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London University Study of Cloud Computing Contracts Highlights Risks for Customers

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An [academic study](#) of 31 cloud computing contracts from 27 different providers suggests that customers of cloud services should read service agreements carefully. The study was conducted by the Cloud Legal Project at the Centre for Commercial Law Studies, part of the School of Law at Queen Mary, University of London. "The ease and convenience with which cloud computing arrangements can be set up may lull customers into overlooking the significant issues that can arise when key data and processes are entrusted to cloud service providers," says Professor Christopher Millard, principal researcher on the Cloud Legal Project. The survey found that some contracts have clauses disclaiming responsibility for keeping the user's data secure or intact. Other contracts reserve the right to terminate accounts for apparent lack of use, which could cause significant problems if the service is used for occasional backup or disaster recovery purposes. The authors also point out that some providers retain the right to unilaterally change the terms of the service agreement by posting newer versions of the agreement on their website.

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