that the privacy and confidentiality of all data are maintained (Assets.kpmg. 2019). In the current context there are firms with the best intention also lead to failing to secure their data. Fin tech revolution has transformed the finance industry, but in this era of phishing and misuse of data there are a lot of ethical considerations that are required in order to ensure that confidentiality of the data is maintained.

Literature Review

Data collection processes

Data collection method has changed the financial services due to use of technological electronic platforms associated with financial services. There are regulatory procedural checks in place that will ensure that digital financial inclusion is possible. On line financing is taking the business world by storm and data collection for facilitating the business is associated with fixed institutional policy and ensuring storage of data with keeping consumer interest paramount in mind (Tsai et al ., 2017).

Futuristic perspective data collection

The financial technology revolution is the future of finance industry. Innovations in this field are growing gradually and this field is attracting millions of dollars in innovation and research. In the opinion of Guild (2017), it is important that there are measures put in place that will ensure that the chances of fraud and instability due to data pilferage can be reduced to a large extent by building accountability in the process of data collection within the industry through legal framework and government policy.

Security and privacy issue

Novel technologies are getting used by the financial firms in order to gain more and more advantage in terms of competitive advantage over the rival firms. This is leading to issues of malware and privacy related attacks that is making the confidential data vulnerable (Gai *et al* ., 2016).

Ethics in data handling in fintech industry

Fintech industry has been constantly trying to establish this fact that it is not practice any unethical practices that were rampant in the traditional financial industry. Ethics is important in the case of data handling procedures as well. These companies have access to major data from the clients' ends and they have to place systems and checks in place in order to ensure that there is no breach of data (Trieu, 2016). Ethical implications of sensitive data handling cannot be disregarded in any way.

Ethics and corporate culture and regulatory practices

In the fintech industry, there are regulatory practices associated with disclosure and clauses associated with confidentiality on disclosure and as the internet has the ability to connect all, hence the risk of fraud has increased manifold. In the emerging FinTech's there is the practice that all the data cannot be accessed by all, there are bars put and that makes the entire organisation ensure that as the data are present in pockets and are not available to all (Wang *et al*., 2017). This leads to reduction in the risk of data fraud, data leakage, and data misuse and also it leads to providing guidelines of usage of the data in an effective manner. There are disclosure related clauses and there are clauses associated with financial usage that make it difficult for unfair data collection and misuse.

Research methodology

In this research there is quantitative data analysis being considered. Positivism that is associated with scientific fact-based study is considered (Kumar, 2019). Deductive research approach is linked with the primary data collection in this research. Deductive research design is associated with considering the research approach that derives from already existent research (Flick, 2015). The primary data collection will be conducted with the help of the survey. As this kind of research study is not available in bulk, is the reason why, the exploratory research design is considered in this case. Exploratory research design is associated with data-based research that will help to explore the related aspects (Quinlan *et al.*, 2019). In this research topic there will be use of survey method on the sample size of 15 employees of United Kingdom fintech firms.

Population

Population in statistical studies represents the larger collection of individuals who are part of the main focus of the research query (Drake *et al.*, 2017). The population in this case is the numerous employees of fintech firms in the United Kingdom. The common point of the population is that all are employees of fintech firm of United Kingdom.

Sample

A sample is a smaller group of the population size that is associated with the research study and which is part of the population (Bell *et al.*, 2018). It is the statistical sample that is associated with employees of fintech, who are employed in the data handling area of fintech firms for a period of at least one year.

Sample size

This is a part of the population that is associated with the number of responses considered for the research (Bell *et al.*, 2018). In this case the sample size is 15 employees of fintech frames who have more than one-year experience in data handling.

Finding Analysis and Discussion

Quantitative data survey on data collection

1. Does your company provide knowledge from training level regarding ethical practices regarding data collection?

Particulars	Percentage of the respondents	Number of respondents	Total number of respondents
Yes	33	5	15
Some extent	40	6	15
Neutral	7	1	15
Not really	13	2	15
No	7	1	15

Table 1: Knowledge provided in training

2. Do you follow all the regulatory processes that are prescribed by your company to ensure protection of data?

Particulars	Percentage of the respondents	Number of respondents	Total number of respondents
Yes	20	3	15
Some extent	40	6	15

Neutral	13	2	15
Not really	14	2	15
No	13	2	15

Table 2: Following of regulatory processes

3. How much do you agree that the regulatory practices are enough to ensure data protection and ethical practices?

Particulars	Percentage of the respondents	Number of respondents	Total number of respondents
Strongly agree	13	2	15
Agree	20	3	15
Neutral	7	1	15
Disagree	33	5	15
Strongly Disagree	27	4	15

Table 3: Agreement regarding the sufficiency of the regulatory and ethical practices

4. Do you believe that there are proper data ethical standards maintained by your office?

Particulars	Percentage of the respondents	Number of respondents	Total number of respondents
Yes	20	3	15
Some extent	26	4	15
Neutral	14	2	15
Not really	26	4	15
No	13	2	15

Table 4: Standards of ethics practiced in office

5. Are you ready to devote extra time in ensuring that there are enough security checks in place on the sensitive data handled by you?

