

April 11, 2025

Consumer Financial Protection Bureau  
1700 G St. NW  
Washington, District of Columbia 20552

**RE: Comments of ACT | The App Association to the Consumer Financial Protection Bureau (CFPB) in response to the Request for Information Regarding the Collection, Use, and Monetization of Consumer Payment and Other Personal Financial Data**

ACT | The App Association (the App Association) appreciates the opportunity to provide input to the Consumer Financial Protection Bureau (CFPB) in response to its request for information regarding the collection, use, and monetization of consumer payment and other personal financial data.<sup>1</sup>

**I. Statement of Interest & General Comments on Data Brokers and Other Business Practices Involving the Collection and Sale of Consumer Information**

In general, the App Association supports the CFPB's efforts to better understand how financial companies, particularly those operating outside traditional banking models, collect, use, share, and protect consumer financial data. Consumer data essentially powers the internet, which has brought about both significant innovation as well as risks to those consumers. While the data that consumers generate about themselves through their online activities is valuable and should be accessible and portable to them, many harms consumers face also stem from the pervasive collection of data that they may unknowingly have generated or could be linked as a result of consumer activity on other applications. Many beneficial use cases of personalization and targeted advertising from this data collection exist, but at the same time, they also give rise to abuse and privacy threats that can result in real-world damage.

The App Association is a global trade association for small and medium-sized technology companies. We work with and for our members to promote a policy environment that rewards and inspires innovation while providing resources that help them raise capital, create jobs, and continue to build incredible technology. Today, the value of the ecosystem the App Association represents—which we call the app economy—is approximately \$1.8 trillion and is responsible for

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<sup>1</sup> “Request for Information Regarding the Collection, Use, and Monetization of Consumer Payment and Other Personal Financial Data.” *Federal Register*, 1 Jan. 2025, [www.federalregister.gov/documents/2025/01/15/2025-00811/request-for-information-regarding-the-collection-use-and-monetization-of-consumer-payment-and-other](https://www.federalregister.gov/documents/2025/01/15/2025-00811/request-for-information-regarding-the-collection-use-and-monetization-of-consumer-payment-and-other).

6.1 million American jobs. As the world has quickly embraced mobile technology, our member companies have been creating innovative solutions that power the growth of the internet of things (IoT) across modalities and segments of the economy.

The App Association's members include many innovators who develop mobile technology products in both established and emerging markets, and they work to handle personal data with the appropriate care. Our members take privacy and consumer complaints seriously, and they care about how data is used and shared because it affects how their products function and how consumers engage with those products and services. Our members handle and work with data daily, so they are directly affected by consumer trust issues caused by the inappropriate use or disclosure of financial data. Consumer trust is fundamental for competitors in the app economy, especially for smaller firms that may not have substantial name recognition. Strong data privacy protections that meet evolving consumer expectations are a key component of developing consumer trust in tech-driven products and services. The App Association helps shape and promote privacy best practices in a variety of contexts, including for apps directed to children and digital health tools, making us well-positioned to respond to this CFPB request for comment.

We believe the current lack of understanding and transparency of financial companies' privacy practices makes users only more vulnerable to risks and makes it harder for policymakers to address financial privacy issues. Additionally, the lack of federal privacy legislation has allowed the widespread collection and linking of consumers' data across financial services, social media apps, and more, enabling the profiling of millions of Americans. We, therefore, welcome the CFPB gathering information on how companies offering consumer financial products and services process and safeguard consumer data.

## **II. App Association Views on Companies Offering Financial Products and Services and Privacy**

App Association members include leading app developers who build transparency and privacy concepts into their innovations "by design" as a matter of principle and ethics. Our members condemn the unethical or illegal sharing of sensitive financial information with third parties, particularly when it is done without the knowledge and consent of an individual. If consumers access their and their family's data—some of which are likely sensitive—through a smartphone, users should have a clear understanding of the potential uses of that data by developers. Otherwise, most users will not be aware of who has access to their information, how and why they received it, and how it is being used. The downstream consequences of using data in this way may ultimately erode a user's privacy and willingness to disclose information to his or her financial services provider. The App Association believes that it is in the best interest of the consumer/user to understand how their data is being used.

At the same time, the small business developer community the App Association represents already practices responsible and efficient data usage to solve problems identified across consumer and enterprise use cases. Since the inception of the General Data Protection Regulation (GDPR) in Europe and the subsequent adoption of similar measures around the world,

our members have responded to evolving consumer expectations and enhanced market competition by meeting and, in many cases, exceeding relevant legal requirements. These efforts include the utilization of cutting-edge privacy-by-design approaches from the earliest phases of product development and the most advanced tools and methodologies available, such as differential privacy techniques.<sup>2</sup> Complying with the GDPR, U.S. state laws, such as the California Consumer Privacy Act (CCPA), and other privacy laws has given some of our members a competitive advantage over competitors who are not compliant and typically creates new opportunities through a thorough review of organizational processes.

The App Association appreciates and shares the CFPB's interest in protecting user privacy through its consideration of financial service providers' data processing, governance, and protection mechanisms. American consumers (and those around the world) rely on our members' products and services, with the expectation that our members will keep their valuable data safe and secure. The U.S. government should update regulatory frameworks outlining high-level data privacy and security guardrails to require greater transparency regarding individual access, data collection, uses and disclosures, consent and authorization, breach mitigation procedures, consumer notice, and security practices. These requirements should be based on demonstrated risks to consumers and incorporate technology-neutral, risk-scaled measures for compliance. Such guardrails should also ensure that consumers are oriented to the risks of sharing their data with third parties that are not financial institutions and better equip the CFPB and state attorneys general to hold parties to sound privacy and security practices. Finally, we support reevaluating existing regulations, such as those governing privacy notices, to ensure they reflect contemporary apps and technology use, consumer expectations, and data practices. In particular, we encourage updates that simplify disclosures, enhance consumer comprehension, and clarify responsibilities for data recipients beyond financial institutions.

### III. Conclusion

We thank the CFPB in advance for its consideration of our views.

Sincerely,



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<sup>2</sup> Differential Privacy, HARVARD UNIVERSITY PRIVACY TOOLS PROJECT. <https://privacytools.seas.harvard.edu/differential-privacy> (last visited 17 February 2023).