

Through the Lens of Data Protection – Fintech and Privacy in Nigeria

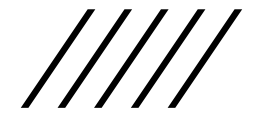
By Olumide Babalola

On the invitation of the European Union,
Council of Europe, and African Network of
Data Protection Authorities at a Workshop on
Fintech and Data Protection on Wednesday, 3
February 2021





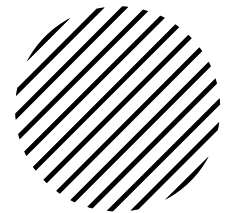
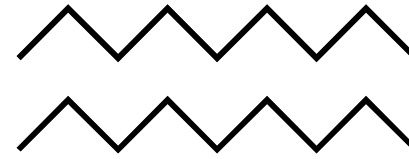
Fintech in Nigeria: The Numbers

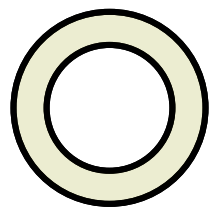
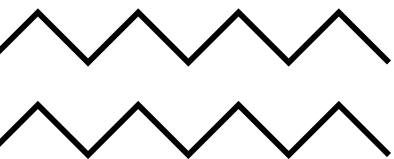
- **September 2020 - Over 200 fintech standalone companies, plus a number of fintech solutions offered by banks and mobile network.**
<https://www.mckinsey.com/featured-insights/middle-east-and-africa/harnessing-nigerias-fintech-potential>
 - **US\$543m by 2022 in revenue, driven by increasing smartphone penetration and its unbanked population.** <https://eiuperspectives.economist.com/financial-services/state-play-fintech-nigeria#:~:text=Nigerian%20fintechs%20are%20branching%20out,help%20merchants%2C%20businesses%20and%20consumers.>
 - **COVID-19 - Nigerian start-ups are capitalising on this shift, raising \$747m last year, according to Partech African.** <https://www.thebanker.com/Transactions-Technology/Nigeria-s-fintech-scene-booms-despite-economic-woes>
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Estimated Data Subjects:

- 62% of customers will use mobile applications to access financial services within the next 5 years. - [PWC 2017 FinTech Survey Report](#)

- 50 million (estimated) fintech customers.
<https://gomedici.com/56-fintech-companies-nigeria-extending-access-to-financial-products-for-inclusive-growth>





Data
Protection:
Regulator's
attempt



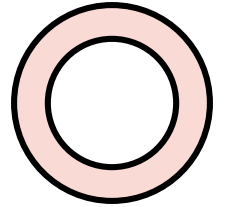
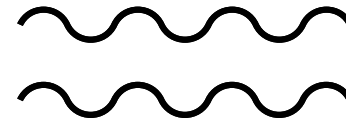
**Central Bank of Nigeria's
Consumer Protection
Framework 2016 (Clause
2.6.2(2))**

- Express permission of customer
- Confidentiality
- Safeguard privacy
- Shared when required by regulatory bodies

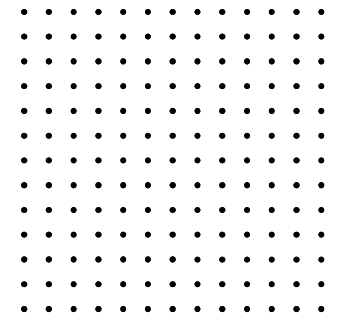


Regulator's Sell Out

- August 2020 – Central Bank to order banks to share customers data with fintech
- Clause 2.6.2(3) Consumer Protection Framework – Consent ought to be obtained in writing.
- Suit No. FHC/AB/76/2020 DRLI v CBN (pending)



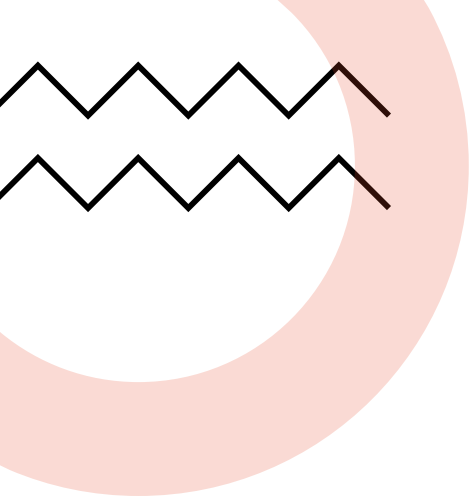
Central Bank of
Nigeria
State agency



○ Regulator's Damage control

- Central Bank's Framework For Regulatory Sandbox Operations (January 2021)
- Scope (the processes and procedures for analyzing, collecting, updating, integrating, and storing of consumer data and information.)
- Review breaches data security and confidential requirements
- Extra requirements related to the participants Fintech company handling and protecting of consumer data
- Redress mechanism

