GOVERNANCE REVIEW CARD
QuickLoan Mobile – Ethical Data Governance Assessment
Role: Independent Data Governance Consultant
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1. DATA QUALITY RISK
Risk Identified: Incomplete and inconsistently formatted customer data is being fed into the Machine Learning (ML) loan-scoring model. Examples include missing income details, inconsistent phone number formats, and unverified identification records.

Explanation: When automated systems rely on inaccurate or incomplete data, the output decisions become unreliable. In loan processing, this can lead to unfair rejections, incorrect risk scoring, and financial loss. Poor data quality directly impacts both fairness and operational accuracy.

Recommended Fix: Implement mandatory field validation, standardize data formats (e.g., Ghana phone number structure), and introduce a preprocessing layer that cleans data before it enters the ML system. Weekly data quality monitoring reports should also be generated to detect recurring issues.

2. LEGAL & COMPLIANCE RISK
PII Classification: The system collects highly confidential personal data including names, Ghana Card IDs, phone numbers, financial history, location data, and full contact lists from users' devices.

Major Compliance Risk: Excessive data collection without explicit, documented consent violates key principles of Ghana's Data Protection Act (Act 843), particularly purpose limitation and data minimization. Collecting entire contact lists is especially risky because it involves processing third-party data without their consent.

Explanation: The law requires organizations to collect only data that is necessary for a clearly defined purpose. If QuickLoan cannot justify why a user's full contact list is required for loan approval, the practice is likely unlawful.

Recommended Fix: Introduce granular consent capture with clear opt-in mechanisms, remove unnecessary data collection (especially contact lists), classify financial and identity data as Confidential, encrypt stored data, and define strict data retention timelines.

3. BIAS & FAIRNESS RISK

Source of Potential Bias: The ML model may rely on historical approval data, geographic indicators, income proxies, or behavioral phone usage patterns. If historical lending decisions contained bias, the model may replicate and amplify those inequalities.

Explanation: Automated systems learn from past data. If certain regions or demographic groups were historically under-approved, the model may treat them as higher risk without legitimate financial justification. This creates ethical and reputational risk.

Monitoring Recommendation: Conduct quarterly fairness audits comparing approval rates across regions and demographic categories. Introduce human review for borderline rejections and establish a model governance oversight committee.

4. ETHICAL REPORTING METRIC

Proposed Metric: Loan Approval Disparity Ratio (LADR).

Definition: The ratio between the highest and lowest approval rates among demographic groups. If disparity exceeds a defined threshold (e.g., 1.25), a formal fairness review must be triggered.

Explanation: This metric converts abstract ethical concerns into measurable governance performance. It provides leadership and regulators with a transparent indicator of whether the automated system treats applicants equitably.

OVERALL CONCLUSION

QuickLoan must transition to a governance-first data strategy. Immediate priorities include improving data quality controls, implementing lawful consent management, enforcing data minimization, and introducing algorithmic fairness monitoring. Ethical fintech practices are essential for regulatory compliance, customer trust, and sustainable growth.