Ryanair tries to delay operations chief's flight to easyJet

Ryanair heads to court on Tuesday to try to prevent operations chief Peter Bellew from joining arch-rival easyJet until 2021.

Europe's biggest budget airline said in July that the former Malaysia Airlines boss would step down at the end of the year.

But after easyJet announced Bellew's appointment as its new chief operations officer a week later, Ryanair launched legal proceedings in Ireland's High Court.

Ryanair argues that all its senior executives commit to non-compete clauses barring them from joining a competitor for 12 months after leaving the Irish airline.

Ryanair boss Michael O'Leary told reporters in September that the only issue was whether Bellew, who is currently working out his notice, can join easyJet on Jan. 1, 2020, or Jan. 1, 2021, a full 18 months after easyJet announced his appointment.

An easyJet spokeswoman declined to comment on the case. Bellew has not commented on the case since Ryanair initiated proceedings.

O'Leary has said the timing of Bellew's switch is sensitive because of the problems Ryanair is currently having with Boeing's grounded 737 MAX jet, which have slowed down its growth plans.

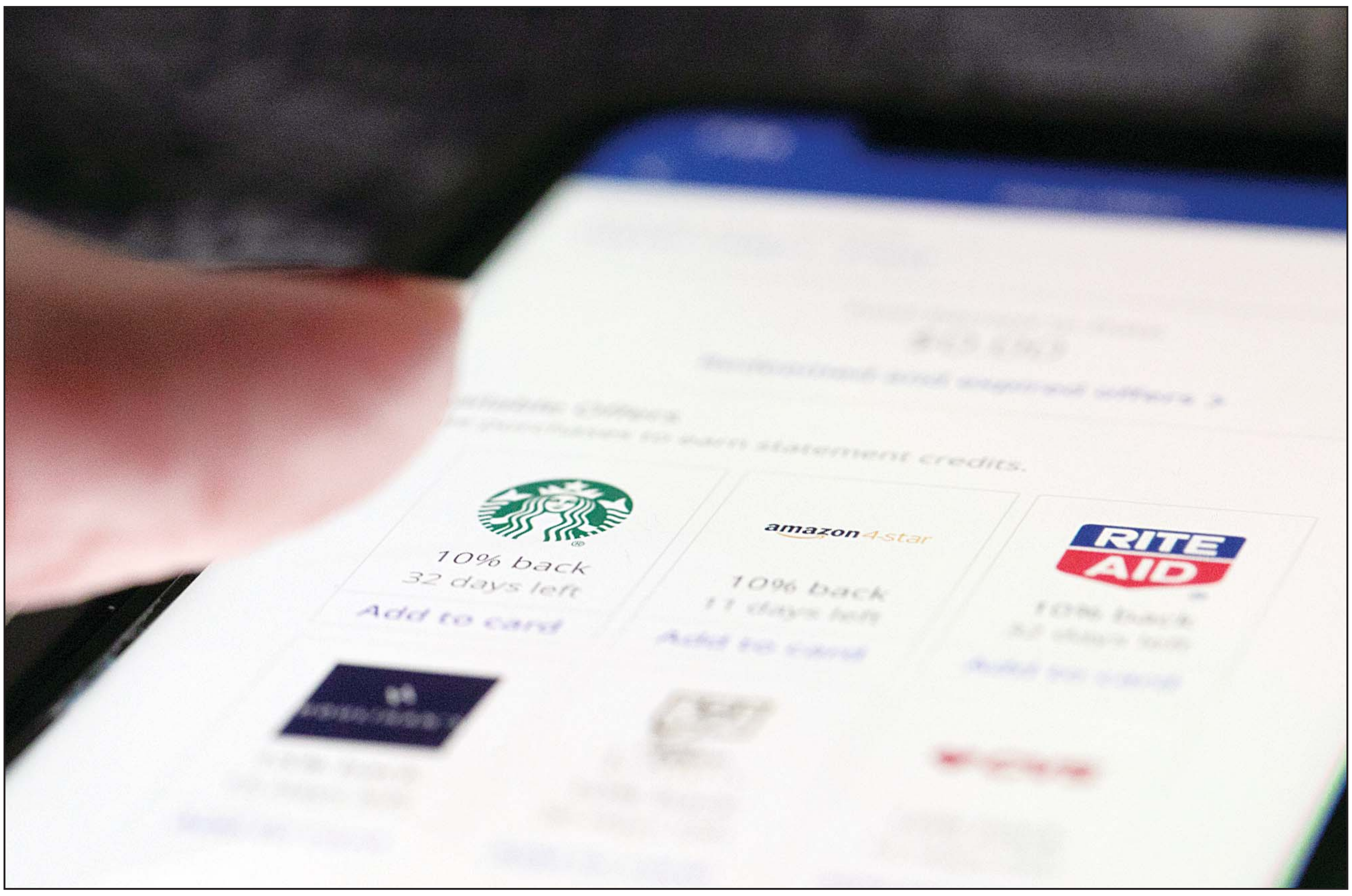
Ryanair is one of Boeing's biggest customers for the MAX 737, with 210 on order, and the airline said last month it expected a further delay to deliveries that could leave it without the new jets next summer. (RTRS)

