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Economic Analyst [REDACTED] looks at Behavioural Biases

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Hi there, I'm [REDACTED], an economic analyst in the Economic Analysis team, and I'm excited to tell you about the work I have done with my team through this blog. One of our recent projects includes a literature review of one of the most significant factors that influences individuals' decision making in a data protection context - **behavioural biases**.

We would like this review to be used as an evidence base for the variety of work we do in the ICO. Some of the areas where we have already used behavioural biases include understanding decision making in vulnerable groups such as addicts and identifying potential sources of individual and societal harm from consent agreements. We look forward to hearing about the varying applications of this evidence to your work.

If you're interested in learning more about our work or have any questions about behavioural biases and their importance in data protection policy, feel free to reach out [to me](#) or my team via [REDACTED]@ico.org.uk. We'd be happy to chat with you and share our insights. Enjoy the read!

Behavioural biases and its importance in data protection policy

Did you know that the average individual is estimated to face about 35,000 decisions daily? Have you ever made an important decision that turned out to be a mistake? Maybe you were confident that you were making the right choice, only to realise later that you had overlooked critical information or ignored important factors. If so, you may have fallen prey to one of the many behavioural biases that influence our decision-making.

But what exactly are behavioural biases, and why do they have such a powerful effect on individuals' choices? In this blog post, I'll explore the concept of behavioural biases and their influence on data protection policy, and look at some examples of how these biases can benefit or harm individuals and society.

Behavioural biases are ways in which human thought systematically departs from being fully rational. They can take many forms, from default bias where individuals tend to accept the status quo, i.e. the default option to anchoring bias where individuals rely too heavily on the first piece of information they receive. These biases can be powerful when amplified through the choice design used to present choices to individuals. This can lead to harms when the choices presented, haven't been designed in a way that enables the privacy interests of individuals.

So why do individuals fall victim to behavioural biases?

One reason is that they can be very difficult to recognise. Individuals often think of themselves as rational and objective decision-makers, but in reality, we're all susceptible to these biases. More so, when data controllers deliberately design choices in a way that exploits these biases, individuals may be unaware of the influence of the choice design practices in swaying them towards choices which they might have not objectively and rationally preferred.

For the individual, behavioural biases can have significant consequences. They can lead to poor decision-making, missed opportunities, unwarranted intrusion, and even financial losses.

For example, a consumer who is prone to default bias may share more of his or her data than necessary with an online retailer by accepting the default choice presented to them. When the consumer is then targeted with ads in ways not intended by them they could end up in them wasting money, time and valuable resources that could have been better used elsewhere.

But there's hope. By recognising and understanding these biases and how they are amplified in data protection policy, the ICO can take steps to protect individuals' data protection rights and mitigate the harms on individuals and the society.

One area where behavioural biases principles have been used at the ICO, is to protect the vulnerable [via the Children's Code](#). This code acknowledges

the importance of default design modes that are present in interactions between data controllers and children. This code recognises the vulnerable in this case, children who have exacerbated biases such as limited attention bias, that can be easily exploited by data controllers and lead to harms.

However, there is more that the ICO can do with the application of behavioural biases [principles](#). As a regulator, we can use these in the policy development cycle, to test, experiment with and evaluate the effects of behavioural biases on policy options and choice design. We can also use behavioural biases principles to define and identify vulnerability in the society. Applying behavioural biases knowledge can further enable the ICO25 objective to continuously develop ICO's culture, capacity and capability.

In conclusion, behavioural biases have a powerful influence on individuals' decision-making. While it can be difficult to overcome these biases, recognising their impact in data protection policy is the first step towards protecting consumers from resulting harms and enabling better privacy decisions. By understanding these biases, taking steps to mitigate their exploitation, and applying behavioural biases principles in ICO's regulatory work, the ICO can improve how it safeguards the data protection rights of individuals.

The Economic Analysis team's review of behavioural biases within data protection is available to support relevant thinking on policy development and consumer decisions about use of their personal data. If you would like us to help you navigate how to interact with the findings of this review which can be found on the Economic Analysis IRIS page [here](#), please contact us via [\[redacted\]@ico.org.uk](#).