

Money and Mental Health submission to the Department for Digital, Culture, Media and Sport's consultation on the Centre for Data Ethics and Innovation

Introduction

The Money and Mental Health Policy Institute is a research charity, established in 2016 by Martin Lewis to break the link between financial difficulty and mental health problems. The Institute's research and policy work is informed by our Research Community, a group of 5,000 people with lived experience of mental health problems or of caring for someone who does.

This response covers questions 1, 3 and 4 of the Questions for Consultation.

Background

Money and Mental Health believes that innovative analysis of data could help support vulnerable consumers, including those experiencing mental health problems, if properly regulated. We welcome the creation of the Centre for Data Ethics and Innovation. In this response we present a brief outline of some of the ways in which data could help people experiencing mental health problems to avoid financial difficulty, and the distress this can cause, and also about the potential risks and how these could be managed. These include automating difficult financial activity like switching, and better identification of customers who may be struggling either with their mental health or with problem debt. We believe that some of these risks and opportunities will carry across other groups of consumers who may at times be vulnerable, possibly including older people, those with learning disabilities, and illnesses such as dementia.

In any given year, one in four people will experience a mental health problem.¹ Mental health problems can affect a person's cognitive and psychological functioning, this can make it difficult for people to navigate markets for goods and services, including those for essential services.² AI could offer significant benefits to this group, and others who are less able to navigate markets, if automated comparison and switching services make it easier to find the best deal. Alternatively, there are risks that the engagement patterns of people with mental health problems and other vulnerable groups of consumers could be used to negatively discriminate against this group, recognising their potentially lower price sensitivity.

Mental health problems can also change people's financial behaviours. Common changes include periods of uncharacteristically high spending, particularly during the manic phase of bipolar disorder, or a sudden decline in outgoings. AI analysis of financial transactions data could potentially identify these patterns and offer people support much more quickly, before serious financial difficulties occur as a result. However, people identified through these

¹ McManus S et al. Adult psychiatric morbidity in England, 2007. Results of a household survey. NHS Information Centre for Health and Social Care. 2009.

² Evans K and Holkar M. Levelling the playing field. Money and Mental Health Policy Institute. 2017.

technologies could also be viewed as ‘suckers’ and taken advantage of by unscrupulous actors.

In addition to using transaction data analysis to identify people who may be struggling with their mental health, work to identify people at risk of problem debt more broadly would be beneficial. People experiencing mental health problems are three times as likely to be in problem debt,³ and nearly half of people in problem debt are also experiencing a mental health problem.⁴ Analysis of financial transactions data in real time, using AI technologies, could help to identify people who are experiencing or at risk of financial difficulties, allowing firms to offer help in a timely way. This could drastically reduce the suffering associated with financial difficulties and problem debt: while all debt problems are resolvable, and the UK has an excellent free debt advice sector, many people wait up to 18 months before seeking help after first falling into problem debt.

1. How best can the Centre work with other institutions to ensure safe and ethical innovation in the use of data and AI? Which specific organisations or initiatives should it engage with?

We agree with the proposals that the Centre should work in close cooperation with the UK’s existing economic regulators, including the CMA, Ofgem, Ofwat, Ofcom and the FCA. Initiatives such as Open Banking and the Smart Meter rollout are already drastically increasing the volumes of data available around consumer behavior and choices. When data about consumers’ online interactions with firms is added to this, potentially through services like Google, we have the potential to know more about consumers’ decision-making than ever before. As regulators and government both grapple with complex issues around pricing and fairness in these markets, this could be either a blessing or a curse.

Given the substantial volumes of data already available in these markets, and the fact that some organisations, potentially including credit referencing agencies and financial services providers, are already using AI technologies, in these markets so far advanced at this stage, we believe it would be sensible for the Centre to address these issues in consumer markets in the very short term. In particular, we would be keen to see the Centre collaborate with work ongoing at the CMA and FCA around consumers in vulnerable circumstances, and engaging with the Government’s work in the Financial Inclusion Policy Forum. We would be keen to see the Centre engage with issues around the ethical use of data in these markets given the vital importance of services like energy, telecoms and financial services to all consumers. Strengthening trust in the use of AI in these markets through leadership on ethical boundaries

³ Jenkins R et al. Debt, income and mental disorder in the general population. *Psychological Medicine* 2008; 38: 1485-1493.

⁴ Jenkins R et al. Mental disorder in people with debt in the general population. *Public Health Medicine* 2009; 6, 3: 88-92.

could also help to encourage consumers to engage with innovative tools and technologies which could help them to get a better deal.

3. What activities should the Centre undertake? Do you agree with the types of activities proposed?

In Money and Mental Health's discussions with regulators and government about the use of AI in essential services markets, it has become clear that regulators and Departments across different markets are wrestling with similar questions about the ethical implications of access to data and AI technologies. We believe that, as proposed in the consultation document, the Centre could play an important role as a place for organisations (including regulators, regulated firms and consumer organisations) to explore these shared issues, and, where possible, build common solutions, including ethical principles, codes of conduct and guidance. This will help to provide consistency to consumers, which we believe will help to increase trust in data-driven markets. This could also help to minimise the legislative burden on government by ensuring that legislation is recommended only where necessary and following a holistic review of issues across markets, minimising opportunities for regulatory arbitrage.

4. Do you agree with the proposed areas and themes for the Centre to focus on? Within these or additional areas, where can the Centre add the most value?

We agree with the proposed areas and themes for the Centre to focus on, and believe these would help to address some of the potential risks we outlined above, especially around targeting, fairness and transparency.

Within these areas and themes, we would suggest that a fruitful starting point for the Centre would be consider the application of these across regulated consumer markets, and particularly how these could be leveraged to help consumers in vulnerable circumstances. This would allow the Centre to quickly grapple with some of the most difficult questions around the use of innovative data-driven technologies, getting straight to the knotty questions, and having the greatest impact. As part of this, we would also consider the Centre to consider the potential benefits of a data trust around financial transactions data. This data is plentiful, increasingly easy to collect through Open Banking, and could have enormous potential to support those in financial difficulty and experiencing other types of vulnerability. For further details on the potential benefits of such an initiative, please see our policy briefing "Busting the Banks Open"⁵, attached to this response.

⁵ Evans K. Busting the banks open. Money and Mental Health Policy Institute. 2016.