Particulars	Percentage of the respondents	Number of respondents	Total number of respondents
Yes	13	2	15

Some extent	20	3	15
Neutral	13	2	15
Not really	20	3	15
No	34	5	15

Table 5: Extra time devoted for security checks

Findings and Analysis

T

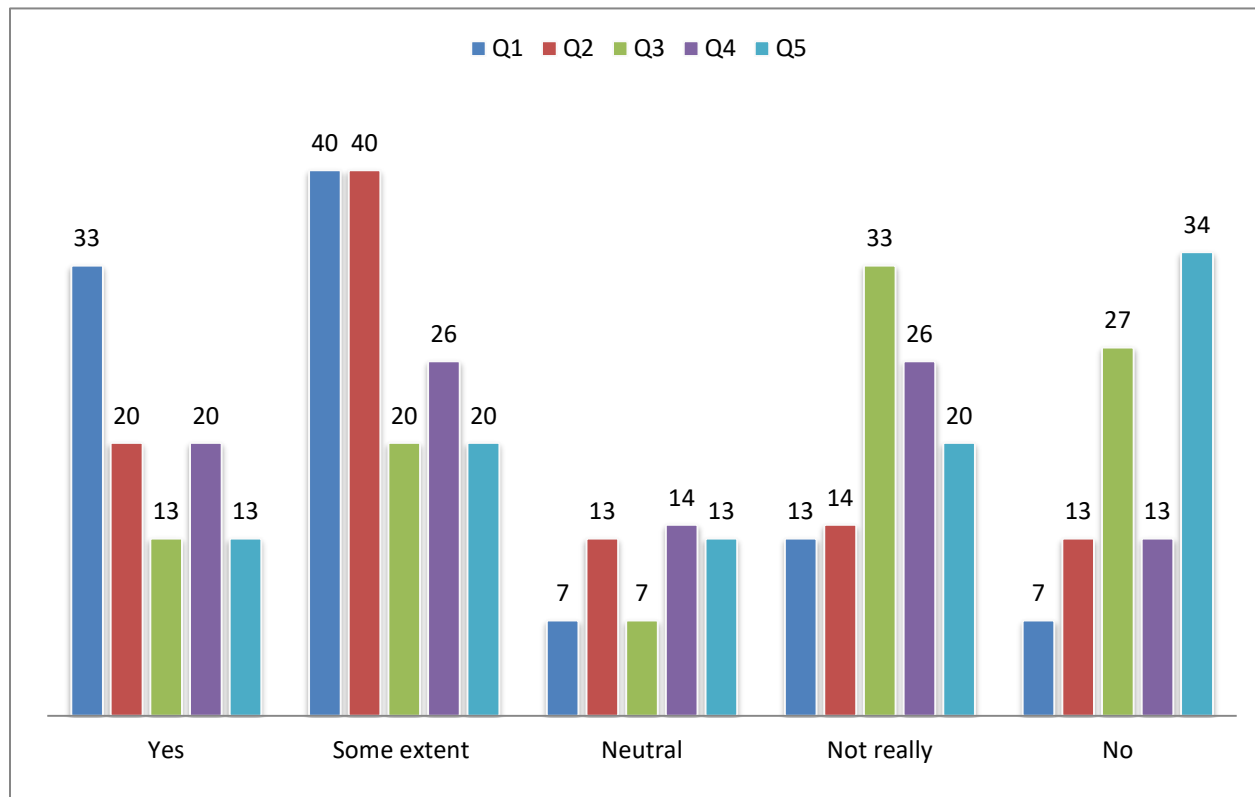


Figure 1: Integrated graph

The data and the graph are indicative of the fact that most of the fintech companies are associated with providing the solutions that are associated with ensuring that at the training level there is extensive training provided on the correct procedures of data collection and the ethical aspect. Almost 73 % of the responses are positive regarding the inclusion of ethical practices in the training process in these companies. The 60 % of the respondents are positive regarding the

following of data regulations and ethical considerations that are related to the protection of the data of the client. Most of the respondents are not of the opinion that the ethical consideration and the regulatory practices that are associated with the data are able to ensure sufficient protection to the data of the client that is subject to protection. 33% of the respondents feel that they disagree regarding the fact that the protection and ethical practices are commensurate with the seriousness of the requirement. 27% of the respondents are however completely not favour of the sufficiency of the practices is.

