

The prisoners' dilemma: sensitive information sent to India to be processed by prison inmates

Leading pre-employment screening firm Powerchex speaks out against organisations prepared to expose their customers to unacceptable risks to save money

London, 13 May 2010. Sensitive financial data is being sent to India to be processed by prison inmates, according to a recent news story. The paradox is that these institutions do not accept job applications by UK jobseekers with judgments or unspent convictions, but find it acceptable to outsource parts of their operations to foreign prisons on the other side of the world.

An outsourcing company in India is claiming to be an intermediary in an audacious deal that would involve inmates at Cherlapally Central Jail in Hyderabad, India, helping to process bank paperwork on behalf of two high profile western financial institutions.

Dubbed as a 'unique public-private experiment', about 250 prisoners, both convicts and those awaiting trial, will carry out the work after receiving training in basic tasks, such as typing application forms into computers. Under the plans, inmates would be given direct access to customers' sensitive information, but would not be allowed to interact with customers or answer phone calls.

Alexandra Kelly is a Director at Powerchex, a pre-employment screening firm based in London. Kelly believes that there is a huge question mark over the outsourcing of any business operations that involve the processing of sensitive information outside of the UK.

"Most of us have grown accustomed to calling Indian call centres to obtain a car insurance quote, or to pay a gas bill. Whilst we now accept this as a facet of globalisation, the issue has always been whether such practices present an unacceptable risk in terms of the security of confidential information being held and processed by third party organisations."

"Some customers' banking information is now being sent to foreign jails to be processed by prison inmates," continues Kelly. "It simply does not matter what safeguards have been put in place, this represents an unacceptable risk in terms of data security."

This radical step is the consequence of rising wages in certain parts of India in response to an increased demand for outsourcing services by western companies as a result of the recession. The prison project is one of the most audacious yet by India's outsourcing sector, to help control rising overheads, and maintain the cost benefits outsourcing to India can provide to its clients.

Kelly remaining unconvinced that the business case for transferring the processing of sensitive information abroad outweighs the potential risks if that information goes missing:

“As far as I am concerned, as soon as you relinquish direct control of your processes, then this is the point where the risk of data breach becomes unacceptable. We at Powerchex have resisted all overtures for outsourcing parts of our operations abroad in the interests of data security. At the same time all of our competitors have been doing exactly that, just to save a little money on their overheads! When a company does not directly control its processes, it can no longer make reasonable assurances that sensitive information is being kept and processed safely.”

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NOTES TO EDITORS:

About Powerchex

Powerchex is the UK's premier pre-employment screening firm for financial institutions. Based in the City of London, Powerchex checks the background, employment history, criminal records and professional qualifications of applicants on behalf of financial institutions. It sets the industry benchmark of 5 days for a background check.

www.powerchex.co.uk.