

STATEMENT

PROTECTION OF CUSTOMER DATA BY TELECOM COMPANIES.

Thank you, Mr. Speaker, Sir, for giving me this chance. Pursuant to Standing Order No. 47(1), I rise to seek a statement on a matter of national concern regarding the protection of customers / subscribers by telecom companies.

Mr. Speaker, Sir, there will be a big crisis in the telecommunication sector if something is not done to secure the market and its subscribers.

The Kenya Information and communication Act was enacted to provide for the establishment of the Communications Commission of Kenya, which facilitates the development of the information and communications sector (including broadcasting, multimedia, telecommunications and postal services) and electronic commerce to provide for the transfer of the functions, powers, assets and liabilities of the Kenya Posts and Telecommunication Corporation to the Commission, the Telcom Kenya Limited and the Postal Corporation of Kenya, and for connected purposes.

As you may know, there are various promotions by telcom service providers in Kenya and extremely many financial operations in the telcom industry. My concern is that these promotions that are associated with enormous financial circulation will have a catastrophic effect in the event of the systems collapse.

It is interesting that Safaricom for instance, receives, deposits and lends the money which are the core banking functions. The high rate of MPESA usage has changed safaricom to a financial institution more than a telcom. Institutions that conduct banking functions have banking regulators which supervise them stringently by even identifying their credit, operational, liquidity risks etc.

The Consumer protection Act was enacted to provide protection for the consumer to prevent unfair trade practices in consumer transactions and to provide for matters connected with and incidental thereto but it is clear that this is not being implemented.

There is lack of best practices, lack of adequate consumer protection mechanisms, requisite regulation and consumer guidelines which have led a limit to innovation and restricts the provision of products that are secure to the consumer.

It is important to note that it is dangerous to operate such large payments and financial structure outside the legal financial regulatory framework. Thus, there is need to ensure financial stability of the economy and to preserve public confidence.

When we have an appropriate regulation which will increase confidence , levels the playing ground, increase collaboration while protecting the stability and integrity of the financial system as a nation then we will confidently state that we are financially secure.

I would also like to emphasis the need of data protection when it comes to registration of sim cards using our ID Numbers. Our ID numbers can be found in any security check points which means anyone can access them. We stand at the risk of having other mobile numbers being registered under our personal data. This then means that any crime can be committed under my name and I wouldn't have any knowledge or defence to it.

I therefore ask that the telecom companies be compelled to create or innovate a prompt that will show all phone numbers registered under a user's ID Number and also give an option of blocking all the other unknown numbers by the subscriber. This will protect every consumer.

Lastly, telcom companies should be compelled under Article 35 of the Constitution to disclose information of the users of IMEI numbers of stolen phones and whether there is any new IMEI number. This will make it easy for the police to solve such crimes.

I, therefore, wish to bring this matter to the attention of the Senate. I would also urge the committee on information, communication and technology to look into this matter. It should be addressed with urgency that it deserves with the view of saving an unforeseen economic crisis.