

PRESS RELEASE

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Computer says no: €300,000 fine against the bank after a lack of

Transparency about automated rejection of a credit card application

The Berlin Commissioner for Data Protection and Freedom of Information (BInBDI) has appealed against a bank

Fine of 300,000 euros for lack of transparency via an automated

Individual decision imposed. The bank had refused to give a customer traceable

To provide information about the reasons for the automated rejection of a credit card application. The

The company cooperated extensively with the BInBDI and accepted the fine notice.

An automated decision is a decision that an IT system is based solely on

by algorithms and without human intervention. In this case, the data protection

Basic Regulation (DSGVO) stipulates special transparency obligations. So must personal data

processed in a manner that is comprehensible to the data subjects. Affected people

are entitled to an explanation of the decisions made after a corresponding assessment

Decision. If data subjects request information from those responsible, they must

meaningful information about the logic involved behind the automated decision

To give.

In this case, however, the bank did not take this to heart in its digital application for a credit card.

Using an online form, the bank asked for various data on income, occupation and personal details

of the applicant. Based on the requested information and additional data from external

According to sources, the bank's algorithm rejected the customer's application without any specific justification. The

Algorithm based on criteria and rules previously defined by the bank.

Since the customer had a good Schufa score and a regular high income, he doubted it

the automated rejection. The bank only made a flat rate and from on request

Individually resolved information on the scoring process. However, she refused to tell him why

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in his case it assumed a bad credit rating. The complainant could therefore not

understand which database and factors the rejection was based on and which ones

criteria his credit card application has been rejected accordingly. Without these

However, it was also not possible for him to justify individual cases, the automated individual decision

reasonable to challenge. He then complained to the data protection officer.

Meike Kamp, Berlin Commissioner for Data Protection and Freedom of Information: "If companies

make automated decisions, they are obliged to make them sound and comprehensible

justify. Those affected must be able to make the automated decision

to understand. That the bank in this case is not transparent and

informed about the automated rejection in a comprehensible manner, will result in a fine. One

Bank is obliged to inform customers when making automated decisions about a

Credit card application to inform about the main reasons for a rejection. Which includes

concrete information on the database and the decision-making factors as well as the criteria for the

Rejection in individual cases."

The data protection officer found that the bank in the specific case violated Art. 22 Para. 3,

Article 5(1)(a) and Article 15(1)(h) GDPR. When determining the fine

the BlnBDI took into account in particular the high turnover of the bank and the intentional

Design of the application process and information. Among other things, classified,
that the company has acknowledged the violation and has already made changes to the processes
implemented and announced further improvements.