

Compliance Newsletter

May 2020

Compliance News for Customer People

This Month's Headlines

- How failing to respect Covid-19 social distancing rules can cost you your reputation and maybe your business
- EasyJet faces £18bn bill for data breach (claim giddy 'no win, no fee lawyers')
- eCommerce firms cut more slack as Strong Customer Authentication payment rules are delayed (again)
- Big drop in nuisance calls, says Ofcom research
- Vodafone generate twice the broadband industry average level of customer complaints, EE & Sky less than half
- Lord Sugar's cheeky advertising tweet turns sour
- Travel and flight refund disputes drive surge in consumers' C19 complaints
- CMA blocks merger to ensure creps* price competition
- Scam tech support firm fined £500,000 for illegally calling consumers

**me neither, but I looked it up*

We're going through a time of momentous changes in terms of how to acquire, retain and service customers. Regulators are moderating some of their expectations and requirements on organisations, but none have changed their rules and standards. Navigating compliance rules and regulations may be about to get even more tricky.

Welcome to our 12th newsletter:

Breaches Are Back

After wondering last month where all the data breaches had gone since the advent of Covid-19, it seems that normal service has been resumed. EasyJet has finally revealed the details of a criminal data hack which exposed the data of 9 million customers.

The screenshot shows the top portion of a BBC News article. At the top left is the BBC logo, followed by a user profile for 'Stephen' and navigation links for News, Sport, Weather, iPlayer, and Sounds. Below this is a red banner with the word 'NEWS' in white. Underneath the banner is a navigation bar with links for Home, UK, World, Business, Politics, Tech, Science, Health, and Family & Education. The article title 'EasyJet admits data of nine million hacked' is prominently displayed in large black font. Below the title, it says 'By Jane Wakefield, Technology reporter' and '19 May 2020'. At the bottom of the article preview are social media sharing icons for Facebook, WhatsApp, Twitter, Email, and a 'Share' button.



Even though the bulk of data exposed was just email addresses (excluding c.2,000 customers whose payment card details were leaked) the 'no win, no fee' law firms have identified an opportunity. With a claimed potential payout of £18 billion, lots of EasyJet customers will be attracted by ads like this, placed at the top of the Google results for a "easyjet data leak" search:

The screenshot shows a Google search result for the query 'easyjet data leak'. The Google logo is on the left, and the search bar contains the text 'easyjet data leak' with a clear button (X) on the right. Below the search bar are navigation tabs for All, News, Images, Shopping, Videos, and More, along with a Settings link. The search results show 'About 174,000 results (0.42 seconds)'. The first result is an advertisement from 'www.theeasyjetclaim.com/' with the headline 'Data Breach Compensation Claim | Up To £2000 In Compensation'. The ad text continues: 'Join The Group Action Along With PGMBM Lawyers, Who Have Claimed Against BA in 2018. PGMBM will ensure that the process is simple and straightforward. Chat Support Available'.

£2,000 compensation for having your email breached by EasyJet? Well, I doubt it, but a few optimistic - and presumably well-funded - law firms keep plugging away at this, hoping for big payouts in the wake of corporate data breaches. Good luck to them!

Meanwhile, Back in the Real World...

The ICO has yet again said it's delaying finalising the size of the fines it will actually [impose on BA and Marriott for their respective data breaches](#) - but those in the know say it will be nothing like the figures the ICO announced last year.



ICO Enforcement

There have been no enforcement actions from the ICO in the past month and it's reasonable to expect there won't be any in the world of marketing and customer acquisition & service for a while yet.

Health & Data

[Privacy Laws & Business research](#) has found that “60% of organisations that took part in PL&B survey are collecting data about employees' health status and possible symptoms of Covid-19”

Personal data relating to health is classified as Special Category data under the GDPR and UK Data Protection Act so needs to be handled with extra care.

Reassuringly, collecting and processing your employees' Covid-related health data is probably legal and compliant, as long as you follow the rules and do it the right way.

The ICO's guidance is here: <https://ico.org.uk/global/data-protection-and-coronavirus-information-hub/data-protection-and-coronavirus/workplace-testing-guidance-for-employers/>

Office Tetris or How to Return to Work Safely

David Freedman of [Confero](#) has written a quick guide to getting staff back into the workplace safely. It's [available on the DMA website](#) - and includes an explanation of "office Tetris", something we may all become familiar with in the months to come.



The government has [published advice](#) on how to safely get staff back into office environments, summarised in this pledge poster.

