

Chapter 2

Importance of Privacy Protection in Fin-Tech Operations

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ABSTRACT

Privacy Protection is one of the major issues in using Fin-Tech and related services. However, there is a lack of studies that focus intensively on privacy protection in Fin-Tech operations. Especially there is a need for studies that may not only highlight the need for further research work but will also indicate the reason behind the importance of privacy protection. Hence this chapter is developed to highlight the concern with reference to Fin-Tech. A special focus has been given to privacy protection with reference to the consumer as addressing of this issue in an adequate manner will resolve trust issues and make users inclined toward Fin-Tech. Therefore, the study also highlighted the theoretical points that are associated with the literature in order to make work relevant to academics, research and policy-making.

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INTRODUCTION

Fin-Tech is the abbreviation of Financial Technology is the classification of the wide range of operations that are associated with the enhancement of service quality through applying information technology. Recent developments in the field of Fin-Tech are very advanced as these technologies are empowered with multiple technologies e.g., big data, mobile networks, cloud computing, and data analytics systems etc (Gai et al., 2017). Hence Fin-Tech is not only limited to financial technology but it is also termed as an example of entrepreneurship, new industry, startup, product, and even a threat. Therefore, Fin-Tech can easily be described as the set of organizations or platforms that use sophisticated technologies to optimize the pace of transactions & ease out lengthy procedures. Research in the areas of Fin-Tech initiated from evaluation of Fin-Tech, i.e., the use of machines & financial instruments as well as on ethical and social outcomes of using technology (Suryono et al., 2020). However, the large stream of data in this vein is associated with user adoption of technologically integrated financial services and user perception (Suryono et al., 2020). Fin-Tech companies usually store plenty of personally identifiable information (PPI) that is required to be protected in order to boost the level of customer trust. Therefore, data privacy is a major concern for Fin-Tech companies and data breach has much wider consequences for these forms of firms. In fact, the statement is valid as the data breach for Fin-Tech companies affected a large set of users and consequently produced a drastic impact on stakeholders (Hernández et al., 2019).

Hence the Fin-Tech providers are rendering full efforts to prevent data from malicious activities and attacks by hackers. Therefore, strict policies and governance are required to protect users from theft of information and assets (Kang, 2018).

GRAY AREA AND NEED OF RESEARCH

Recent developments in the arena of Fin-Tech are innovative and have been supported by the latest technologies. However, there emergence of the latest technologies is not free from issues of security and privacy (Gai et al., 2017). Similar points have been highlighted by Suryono et al (2020) that privacy and security are the premier issues in the development and growth of Fin-Tech. However, studies could not provide a thorough illustration of the Fin-Tech model and process that may satisfy customers' concerns associated with data security and data privacy, etc. Therefore, studies are demanding better and innovative theories as well as pragmatic Fin-Tech models that may trigger the Fin-Tech adoption process (Stewart & Jürjens, 2018). Similar indications were provided by Suryono et al (2020) that there is a need to devise better mechanisms and processes to optimize security and

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