

Why Algorithmic Accountability Reporting Is So Important – And Such A Hard Job

Insights into the Schufa Investigation and How to Overcome Difficulties in Investigating Algorithms

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ABSTRACT

After her Nieman Fellowship [1] at Harvard and MIT 2019 Uli Köppen [2] is back at German Public Broadcasting, building an AI + Automation Lab on top of the data journalism team BR Data [3]. Together with her colleagues she has been diving into Algorithmic Accountability Reporting doing an investigation on the biggest German credit rating agency Schufa.

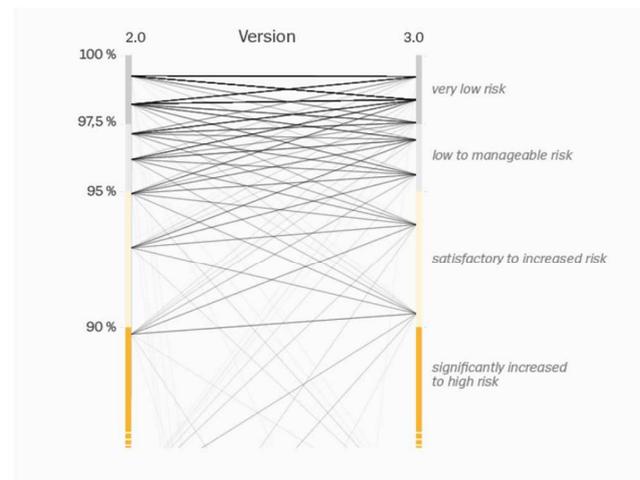
This talk will give insights into the investigation and highlight difficulties newsrooms have to overcome investigating algorithms. And offer some solutions.

For the award winning story “**Increased Risk**” [4] the data teams of **Der Spiegel** and **Bavarian Broadcasting** teamed up to investigate an algorithm that is regarded as trade secret by German courts while influencing the life of 67 millions of consumers on an everyday basis: The Schufa score validating creditworthiness. Citizens are asked for their Schufa score when they apply for an apartment, want to buy a car, get a loan or simply pay online. As the algorithm behind the score is proprietary, citizens have no chance to understand which factors impact their score. They can only ask for the result. And journalists get blurry answers asking for the logic behind the numbers.

That’s why two NGOs [5] teamed up to crowdsource the information citizens get asking for their Schufa score. The data teams at Der Spiegel and Bavarian Broadcasting analyzed the data of more than 2000 consumers and shed some light on the blackbox algorithm. They found that in this data set younger men are rated worse than older men. And that the Schufa knows very little about the consumers who are scored: For almost a quarter of the persons in the dataset, Schufa has stored a maximum of three pieces of business information. Another surprise the reporters found in the data: There were different versions of the score existing in parallel, of which the newer versions offered more accurate predictions, Schufa wrote on its website. The data analysis found that the scores differ widely between the different versions. Meaning that the creditworthiness of the same person could vary a lot between

different versions of the Schufa Score. Here’s what the data analysis showed:

Bank scores vary to such a major extent between versions



A line connects the repayment probabilities of one person in the various versions of the bank score: Very low risk, low to manageable risk, satisfactory to increased risk, significantly increased to high risk.

The talk will also focus on how to overcome issues in reporting on algorithms and find answers to questions like how to get the data, how to deal with crowdsourced data, how to overcome legal concerns and in the end how to tell a story around numbers and algorithms.

REFERENCES

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