



Online platforms and digital advertising interim report

Response from



For further information contact:
Liz Brandt, CEO, Ctrl-Shift
Email: liz.brandt@ctrl-shift.co.uk
Mobile: +44 (0) 7884 433108

Background to Response

Ctrl-Shift is a business innovation consultancy, specialising in the strategic value of trusted personal data, helping organisations realise the unprecedented growth opportunity in personal data by creating strategic, sustainable and practical solutions that deliver new value in people's lives.

In 2018, Ctrl-Shift completed a [major study](#) for the Department of Digital, Culture, Media and Sport (DCMS) which uncovered the huge untapped economic potential that is liberated by Personal Data Mobility through improved productivity (estimated to be worth an uplift of £27.8bn to UK GDP), accelerated innovation (likely to be a significant multiple of the productivity gain) and healthier markets (which benefit consumers and encourage innovation). Importantly in the context of this response, our definition of Personal Data Mobility (compared to Personal Data Portability) strongly echoes the CMA Data Mobility definitions in this report.

The 2018 DCMS report also identified what needed to be addressed for Personal Data Mobility to be achieved. This fell into two main categories - the infrastructure required to enable Personal Data Mobility and how it can be used to create valuable new services.

In 2019 Ctrl-Shift created the Data Mobility Infrastructure Sandbox (the Sandbox) specifically to bring together leading businesses, consumers and consumer organisations, government, regulators, and data facilitators to collaborate on addressing these core issues, within an independent, facilitated environment. Sandbox participants include Barclays, the BBC, BT, Centrica, Facebook and digi.me, a leading data facilitator (as termed PDS in the interim report). There are also a number of independent observers - the Centre for Data Ethics and Innovation, Consumers International, the DCMS, the Information Commissioner's Office and the Web Science Institute at the University of Southampton.

The Sandbox programme's central objective is to advance Personal Data Mobility to enable the safe and easy use of personal data, permissioned and controlled by the individual, enabling value that is fairly and safely shared by all.

The first phase of work examined safe data sharing – one of the primary infrastructural challenges identified in the 2018 DCMS report. Safe data sharing is of foundational importance to Personal Data Mobility. If it is not in place, there is a risk that individuals will experience harm and businesses suffer reputational damage, leading to both sides being less willing to participate. As a result, the full potential value of Personal Data Mobility may not be realised. The first phase of the Sandbox also looked at how new value can be unlocked by making data sharing safer.

The Sandbox explored safe data sharing via the Data Mobility Model. This is a model for safe, multi-lateral data sharing between four key stakeholders: data exporters (existing service providers holding data), individuals (who choose to share their data held by data exporters), data facilitators (who act on behalf of individuals, enabling them to transfer, store and use their personal data) and data importers (who use the newly mobilised data to create valuable products and services for the individual). This model is slightly different to that used in Open Banking – where there is a direct link between the provider and the data importer or TPP.

It was a key conclusion of the report that the presence of data facilitators is a major driver for both ensuring the safety of data sharing and unlocking the value from it.

Our [report, published on 17th June 2019](#), covers this first phase of work. It describes the capabilities to support safe data sharing that are already in place and defines the gaps that still need to be addressed. It also identifies the gaps that the Sandbox has prioritised for attention in its next phase of work.

In parallel to the Infrastructure Sandbox, we are creating a series of Value Sandboxes which will be focused on specific individual consumer value opportunities and identifies on what needs to be happen for value to be created in each value area. The first of these was initiated in January 2020 and focuses on the value of using data from across an individual's life, social data, financial data, location data, media consumption data to help individuals to maintain their mental wellness.

This work is being conducted in collaboration with a set of private sector businesses working alongside invited government observers. The sandboxes will use an 'intervention stack' which was developed in the DCMS work to understand the findings from the sandbox, defining where interventions may be need at a governance, regulatory or market level to enable the value to be accessed. The findings will be published under Creative Commons licence with a view to accelerating the Data Mobility market and accelerating the data driven mental health market.