Jacob Schram poses for the media after being announced as the new CEO of Norwegian Air Shuttle, in Oslo. (AP)

Business Plus

Banks know many of our deepest, darkest secrets

For banks, data on your spending habits could be a gold mine



This file photo shows rewards offered through Chase bank on an iPhone in the Brooklyn borough of New York. Banks want to turn data they already have on your spending habits into extra revenue by identifying likely customers for retailers. Wells Fargo became the latest bank to customize retail offers to individual customers. It joins Chase, Bank of America, PNC, SunTrust and a slew of smaller banks. (AP)

'Consumers aren't aware of the subtle nudges apps are giving them to buy, buy, buy. They are basically digging deep into your psyche and figuring out how to manipulate you'

By Anick Jesdanun

There's a powerful new player watching what you buy so it can tailor product offerings for you: the bank behind your credit or debit card.

For years, Google and Facebook have been showing ads based on your online behavior. Retailers from Amazon to Walgreens also regularly suction up your transaction history to steer future spending and hold your loyalty.

Now banks, too, want to turn data they already have on your spending habits into extra revenue by identifying likely customers for retailers. Banks are increasingly aware that they could be sitting on a gold mine of information that can be used to predict - or sway - where you spend. Historically, such data has been used mostly for fraud protection.

Suppose you were to treat yourself to lunch on Cyber Monday, the busiest online shopping day of the year. If you order ahead at Chipotle – paying, of course, with your credit card – you might soon find your bank dangling 10% off lunch at Little Caesars. The bank would earn fees from the pizza joint, both for showing the offer and processing the payment.

Wells Fargo began customizing retail offers for individual customers on Nov 21, joining Chase, Bank of America, PNC, SunTrust and a slew of smaller banks.

Unlike Google or Facebook, which try to infer what you're interested in buying based on your searches, web visits or likes, "banks have the secret weapon in that they actually know what we spend money on," said Silvio Tavares of the trade group CardLinx Association, whose members help broker purchase-related offers. "It's a better predictor of what we're going to spend on."

While banks say they're moving cautiously and being mindful of privacy concerns, it's not clear that consumers are fully aware of what their banks are up to.

Banks know many of our deepest, darkest secrets – that series of bills paid at a cancer clinic, for instance, or that big strip-club tab that you thought stayed in Vegas. A bank might suspect someone's adulterous affair long before the betrayed partner would.

"Ten years ago, your bank was like your psychiatrist or your minister – your bank kept secrets," said Ed Mierzwinski, a consumer advocate at the US Public Interest Research Group. Now, he says, "they think they are the same as a department store or an online merchant."

The startup Cardlytics, one of the field's pioneers, runs the offer programs for Wells Fargo, Chase and other banks. Though these partnerships, Cardlytics says it gets insights on about $2.8 trillion worth of annual consumer spending worldwide.

A Cardlytics rival named Augeo runs a similar program with other banks, which it declined to name. American Express has an in-house program for its cardholders. Visa targets offers on Uber's app for credits toward rides and food delivery.

Even though banks only know where you've shopped – and not specifically what you bought – they're often able to make educated guesses. After all, it's not likely you're at a liquor store for the potato chips.

The bank can then infer other things you may like. It would have a pretty good idea that you're about to travel if you've charged a flight or hotel stays. HSBC is looking into using that data to set up automatic alerts, so that it wouldn't decline your card use as fraudulent when you start charging for meals in Kathmandu or Karachi.

The next step is to make location-specific offers, perhaps for a car rental, as soon as you land. Marcos Meneguzzi, HSBC's US head of cards and unsecured lending, said cardholders will welcome such offers, at least when they're relevant. But he warns that banks could easily overstep and lose their customers' trust.

Many of these efforts remain in their infancy, and it's not yet clear how well they'll catch on. The Cardlytics programs, for instance, don't push offers through notifications. You have to look for them in your banking app or website.

Abeer Bhatia, an executive with Chase's credit-card business, said commissions barely cover operational costs. To Chase, the program is more important for incentivizing rewards-conscious consumers to use its cards. If a Chase card gets you an extra 10% at Rite Aid, why pull out your Citi card?

As far as these companies are concerned, Americans have repeatedly demonstrated that they value freebies and discounts more than intangible privacy concerns.

"Consumers understand the banks are giving them ways to save money based on how they shop," said Scott Grimes, CEO and co-founder of Cardlytics.

But banks often don't explain clearly what they're doing with your data, even though they sometimes share your transactions with outside data companies such as Cardlytics to process offers. And many banks don't seek explicit consent, instead including these programs by reference in general agreements for the card or online banking.

