

Study finds Data Protection Act being ignored by FTSE 100 companies

Submitted by: Marketing Improvements

Thursday, 12 June 2003

Bracknell, Berkshire, UK. Is the UK Data Protection Act being ignored? "Yes" says a new study, carried out by Marketing Improvement, the specialist permission-based marketing consultancy, released today.

Seventy six percent of the top UK corporations are just paying lip service to it, according to a report by Marketing Improvement, the Berkshire based experts in Data Privacy and Permission Based Marketing. Author of the report, Tim Trent, Privacy Consultant with Marketing Improvement, said "The results are dismal. You would expect FTSE 100 companies to comply with the legislation. This study shows that, in the majority of cases they are not."

The Data Protection Act 1998 puts a legal duty on companies using data that can identify an individual. There are eight principles required by the UK Information Commissioner and by Brussels: Data may only be: (i) fairly and lawfully processed; (ii) processed for limited purposes; (iii) adequate, relevant and not excessive; (iv) accurate; (v) not kept longer than necessary; (vi) processed in accordance with the data subject's rights; (vii) secure; (viii) not transferred to countries without adequate protection.

Marketing Improvement's study concentrated on principles iv and vi, 'accuracy' and 'processed in accordance with the individual's rights', and found huge ignorance. They contacted half of the FTSE100 corporations and asked to speak to someone who could tell the caller that the personal data held by the company about the caller was correct. Only twenty four percent handled the call in a way that showed an understanding of the needs and rights of the individual. Asked how simple it was to get his enquiry answered, Trent said "It was a nightmare to get put through to the right person. An ordinary citizen would have given up in despair. This law is there to protect us but corporations have not geared up to comply."

Asked to highlight the worst examples he found, Trent said "The worst was a quote from a major bank. 'Finding your data in our systems would be like looking for a needle in a haystack,' they told me. 'We're just too big to be able to do that.'" Asked about the best, Trent commented that only four percent achieved competence. "All the law asks for is competence," Trent added. "That only four percent were competent is something that should horrify Richard Thomas, the Information Commissioner." Trent says that a further twenty four percent understood what the call was about – but they were 'by no means competent.' "They tried very hard," he said, "they knew they had to do something but had no coherent approach to doing it. The one thing that was totally absent from this segment was the concept of a Privacy Officer, something that the best people had as a matter of course, and is something that is becoming increasingly common in the United States, a nation far less regulated than the UK"

The report shows that corporations whose business is with consumers (B2C) were somewhat better at handling Data Protection than those trading business to business (B2B) who have been regulated only since the Data Protection Act 1998 was implemented, but even then only forty percent of B2C came out as competent in the study versus thirteen percent of B2B.

"We found, too, that most corporations seem to obey the law when it comes to notifying the Information

Commissioner of their use of data, but that they appear to think it's 'job done' at that point, and do very little else. We were amazed at how few even have a privacy policy published on their web sites, for example," Trent added. "We feel it must be because of the low key approach taken by the Information Commissioner's office. Their declared policy is to educate, not to prosecute. By doing this we think the Commissioner lets corporations drive a coach and horses through the law of the land that Parliament charges him to enforce."

Note to editors:

Marketing Improvement was co-founded in June 2002 by Tim Beadle – former Chairman and CEO of the UK's #1 technology marketing agency, The Opus Group and Adam Turinas, former CEO of Viant in the UK and Shirley Gibbons, former CEO of Peppers and Rogers Europe. MI focuses on helping its clients with marketing strategy, performance improvement, research and permission-based marketing. It is based in Bracknell, Berkshire.

For more information or a copy of the full report, ontact Tim Trent – 01344 392644
Email: tim.trent@marketingimprovement.com