Response

The quality of the overall interim report is outstanding and we would like to thank the CMA for the extraordinarily hard work that has obviously been undertaken by the team to produce such a comprehensive and comprehensible report. This is not an easy feat in such a complex and often opaque market. Although long it is a page turner. Congratulations.

Ctrl-Shift would be happy to work with the CMA to bring our extensive knowledge to assist in the development of a competitive online platforms market. We have a deep understanding of the personal information market at a technical, architectural, commercial, economic and social level. Our experience has been gained over the past 10 years through a broad set of market analysis and test projects with private sector businesses where we have been examining the viability of PIMS and PDS enabled markets.

The following response focuses on Appendix L. this is due to time constraints within the business. However we are more than happy to discuss with CMA our broader responses to the entire document and particularly in response to Appendix J.

Our response focuses on 5 topics which cut across a number of the questions that you have posed.

1. Business Models, value and consumer adoption (questions L1 and L4)

We see these as interwoven, as a race to the top. The value created is likely to come from new value created for the consumer which will in turn drive consumer adoption. This new value is also likely to create new revenue streams. We have tested a number of these in previous projects and would be happy to share them with you. Whether they create new business models is yet to be seen and we are testing this in our own Data Mobility Value Sandboxes.

Our Data Mobility Infrastructure Sandbox illustrated that consumer adoption is likely to be driven by the value to the consumer of the service using the data. We tested user interest in moving their data to a PDS and in pushing data from their existing service provider. The only starting point in the user journey that created universal interest was the use of the data to create new value for the consumer.

Identifying the 'killer app' that drives adoption is unlikely unless there was some mandated universal service such as applying for a TV licence. Most likely adoption will be driven through a number of services being made available. Our research has shown that these are likely to be in the Finance, Health and Transport sectors. More recent shifts in consumer engagement with climate change and the need to move to carbon neutral societies may provide an adoption driver, enabling individuals to use their data as they live, work and travel to track and manage their individual carbon footprint.

Our previous work in the midata programme for BEIS showed that a focus on switching as the value was not a motivator for either consumers or participating business. A pure focus on this would slow down adoption with both stakeholders in comparison to a focus on new value creation. Our economic study for the DCMS in 2018 pointed to huge efficiencies for businesses and even larger innovation opportunities. Those innovation opportunities being significant for private sector but even more so for society as a whole.

Our current Data Mobility Value Sandbox is indicating that the use of a PDMS may enable not just increased value in a sector or ecosystem but across the data economy. There is potential for the creation of new value from the use of data within a Data Mobility enabled market to enable value to flow back to the data provider. Our current Value Sandbox focuses on Mental Health and the use of personal data to enable individuals to maintain their mental fitness. In its early stages, there are indicators that this use of data could create societal, consumer and private sector value.

Our foundational tests of data mobility in our client projects and Sandboxes points towards new revenue streams and revenue flows. These new value flows are likely to create sustainable business models for the PDS and for the data economy overall.

2. Mitigation of perceived privacy risks in the data mobility model (Question L7)

The Ctrl-Shift Data Mobility Infrastructure Sandbox set out to prove that, with at least one PDS, Digi.me, there was no increased risk to privacy or at least a minimal risk to privacy. We would like the opportunity to further explore these concerns.

Sharing with publishers is not a model that we have tested and seems at first appearances to be an approach that would further proliferate individual's personal data with little if any transparency or control mechanisms offered to consumers. Additionally, if publishers were to become PDS's within the publishing ecosystem we believe there would be a significant conflict of interest across the ecosystem with a potential for a 'out of the frying pan and into the fire' situation.

3. Are there ways in which the major platforms could circumvent the remedies we have described? How could we reduce the prospect of this?

Platforms could choose to not share unless they were forced to. Additionally they might choose not to comply with any data standards required or data access standards (APIs). This could be overcome through a similar exercise to that undertaken in Open Banking where standards were developed for data and the APIs. New technologies have been developed to audit the quality of the data and the availability of the APIs which would overcome this potential circumvention.

