

**Legal & Ethical Issues in E-commerce**  
*The Case of Yodlee.com*

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It has been established that it's become increasingly necessary for a business to have a web presence. With more and more businesses providing an online counterpart, the demand for online and e-commerce services has resulted. And now, as e-commerce has grown, we've discovered new issues of privacy and ethics that businesses and consumers must grapple with to find success in this e-market. Yodlee.com is one such business.

On the main page of its web site, Yodlee is described as the "leading provider of account aggregation services." With its Personal Information Platform, Yodlee aims to accommodate consumers who want to manage accounts online without the hassle of accessing several web sites and recalling numerous login names and passwords. With the Yodlee platform, users can access information from credit card accounts to email and investments, all in one stop and with one password. Also, with Yodlee, users are able to log on from any computer with web access or any web-enabled mobile. It would seem that Yodlee could be the perfect solution for users who are on-the-go. The concept is a novel one, however it asks a lot of the consumer. Those who wish to use the Yodlee platform must entrust the company with a great deal of personal – sensitive – information. Studies have shown that a majority of consumers are still wary of e-commerce for fear of having their personal information shared or sold to another entity. Credit card transactions are a concern, as well, as consumer's worry that the information will be accessed and abused by an unwanted party. In order for Yodlee.com to be a

success, it is paramount for the company to establish the trust of web users. And the best way to do that just might be with an improved privacy policy.

All e-commerce businesses must protect its customers with privacy policies. Yodlee's security platform enables financial institutions and portals to become a true online hub for their customers, increasing retention and loyalty, while decreasing acquisition costs, and providing unprecedented new revenue opportunities through more personalized services and a deeper understanding of customer behavior and individual financial needs. Yodlee-powered services are available at most of the leading global financial and portal sites, including AOL, BOA, Citibank, MSN, and Yahoo. Yodlee is headquartered in Redwood City, California and can be reached at [www.yodlee.com](http://www.yodlee.com). Yodlee currently operates its services for more than 60 clients worldwide and more than 2.5 million end-users.

Small businesses are demanding more powerful account services from banks and financial institutions. Yodlee , is delivering the next generation of account aggregation services designed specifically for small businesses. Yodlee is considered as a new online service that provides clients convenient, secure access to virtually all their financial information, from, but not limited by, investment portfolios to credit card transactions. All clients of Yodlee can benefit from the convenience this online tool provides by uniting information access to one source.

Almost all Internet users believe that it is very important that e-commerce sites provide specific, accurate information about the site's policies and practices. For example, it's very important that sites disclose all fees and attach statements of the site's policy on using information considered to be valued by businesses. For news and

information sites, users are also demanding. They want sites to have and to display a highly visible privacy policy, which can be easily understood. They want a prominent page where corrections of past mistakes are available. And users want the site to provide a list of the editors responsible for the site's content including the editors' email addresses. So the question is, How much more safe will businesses and non-business consumers feel, and if they do feel more secure about e-commerce will they increase their transactions on the web?

### **Recommendations**

Internet and the its capabilities of transferring information with ease makes it very important to understand when to draw the line on exchanging your personal information with other businesses. People that sign up at websites and buy goods and services online need to have some assurance that their information is going to be safe. In order for this to happen websites need to follow some simple rules that will clear things up when it comes to privacy policies for them and the consumer.

In making a good privacy policy that is credible, first of all, people need to see it and be able to understand it. Most of the time polices are very hard to find, so the privacy policy needs to be in clear view to the consumer. Some ways to do this is to have a symbol that designates a privacy policy like a big “P” or have the words “Privacy Policy” in large type-size, like 16 point instead of 6 point. Even if people do not go and read through the whole policy they still know it is there and can be accessed easily if needed. This is also important because once they see that they can trust a site they are much more willing to use what it has to offer.

Defining the terms is another important aspect of having a solid privacy policy. Once it is clear where the policy is then the policy itself needs to be well written, by

being clear on who Yodlee's partners are and their intentions regarding your information. Yodlee needs to be more specific on who is their partners, to clear this up they need to provide in the privacy policy names and contacts of partners. This needs to be done because someone else may have a completely different policy than Yodlee's.

Lastly, there should always be a clear date as to when the policy has been revised and also future terms that may apply later on. Technology that is used on the website needs to be very clear especially for new sites that need to gain trust with the users coming to their site, users are sometimes reluctant to use something they have not seen before. This is especially important for Yodlee since people have not seen it before and want to know how they operate so they can trust them with their information that they are giving to them.

Another major function that can help make privacy on the Internet more secure is the opt-in and opt-out selection. Consumers can decide for themselves whether or not to allow an e-commerce business to use their information for other purposes extending outside of the current transaction. These options should definitely be used to make a person's information more secure and help build trust within the B2B and B2C community. Both opt-in and opt-out show to the customer that the company they're making a transaction through is serious about privacy, and concerned for its customers. People need to have choices when they give information to companies.

With Yodlee being a new site that requires very personal information, people need a way to find out what is being done with their information. If Yodlee really wanted to gain trust it would allow them to look at a profile of what they have been doing, sort of like a credit report. For example, if a person looked at his profile and found something

that they did not do then they can report it and correct it. This would build ultimate trust in the customer if they could see what was going on at all times with their information. Since Yodlee accepts this responsibility of the personal information they need to always make sure the consumer knows where it is and what is being done with it.

By following some rules trust can be built and people will feel comfortable with using this site. If people can see and access the privacy policy with ease and they can read it and have clear understanding on Yodlee's position on how it is used. An option of what is sent to them and what is given away, allow consumers to make choices about how their information is used and what information is sent to them. Most likely people will feel more comfortable with giving their personal information away so it can meet their needs, and most importantly they will feel safe using the service at all times.

In conclusion, privacy and ethical practices within e-commerce are a concern for all who make transactions over the Web. The main concern is that the information needed for online transactions will be used unethically or in a manner not approved of by the consumer. People are continually realizing just how much of their information is known by businesses, and they feel their constitutional rights to privacy are being infringed on. Consumers are losing trust in businesses and a loss of trust means loss of business, which equals loss of profit.

E-commerce is beginning to understand the connection between trust and profit, and in response are designing web sites that give consumers options regarding their information in hopes to gain or keep trust. Opt-in/Opt-out choices are a good step towards consumer trust, but we feel that more needs to be done. Consumers deserve easy access to privacy policies, and the policies must be readily understood, and explicit. By

informing consumers of their rights and how their information will or can be used, e-commerce will gain the trust of consumers, leading to greater profitability, and customer loyalty.