"It's totally long, and people don't read that," said Saisattha Noomnual, a graduate student in Chicago who gets targeted offers through her Chase and Bank of America cards.

Under federal law, banks merely have to let you withdraw from marketing, or opt out. That's difficult to do if you're not aware it's happening.

Noomnual said she can only guess she gets more offers for Starbucks because she visits Starbucks a lot. She reasons that based on how well banks analyze her spending for fraud alerts. While she said she doesn't mind that, she wishes banks were more forthcoming.

Bank of America declined comment. Chase said it tries to keep disclosures simple and understandable without overwhelming consumers.

Banks insist they don't share personal information with other companies because they replace names with anonymous ID numbers. Privacy researchers, however, have shown that such data can be "de-anonymized" under the right conditions.

Privacy advocates worry that past transactions could come back to haunt you. Frequent visits to fast-food joints might flag you as a health risk, which could be a problem if your health insurer could pay to learn about that. Auto insurers might grow wary of cardholders who run up large bar tabs.

And ultimately, these targeted offers could inadvertently encourage people to overspend or double down on unhealthy habits such as fast food.

"Consumers aren't aware of the subtle nudges apps are giving them to buy, buy, buy," Mierzwinski said. "They are basically digging deep into your psyche and figuring out how to manipulate you." (AP)

Debt has a role in our economic lives

It's time to let go of shame over your debt

'Allowing your situation to deteriorate because you're too embarrassed to seek help would be a real shame'

By Liz Weston
NerdWallet

Many of us feel bad about our debt. Most of us probably shouldn't.

Three-quarters of US households owe money, but the vast majority pay their bills on time and have debt loads that are reasonable given their incomes.

But many people still report being embarrassed about owing money. In one study, nearly everyone with debt believed they would be happier without it. Researchers have also found a "strong relationship" between debt and several mental health issues, including depression.

Sometimes, stress and anxiety over debt is perfectly appropriate. If you're about to lose your home, have more student loan debt than you could pay in a lifetime or are headed to bankruptcy court, some angst is understandable.

Being ashamed of having debt, though, can be counterproductive. Debt shame could make you want to hide from your situation, potentially making it worse. Or you could panic and try to get rid of debt at any cost, potentially at the expense of long-term financial security.

This undated photo provided by NerdWallet shows Liz Weston, a columnist for personal finance website NerdWallet.com. Three-quarters of US households owe money, but the vast majority pay their bills on time and have debt loads that are reasonable given their incomes. (AP)

Borrowing a reasonable amount of money to get an education or buy a house often makes economic sense. The education can deliver increased income, while the house can build wealth over time as the mortgage is paid down and home prices rise.

Ideally, we would save to buy the other things we want or need. In reality, many households borrow when money is tight and pay it back when their cash flow increases. Economists call this "consumption smoothing," as households try to maintain a stable living standard. (It's also consumption smoothing when you save money for retirement to avoid a steep drop in your living standard after you quit work.)

Furthermore, borrowing takes a predictable pattern over people's lifetimes. The amount we owe tends to peak in our middle years, when we're buying houses and raising families, then declines as we age. Raising kids seems to be a particular risk factor in credit card debt: A NerdWallet study found 80% of parents with children under 18 carried credit card balances, compared with 58% of survey respondents who don't have children. As well, 1 in 10 of those indebted parents expected it would take more than 10 years to pay off credit card debt.

That's obviously not a great place to be. Unlike mortgages or student loans, credit card debt can't be seen as an investment - just an expense. Interest rates are typically high, and it's money better spent, or saved, elsewhere.

So if you've got credit card debt, getting rid of it should be a high priority. Paying off your cards is the equivalent of getting a risk-free return of 17% (or whatever your prevailing interest rates happen to be). That's pretty spectacular, since other risk-free investments, such as Treasury bills, currently pay less than 2%.

Paying off student loans or mortgage debt early also gives you a risk-free return equivalent to the effective interest rate you're paying. That rate is usually low enough, however, that you're better off contributing to retirement funds, especially if you get an employer match. Of course, you could do both - once you've maxed out your retirement savings, you can start throwing any extra money at your lower-rate debt.

A smart goal for most people is to be debt-free by the time they're ready to retire. Carrying debt into retirement can be dangerous, since making the payments on a fixed income can strain finances and cause you to run through your savings faster.

All this assumes that your debt load is currently manageable. It may not be if you're spending 40% or more of your income on debt payments, including your rent or mortgage. That's the level the Federal Reserve says is indicative of financial distress.

If debt payments are eating too much of your earnings – or if you're missing payments, borrowing from one card to pay another or being sued over your debt – you probably need help. Consider contacting both a credit counselor (the National Foundation for Credit Counseling offers referrals) and a bankruptcy attorney to understand your options.

The important thing is to act. Allowing your situation to deteriorate because you're too embarrassed to seek help would be a real shame. (AP)