



## Data leaks stunt e-commerce, survey suggests

### Half say they avoid making purchases online

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Nearly half of all Americans avoid shopping on the Internet because they are worried their personal information will be stolen, according to a survey released Wednesday by an industry group. The survey also found nearly all Americans think identity theft and spyware are serious problems, but only 28 percent think the government is doing enough to address the issues. About 70 percent said new laws are necessary to protect consumer privacy.

"Clearly voters are concerned about the security of their personal information on the Internet, and that fear is inhibiting the full potential of e-commerce," said Paul Kurtz, executive director of the alliance.

Specifically, the survey indicated 48 percent of respondents avoid Internet shopping, while 97 percent think identity theft is a serious problem and 93 percent think spyware is a serious problem. Those questioned were also worried about threats from unwanted "spam" e-mails.

Avivah Litan, vice president and research director at Gartner Inc., said the study's findings are consistent with research she is currently conducting.

"One of the main findings in that research is that consumers are taking notice of all these security threats and attacks," Litan said. "They are having a direct adverse effect on e-commerce. People are shopping less online, and in the end (the security breaches) will slow down e-commerce growth."

The telephone survey was conducted by Pineda Consulting for the Washington-based Cyber Security Industry Alliance, a trade group that has urged the White House to pay more attention to Internet security and lobbied against some security bills it considers unnecessary. The survey questioned 1,003 likely voters from May 2-9 and has a margin of error of 3 percentage points.

### **Congressional hearings don't restore confidence**

Since ChoicePoint's disclosure in February that criminals had accessed its databases, placing 145,000 consumers at risk, dozens of high-profile data loss incidents have been reported. Just last week, CitiGroup revealed it had lost a box of tapes headed for the Experian credit bureau with 3.9 million consumer records on it.

The ChoicePoint incident prompted a series of hearings in the House and Senate on data protection and privacy, with another Senate committee hearing set for Thursday.

Lawmakers still need to do more, said PrivacyToday.com's Rob Douglas, who has testified at several of the hearings.

"It seems like Congress is there to protect the business side of the equation. No one is looking out for the average American," Douglas said. He called the steady march of news on data leaks "a national disgrace."

Economic Affairs Committee Meeting  
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Litan said her research also shows consumers are not satisfied with the way the federal government has responded. "There have been hearings ... but it's not like they've done anything," she said.

The survey reflects people's frustration, Douglas said. "Americans feel helpless. ... People are crying out for Congress to put power back in their hands, but until lawmakers finally decide whose information it is, who has the right to their own information, (frustration) is what we have."

Another finding of the survey: The people questioned said they held low opinions towards the Federal Trade Commission, which protects consumers against Internet fraud. The FBI scored more favorably, but still lower than technology companies, such as Microsoft Corp. and Dell Inc.

But the real news from the survey is the general loss of faith in U.S. companies to protect personal information, Douglas said -- which ultimately may not only stunt e-commerce growth, but may have an effect on the wider economy.

"This information-driven economy will start to falter if Americans don't trust Congress and corporate America to protect their personal information, to give them back their identities," he said.

*The Associated Press contributed to this report.*

*Bob Sullivan is author of [Your Evil Twin: Behind the Identity Theft Epidemic](#).*

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