

ESAs weigh benefits and risks of Big Data

The report concludes that Big Data brings many benefits for the financial industry and consumers, such as more tailored products and services, improved fraud analytics, or enhanced efficiency of organisational internal procedures. On the other hand, financial services consumers should be made particularly aware of some of the risks posed by Big Data. The risks identified by the ESAs include the potential for errors in Big Data tools, which may lead to incorrect decisions being taken by financial service providers. Additionally, the increasing level of segmentation of customers, enabled by Big Data, may potentially influence the access and availability of certain financial services or products.

Weighing both the benefits and the risks associated with this innovation, the ESAs have concluded that any legislative intervention at this point would be premature, considering that the existing legislation should mitigate many of the risks identified. The ESAs will continue to monitor any developments in this area in the coming years and invite financial firms to develop and implement good practices on the use of Big Data.

The objectives of the report was to

1. map the Big Data phenomenon and assess its potential benefits and risks;
2. raise awareness among consumers of their rights set in existing financial legislation and in other relevant areas; and
3. raise awareness of financial institutions of their obligations set in existing financial legislation and encourage the adaptation of good practices on Big Data.

The report results from a consultation conducted between December 2016 and March 2017.

Factsheet on Big Data

The ESAs have created a [factsheet on Big Data](#), aiming at informing consumers of financial services about the impact of Big Data. The factsheet provides consumers with the information about the potential benefits and risks of the use of Big Data techniques and aims to raise awareness of the measures consumers can take if they experience issues related to the use of Big Data.