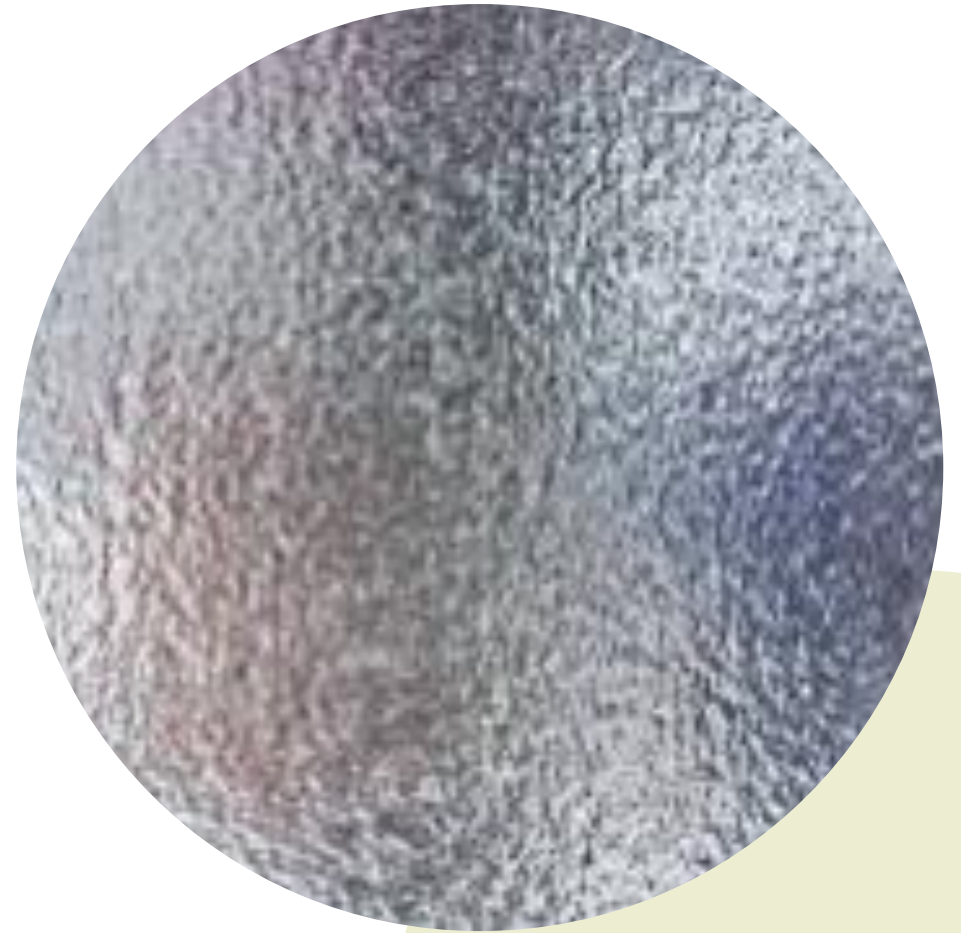


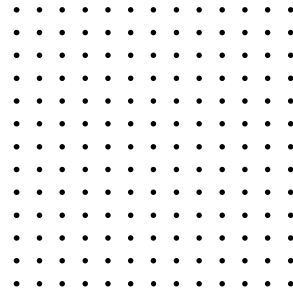
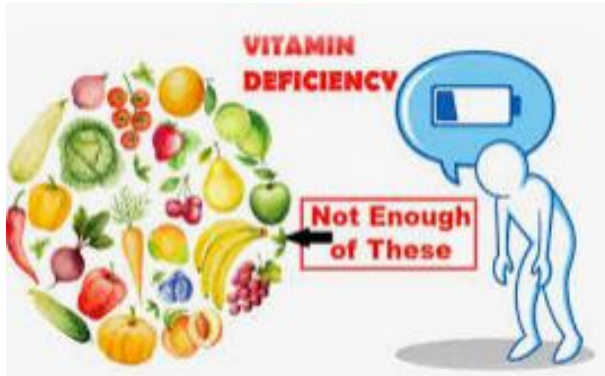


Nigerian Fintechs & Data Protection

- ❖ Opaque Data Protection Practices.

