Privacy Statements Hard to Understand? Fight Back!

The Financial Modernization Act of 1999, also known as the “Gramm-Leach-Bliley Act” or GLB Act, was written to protect consumers’ personal information held by financial institutions. With the passing of this Act, millions of trees are being sacrificed annually for it's sake.

You've seen them. They are 5 page privacy statement you receive periodically. They contain "double talk" like "We value your privacy.." and then several paragraphs later tells you "...we share your information with..."

Well, here's a information to help you fight back.

What is the Gramm-Leach-Bliley Act?

This Act was in response to public outcry demanding privacy. Before it was finalize special interest groups destroy it's intent. The Act provides an "out" - allowing financial institutions to share your personal information. That out is their "Privacy Statement".

There are three principal parts to the privacy requirements of the Gramm-Leach-Bliley Act. They are the Financial Privacy Rule, Safeguards Rule and pretexting provisions.

The "Financial Privacy Rule" governs the collection and disclosure of customers’ personal financial information by financial institutions. It also applies to companies who receive personal information from financial institutions.The "Safeguards Rule" requires all financial institutions to design, implement and maintain safeguards to protect customer information. This too applies to companies who receive personal information from financial institutions - such as credit reporting agencies.The "Pretexting" provisions of the GLB Act protect consumers from individuals and companies that obtain their personal financial information under false pretenses, a practice known as “pretexting.” While the inner workings of the Gramm-Leach-Bliley Act is more than we can go into in this article. Here is a link to the U.S. Senate Banking Committee on this Act http://banking.senate.gov/conf/. This act gave more to the banking industry than it did to the general public. Six of it's sections talk to what it will give to the banking industry. ONLY one section talks to privacy.

Why are the Privacy Statements hard to read?First, the Act is hard to understand!Second, the bank's don't want to lose their customer's over the release of their personal information, so they bury what they are doing deep in the notice.Third, the bank's make way too much money selling their customer's information (aka affiliate sharing) so they don't want to many to "OPT-OUT'.

The Vicious Cycle of Affiliate sharing

The law reads "companies you currently do business with can contact you." Many banks create a marketing affiliation with groups like "Memberworks." Memberworks is merely a telemarketing company. It is here, at Memberworks, were all the fancy tap dancing occurs.

Memberworks has thousands of affiliated companys that want to sell you something.

Your bank provides Memberworks their customer list, charge card numbers, bank account numbers, etc. Memberworks then calls you "as your bank," and offers you additional services. These affiliated companies then pay your bank, either per lead or per sale.

These additional services are NOT being provided by you bank, but a third party (aka affiliate sharing). Now you've become a customer of another company that can bug you for another service. It's a vicious cycle of sharing.

It is this type of situation that financial institutions are trying to hide in privacy statements.

FIGHTING BACKWhile we can't change the law, quite yet, we can take action.1. First, complain about the statement. The best place to do that is at http://www.sec.gov/complaint/finpriv.htm. 2. Call your financial industry and tell them that you opt-out of both third party sharing and affiliate sharing. They may require you to send it to them in writing. 3. Follow our procedures on how to "OPT-OUT". This makes your personal information worthless to third parties. When a company sells your name they usually use a list broker. Reputable brokers "wash" the list with Direct Marketing Association (DMA). Together we can make a difference. privacy privacy privacy privacy privacy privacy privacy privacy privacy privacy privacy privacy privacy privacy privacy privacy privacy privacy privacyGramm-Leach Bliley Gramm-Leach Bliley Gramm-Leach Bliley Gramm-Leach Bliley Gramm-Leach Bliley Gramm-Leach Bliley