

The Washington Post

Democracy Dies in Darkness

Apple Card algorithm sparks gender bias allegations against Goldman Sachs

Entrepreneur David Heinemeier Hansson says his credit limit was 20 times that of his wife, even though she has the higher credit score

By **Taylor Telford**

November 11, 2019 at 10:44 a.m. EST

What started with a viral Twitter thread metastasized into a regulatory investigation of Goldman Sachs' credit card practices after a prominent software developer called attention to differences in Apple Card credit lines for male and female customers.

David Heinemeier Hansson, a Danish entrepreneur and developer, said in tweets last week that his wife, Jamie Hansson, was denied a credit line increase for the Apple Card, despite having a higher credit score than him.

“My wife and I filed joint tax returns, live in a community-property state, and have been married for a long time. Yet Apple’s black box algorithm thinks I deserve 20x the credit limit she does,” Hansson tweeted.

Hansson detailed the couple's efforts to bring up the issue with Apple's customer service, which resulted in a formal internal complaint.

Representatives repeatedly assured the couple there was no discrimination, citing the algorithm that makes Apple Card's credit assessments. Jamie Hansson's credit limit was ultimately bumped up to equal his, but he said this failed to address the root of the problem.

Hansson's tweets drew the attention of Linda Lacewell, superintendent of New York's State Department of Financial Services, who announced Saturday that her office would investigate the Apple Card algorithm over claims of discrimination.

"This is not just about looking into one algorithm," she wrote in a Medium post. "DFS wants to work with the tech community to make sure consumers nationwide can have confidence that the algorithms that increasingly impact their ability to access financial services do not discriminate and instead treat all individuals equally and fairly."

Apple didn't immediately respond to a request for comment from The Washington Post.

With the spread of automation, more and more decisions about our lives are made by computers, from credit approval to medical care to hiring choices. The algorithms — formulas for processing information or completing tasks — that make these judgments are programmed by people and thus often reproduce human biases, unintentionally or otherwise, resulting in less favorable outcomes for women and people of color. But the public, and even companies themselves, often have little visibility into how algorithms operate.

“Women tend to be better credit risks. While it is illegal to discriminate the data indicates that controlling for income, and other things, women are better credit risks,” said Aaron Klein, a Brookings Institution fellow. “So giving men better terms of credit is both illegal and seems to be inconsistent with international experience.”



Dave Edwards @dedwards93 · Nov 9, 2019

Replying to @dhh @AppleCard

As a former senior Apple employee, this @applecard issue is very disappointing to me. I feel betrayed. Apple is positioned as the good team in tech. And I believe they are. But this is an issue that they have to fix. They have to think different and be better.



Steve Wozniak

@stevewoz

I'm a current Apple employee and founder of the company and the same thing happened to us (10x) despite not having any separate assets or accounts. Some say the blame is on Goldman Sachs but the way Apple is attached, they should share responsibility.

3,008 2:06 AM - Nov 10, 2019

[594 people are talking about this](#)

Past iterations of Google Translate have struggled with gender bias in translations. Amazon was forced to jettison an experimental recruiting tool in 2017 that used artificial intelligence to score candidates because the prevalence of male candidates resulted in the algorithm penalizing résumés that included “women’s” and downgrading candidates who attended women’s colleges. A study published last month in Science found racial bias in a widely used health-care risk-prediction algorithm made black patients significantly less likely than white patients to get important medical treatment.

“It does not matter what the intent of the individual Apple reps are, it matters what the algorithm they’ve placed their complete faith in does,” Hansson tweeted. “And what it does is discriminate.”



GS Bank Support

@gsbanksupport

We wanted to address some recent questions regarding the #AppleCard credit decision process.

We wanted to address some recent questions regarding the Apple Card credit decision process.

With Apple Card, your account is individual to you; your credit line is yours and you establish your own direct credit history. Customers do not share a credit line under the account of a family member or another person by getting a supplemental card.

As with any other individual credit card, your application is evaluated independently. We look at an individual's income and an individual's creditworthiness, which includes factors like personal credit scores, how much debt you have, and how that debt has been managed. Based on these factors, it is possible for two family members to receive significantly different credit decisions.

In all cases, we have not and will not make decisions based on factors like gender.

Finally, we hear frequently from our customers that they would like to share their Apple Card with other members of their families. We are looking to enable this in the future.

- Andrew Williams, Goldman Sachs Spokesperson

263 8:33 PM - Nov 10, 2019

230 people are talking about this

Dozens of people shared similar experiences after Hansson's tweets went viral, including Apple co-founder Steve Wozniak, who indicated his credit limit is 10 times that of his wife. The outcry prompted Goldman Sachs to issue a response Sunday stressing that credit assessments are made based on individual income and creditworthiness, which could result in family members having "significantly different credit decisions."

"In all cases, we have not and will not make decisions based on factors like gender," Andrew Williams, a spokesman for Goldman Sachs, said in a statement.

Released in August through a partnership with Goldman Sachs, the Apple Card is a “digital first,” numberless credit card “built on simplicity, transparency and privacy,” according to a news release.

Renaë Merle contributed to this report.

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