- ❖ Non-compliant with Nigeria Data Protection Regulation 2019





Privacy “Policy” is only for Online Visitors

No description of data processed

No Information on Sharing with Third Parties

No DPO

No DS Rights & Remedies

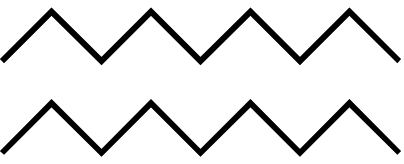
Software Apps X



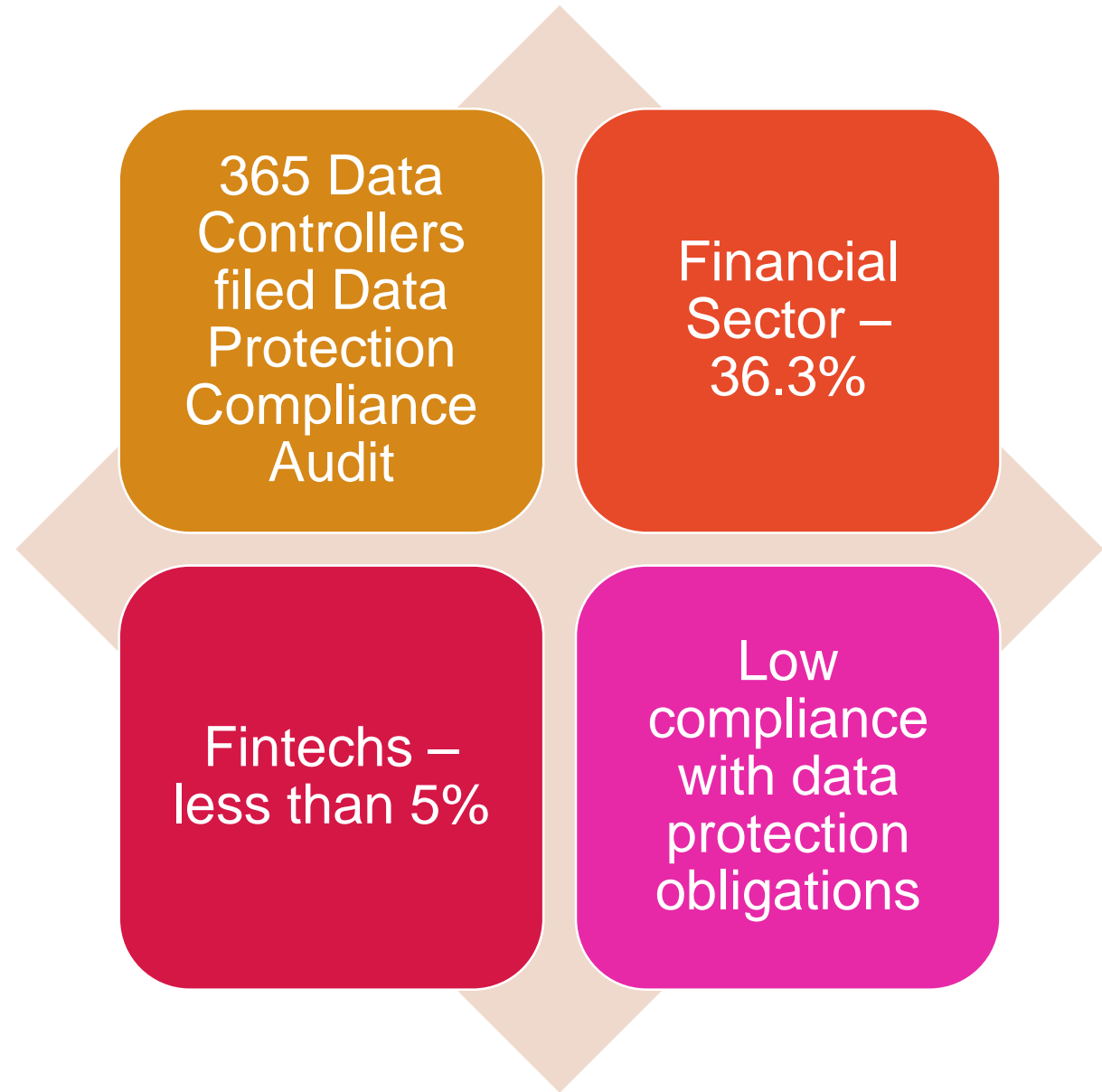
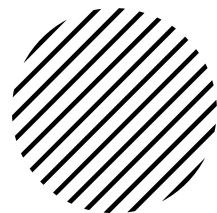
Nigeria Data Protection Regulation

