

# Borrowers largely unaware of data privacy rules: Study

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Consumers of financial products, especially loan borrowers, in India remain largely uninformed about data privacy regulations despite ongoing efforts, a new study has revealed.

Buoyancy in the economy is reflected at the ground level, bringing positivity to the entire environment. However organisations need to work to help people better understand data privacy and finance management, says the latest edition of 'How India Borrows' (HIB) Study 2023 conducted by Home Credit India, a local arm of international consumer finance

provider Home Credit. "Only 18 per cent of borrowers understand the data privacy rules, with the majority of them (88 per cent) having just a superficial understanding of the subject. About 60 per cent of borrowers are worried about how their personal data is collected and used by lending apps. 58 per cent of these worried borrowers also feel that lending apps collect more data than required," Ashish Tiwari, Chief Marketing Officer, Home Credit India, told *businessline* sharing the findings of the study.

Data privacy is the new section that has been added in this year's edition because it is a more prevalent subject. "Our study clearly



Ashish Tiwari, CMO,  
Home Credit India

brings the need for enhanced financial literacy and awareness on data privacy guidelines among the consumers," Tiwari added.

The key takeaway from the latest study is that

## ® POOR AWARENESS

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Since 2021, the trend in borrowing has shifted from running households to buying consumer durables such as smartphones and home appliances (44 per cent in 2023).

"While consumer durable loans decreased by 9 per cent, business-related bor-

rowing increased by 5 per cent, making it a total of 19 per cent middle-class borrowing to expand or start a new business", he said.

## DIGITALISATION

The HIB Study was conducted across 17 cities, including Delhi-NCR, Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad, Pune, Ahmedabad, Lucknow, Jaipur, Bhopal, Patna, Ranchi, Chandigarh, Ludhiana, Kochi, and Dehradun.

The sample size is approximately 1,842 borrowers in the age group of 18-55 years, with an average income of 131,000 per month.

Most of the borrowers in the study are online-savvy, with 48 per cent relying on

online shopping for personal purchases. 44 per cent of these borrowers rely on online banking for financial transactions. More than half (54 per cent) are comfortable with mobile banking for day-to-day financial updates.

Another major highlight is the growing acceptance of the digitalisation of financial services. According to the HIB 2023, over one-fourth of borrowers opted for online channels for availing loans.

Loans initiated through telecalling increased by 3 per cent, while loans through POS/bank branches saw a decline by 4 per cent.

The online shift is very strong and will only get stronger, Tiwari said.