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#### OCC Chief Counsel Urges Industry to Act on Privacy Concerns

WASHINGTON -- Chief Counsel Julie L. Williams today urged bankers to look at privacy rights from their customers' perspective.

"In developing and implementing privacy policies, think about how your customers would react if you gave them a full description of how much of their information you collect, what you do with it, whether you transfer it, who you transfer it to and what happens to it then," she said in a speech to the Financial Institutions Insurance Association.

"Would you be embarrassed?" she asked. "Would your customers feel they have been treated fairly? Structure your privacy policies -- and implement them -- accordingly," she added.

Ms. Williams said the financial services industry has been more defensive than proactive in addressing consumer privacy issues, with some industry representatives arguing that consumers have not yet been harmed or motivated to complain. "The problem with this attitude," said Ms. Williams, "is that in many instances, individuals may not realize -- and have no way of forcing disclosure of -- just how their personal information is being handled."

"Any company that ignores, or fails to understand, the tinderbox of public sentiment waiting to ignite on privacy, acts at its peril," she added.

Ms. Williams said Congress has taken an increased interest in privacy issues, although it still remains to be seen whether some type of enhanced privacy protections will be included in the pending financial modernization legislation.

"But it is evident that the marketplace has already begun to recognize the significance of distinctions in privacy protections afforded customers," she said. "There is evidence that -- when information is available -- market forces will take privacy issues into account."

Ms. Williams cited Supreme Court Justice Louis Brandeis' description of privacy "as the right to be left alone," and his observation that privacy was the right most valued by a free people.

"Privacy as an individual right implies that to some degree personal and private information about an individual is the property of that individual," she continued. "That also implies that when a customer gives that property to another for one

express purpose, he or she is not implicitly giving it for whatever other purposes the recipient may want to use it."

"My suggestion is to think of personal information from your customers' perspective, as something they feel belongs to them," she said.

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The OCC charters, regulates and examines approximately 2,600 national banks and 66 federal branches of foreign banks in the U.S., accounting for more than 58 percent of the nation's banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.