The continued use of platform id sign into services could compromise the creation of competitive markets.

4. In which other markets, outside of the regulated and digital markets, would there be the greatest benefits from Smart Data initiatives? Please explain your reasoning (Question L8)

We believe that much of the opportunity from Smart Data or Personal Data Mobility - accelerated innovation, healthier competition and productivity gains - stems from cross-sector data integration. We would encourage BEIS, in their Smart Data Review, to look beyond traditional sector boundaries, both in regulated and other markets, to enable cross-sector data sharing. This will require sector regulators to recognise that competitive boundaries are increasingly becoming blurred – people want providers to help them manage their home rather than be an energy provider or a telecoms services provider – and they need to collaborate with each other to deliver the full benefit that Smart Data can bring. This in turn offers up tremendous opportunities for new innovative business models looking to provide a seamless service suite to home owners.

5. Would any of the remedies we have discussed here give rise to fresh customer detriment such as higher prices, lower service quality or less innovation? (question L9)

There is a danger that with the data available via PDS that the platform providers move to a service model similar to Amazon Web Services, where they would provide the processing and algorithmic power to use the data. This could give rise to the return of originally perceived competition issues.

It is also worth considering that if data is enabled to move to where it can create the most value that the online platforms could, through the delivery of highly valuable data driven services, be the recipients of much of the data that has been received. As such it could exacerbate the competitive market issues. However, it

is also worth considering the role of trust and brand in a data mobility enabled market e.g. which brand individuals would trust with the use of different parts of their data and which brands they believe would offer them the most value especially when it came to areas such as health or finance.

6. What would need to happen to make a PDS viable in market. (Various of the questions)

The following are the main opportunities to enable the PDS market to be viable:

1. Availability of data in a standard form through a standard API.
2. Availability of Digital IDs that sit within a certified trust framework. This would enable the data to be collated around an individual while still protecting their data and privacy.
3. Use of common tools, user experience patterns and standards for data access and use across different industries such as Open Banking and Publishing and further into the Smart Data programme with Telco, Energy and Transport.

We strongly believe that to generate a thriving and rapidly growing market there needs to be clear delineation between the services provide by the PDS (or what we call a Personal Data Manager Service or Data Facilitator) and the value creation from what we call PIMS (Personal Information Management Service – these tend to focus on services for consumers that are decision making services or life management services.

Delineating between these two functions will remove a conflict of interest inherent in the combined PDMS and PIMS solution. A good example of this from the past is with iTunes, where many app providers didn't want to develop for Apple as they felt the platform 'stole' the best ideas to feed their commercial self interest. We believe this may be the case in the Open Banking model and would appreciate the opportunity to discuss this further with you.

Go to market and the ability to scale will also be essential. In Open Banking many of the FinTech business rely on the Banks as their go to market partners, which again constrains growth and has the potential to undermine the original intentions of the market changes. This go to market scaling could be an area where the government could step in to facilitate either through offering the new services or promoting the trusted value through a trust mark or similar.

One reason why PIMS and PDS have not thrived as yet is because of the need for standards and governance to make the market safe and easy and so it has been difficult to raise funds in the market. With a clear and published intention by Government to support the development of the market this is likely to stimulate investment to help develop the market.

We believe there is also a need for the development of an accreditation of the PDS, which would enable consumers to quickly and easily identify a trustworthy service.

The facilitation and acceleration of the development of User Experience patterns that support trusted data sharing would enable rapid consumer adoption, smoothing user experiences across multiple services and offering a sense of trust and an ease of adoption. This is especially important in the development of an integrated user experience across multiple data providers in an ecosystem – publishers, PDS, Online

platforms. Our Infrastructure Sandbox illustrated this in tests with consumers and the movement of their data.

Finally, we see the need to look to leverage the data ontologies already developed by existing PDS to make it possible and commercially beneficial to share these. This would enable the use of data sets from across different markets.

The suggested PIM Challenge has the potential to wrap a number of these proposals together into a rapid acceleration programme.