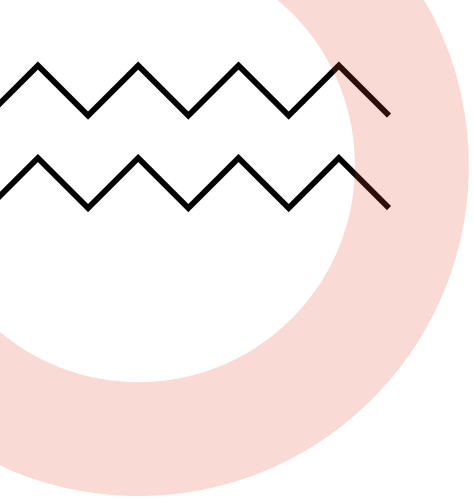
- Regulation 4.1(7):

On annual basis, a Data Controller who processed the Personal Data of more than 2000 Data Subjects in a period of 12 months shall, not later than the 15th of March of the following year, submit a summary of its data protection audit to the Agency. The data protection audit shall contain information as specified in 4.1(5).

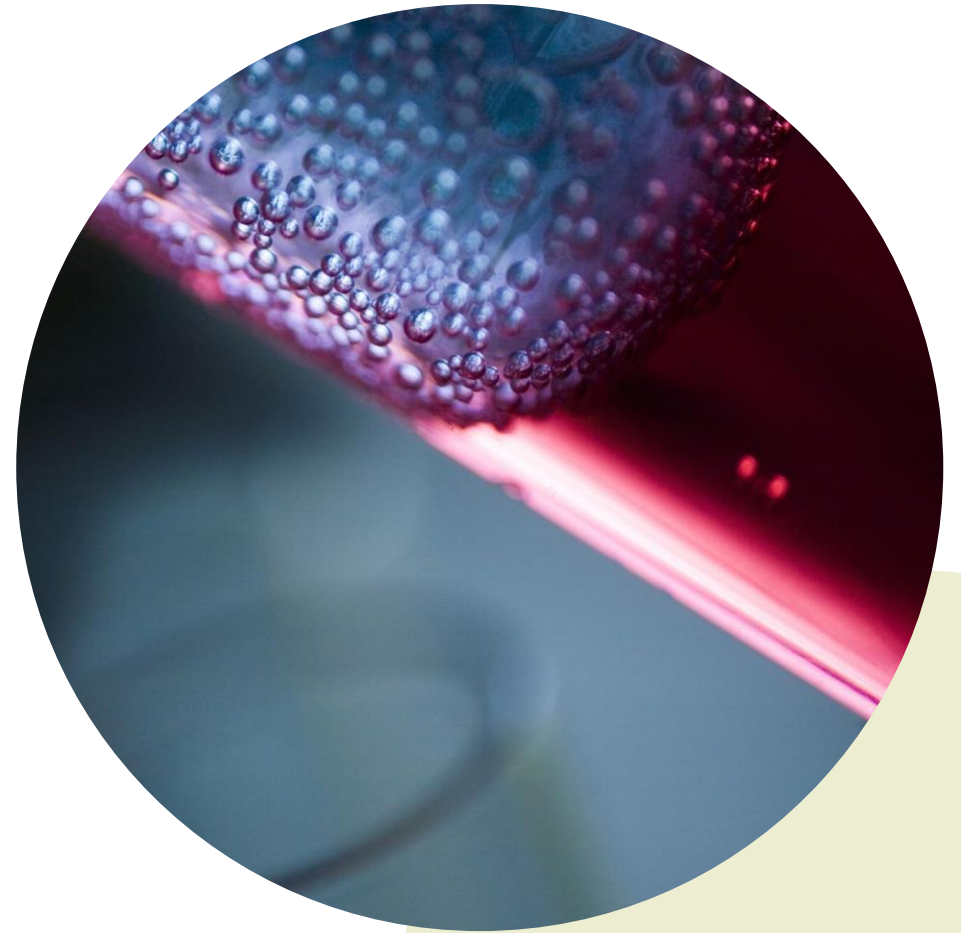


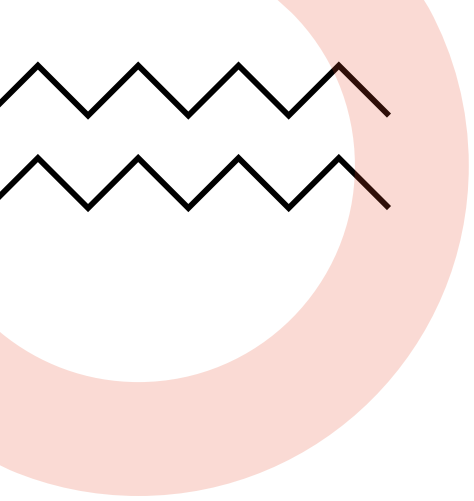
NDPR Performance Report (2019-2020)





Conclusion





Thank you!