The respondents feel that there is enough effort taken by the office towards ethical standards being maintained. In fact, close to half the respondents that is 46% have given an affirmative response in this respect. However in order to see that extra time needed to be devoted in the process of maintaining all the aspects of data handling and data ethical processes, the employees are not ready to devote any extra time for the process. 54% of the responses have been in the negative in this respect. The sensitive data that is handled in this context is hardly being protected if the factor is getting associated with devoting, more time to the process. This goes to show that there is much scope of improvement regarding data ethics related practices in the fintech companies. The attitude of the employees is extremely limited to training and they hardly understand the implications that are associated with the implications of the data loss or leakage or theft

Conclusion

This report has been able to shed light on the context of data handling and data protection with the help of data ethical related practices that are being practiced in the current day fintech organisations. There is need to provide extensive training to the staff and there is also the need to inculcate a sense of accountability among the employees regarding the sensitivity of the data that is being dealt with. There is also the need to improve the standard practices in the organisations as many employees have pointed out that the ethical standards and the data collection procedural techniques can become associated with vulnerable attacks that are present in the current day digital world that is quickly embracing the financial industry in its purview.

The survey was conducted in order to understand the depth of the problem that required the support of primary data collection in order to gather first-hand information to understand the

trends. The ethical aspects of the data in financial tech firms seem to be in requirement of severe repair as the digital world is progressing the malice associated with the digital business is also growing phenomenally. There are instances of lack of accountability that is observed among employees that can lead to serious problems that are linked to succumbing to major phishing or fraudulent transaction. There is a constant growth in the field of online transactions and online money transfers as the economy is becoming more and more digitalised. This is the time that more stringent policies from government and industry are to be implemented and more consciousness is required to ward of the evils associated with loss and leakage of data. There is need to practice legislative guidelines that will ensure that there is effective use of policies and practices that are associated with maintaining standards that are linked to digital financial platforms like payment gateways, banking information, password and there is the need to ensure that there is proper care taken to mitigate the issues that are linked with the fact that will enhance the protection associated with data. This is the era that is going to need more enhanced protection from digital theft and that is the reason why the fintech companies have to change their policies for betterment and growth and security.

Bibliography

Assets.kpmg. 2019. [online] Available at:
<https://assets.kpmg/content/dam/kpmg/uk/pdf/2019/04/ethical-use-of-customer-data.pdf>
[Accessed 30 Jul. 2019].

Bell, E., Bryman, A. and Harley, B., 2018. *Business research methods*. Oxford university press.

Drake, B.F., Rancilio, D.M. and Stafford, J.D., 2017. Research methods. In *Public Health Research Methods for Partnerships and Practice* (pp. 174-187). Routledge.

Flick, U., 2015. *Introducing research methodology: A beginner's guide to doing a research project*. Sage.

Gai, K., Qiu, M., Sun, X. and Zhao, H., 2016, December. Security and privacy issues: A survey on FinTech. In *International Conference on Smart Computing and Communication* (pp. 236-247). Springer, Cham.

Guild, J., 2017. *Fintech and the Future of Finance*.

Kumar, R., 2019. *Research methodology: A step-by-step guide for beginners*. Sage Publications Limited.

Quinlan, C., Babin, B., Carr, J. and Griffin, M., 2019. *Business research methods*. South Western Cengage.

Trieu, H.N., 2016. Ethics in FinTech?. *The FinTech Book: The Financial Technology Handbook for Investors, Entrepreneurs and Visionaries*, pp.270-272.

Tsai, C.H. and Kuan-Jung, P.E.N.G., 2017. The FinTech revolution and financial regulation: The case of online supply-chain financing. *Asian Journal of Law and Society*, 4(1), pp.109-132.

Wang, L., Lu, Y., Liu, J. and Gong, Q., 2017. FinTech, Information Disclosure and Regulation. *Proceedings Of the New York State Economics Association*, p.44.

Appendix 1

1. Does your company provide knowledge from training level regarding ethical practices regarding data collection?

Yes
Some extent
Neutral
Not really
No

2. Do you follow all the regulatory processes that are prescribed by your company to ensure protection of data?

Yes
Some extent
Neutral
Not really
No

3. How much do you agree that the regulatory practices are enough to ensure data protection and ethical practices?

Strongly agree
Agree
Neutral
Disagree
Strongly Disagree

4. Do you believe that there are proper data ethical standards maintained by your office?

Yes
Some extent

Neutral
Not really
No

5. Are you ready to devote extra time in ensuring that there are enough security checks in place on the sensitive data handled by you?

Yes
Some extent
Neutral
Not really
No