**Model answer**

Businesses

Data is collected in a variety of ways by online shops. This could involve filling out forms containing personal details necessary when actually buying goods. Slightly less obvious ways are when users are required to opt-in and share data in order to gain access to free content.

Customers

Customers will fill out forms and will provide personal data knowingly without realising the implications. Some companies may make opt out methods complex to dissuade customers from opting out, or rely on users accepting complex terms without actually reading them.

Privacy issues

Online companies gather statistics about user’s searches and browsing habits for marketing purposes. Cookies hold personal information about user preferences. This data can be useful to users because it allows them to receive tailored content and adverts about products relevant to them. However, some people think that this use of data is an invasion of their privacy and don’t appreciate a computer telling them what to buy.

Legal issues

As a result, businesses have a responsibility to protect customers’ data. Reputable companies will have a privacy policy which will cover how the website uses cookies and other trackers. According to the Data Protection Act, companies holding our data are required by law to keep it secure and not to use it for any other purpose without our consent.