

## China Scolds Baidu, Ant for Alleged User Privacy Violations

*By Bloomberg News*

Three of China's biggest technology companies, including Jack Ma's Ant Financial and search giant Baidu Inc., have been summoned by regulators for a dressing-down over alleged violations of customer privacy.

Baidu, Alibaba Group Holding Ltd.-affiliate Ant, and Beijing Bytedance Technology Co., which runs popular news aggregator Toutiao, sent representatives to meet with the Ministry of Industry and Information Technology Jan. 11, the government agency said in [a statement posted on its website](#). All three failed to fully inform users about their rules on data collection and the purposes for doing so, the technology sector's overseer said.

The closed-door powwow followed a public outcry over alleged data-gathering overreach, as Chinese citizens grow warier of sharing information with internet companies. While local users have traditionally been less concerned about revealing data in return for benefits such as short-term loans, they've become increasingly cautious about how the largest internet corporations collect their data, and who they share it with.

“We've asked the three companies to immediately correct the way in which they protect users' right to information and right to choose,” the ministry [said](#). Baidu didn't respond to requests for comment, while both Ant and Toutiao said they took their users' privacy seriously.

Ant Financial apologized last week for roping unsuspecting users into its fast-growing credit-score system. Its Alipay had started a free consumer profile service that automatically enrolled users to its Sesame Credit product, unless they opted out. The subsequent online uproar prompted Ant to call the move “extremely idiotic.” Separately, a government-backed consumer protection body sued Baidu over allegations its smartphone apps monitor phone calls and messages without permission—claims the company denies.

A government team will henceforth monitor whether mobile apps developed by Toutiao, Baidu and Ant Financial infringe on user privacy, and breaches will be severely punished, the ministry said in its statement. All three have pledged to ensure their services adhere to the law, it added. Toutiao said it was fully compliant with local regulations and doesn't collect or handle user data without their express consent, while Ant said it had set up a team dedicated to safeguarding privacy.

“This team will enhance training for all employees and put in place a system to evaluate user data protection,” Ant said in its statement.

To contact Bloomberg News staff for this story: David Ramli in Beijing  
at [dramli1@bloomberg.net](mailto:dramli1@bloomberg.net)

To contact the editor responsible for this story: Robert Fenner  
at [rfenner@bloomberg.net](mailto:rfenner@bloomberg.net)