Staying COVID-19 Secure in 2020

We confirm we have complied with the government's guidance on managing the risk of COVID-19

FIVE STEPS TO SAFER WORKING TOGETHER

- ✓ We have carried out a **COVID-19 risk assessment** and shared the results with the people who work here
- ✓ We have **cleaning, handwashing and hygiene procedures** in line with guidance
- ✓ We have taken all reasonable steps to **help people work from home**
- ✓ We have taken all reasonable steps to **maintain a 2m distance** in the workplace
- ✓ Where people cannot be 2m apart, we have done everything practical to **manage transmission risk**

Employer _____ Date _____

Who to contact: _____
(or the Health and Safety Executive at www.hse.gov.uk or 0300 003 1647)

And why's all this important? Because if you don't follow the rules you could end up suffering a PR disaster and losing precious client business:



BAD CALL Company running Government coronavirus helpline suspended after 'staff seated less than 6ft apart'

[Elle Cambridge](#)

2 May 2020, 0:14 | Updated: 2 May 2020, 13:45

THE company running a Government coronavirus helpline has been suspended over claims staff were seated less than 6ft apart.

Unhappy workers shared photos claiming to show them sat too close together, and said they had been made to sign waivers over the health risks, the Mirror reports.

⚠ Read our [coronavirus live blog](#) for the latest news & updates





The Competition and Markets Authority (CMA)

The CMA's [update on the work of its COVID-19 taskforce](#) to monitor companies' misbehaviour during the pandemic has revealed that 75% of complaints have been related to holiday and airline refund issues.



Guidance
CMA COVID-19 taskforce

Published 20 March 2020



Meanwhile [JD Sports' proposed takeover of Footasylum has been blocked](#) by the CMA as it deemed a merger would diminish competition in the over-priced trainer market.



People receiving fewer nuisance calls, but more work to do" – Ofcom

Ofcom's [latest research](#) shows that fewer consumers are receiving 'nuisance calls' now than they did in 2017 – a drop from 3 in 5 to 2 in 5 for landlines and a 10% drop to 37% on mobiles.

This is no doubt due to a variety of reasons – increased regulations, the adoption of call blockers, the demise of PPI claims and better commercial opportunities online – but is good news for many in lockdown.

Quarterly Complaints Data

Ofcom has published its quarterly complaints data for the period Oct to Dec 2019. "Due to Covid-19 disruption..." Ofcom hasn't produced an accompanying report and commentary.

If they can't be bothered I'm sure we can't either.

If you're feeling keen, you can access the raw report data [here](#).

Overall there are no significant shifts in complaint volumes, but massive variations in long term performance between suppliers remain – i.e. Sky and EE attract less than half the sector average complaints for Broadband, Vodafone more than double.



The **ASA (Advertising Standards Authority)** continues to highlight how marketers still struggle to clearly label adverts on social media. And this month it's everyone's favourite former knight, Lord Sugar, who's in trouble.

His tweet about a tooth whitening firm of which he's a major shareholder wasn't clearly labelled as an #ad (as it should have been).



Fortunately, [clear guidance](#) in the form of an infographic flowchart is available from the ASA:

Is my post an ad and do I need to label it?



Payments



Significant news for any organisation involved in selling goods and services online as the [FCA has announced](#) a 2nd delay (after last Summer's) to the introduction of SCA (Strong Customer Authentication) to online purchases.



All's quiet from Ofgem this month - and it's been a little while since an energy provider has folded.

Give it time; give it time.

The PSA continues to come down hard on rogue mobile phone service firms, despite the C19 crisis.

Usually, the firms which find themselves under investigation by the PSA do so for ignoring their customers while continuing to bill them (usually for services they don't know that they've bought). However, in a turn up for the books Irich Info Technology – which nominally provided an IT technical support service for £2.50 per minute via premium rate numbers - has been [fined £500,000](#) and ordered to pay refunds as a result of proactively contacting consumers (without their consent) and fraudulently encouraging them to call the premium rate line. The example complaints below show that Irich didn't even pretend to be calling about IT technical support:

I received first an email then by telephone from 02031293328 which is now a disconnected number. On phoning the 09131240444 number the call was answered by a woman and I could here kids screaming in the background before the woman disconnected and subsequent calls received the same treatment [SIC]

Live finical - Cost of call £90 - 09131241190 (I have called this number and it gives pricing of £2.5 per min plus access charge)
Consumer filled in a form for short term loan - this was done online but consumer cannot remember URL
Consumer was called back and asked to call 09131241190 to discuss loan options - 2 calls were made on lasting 40 mins and the other lasting 14 mins - Consumer states they asked advisor if call was charged and they were told no. They were also given a toll free number but this number only took them through to a toll free number reseller. [SIC]

We have intercepted indications of extremely high call charges to a large number of our customers for 1 call. When we have checked with our customers, it appears that an overseas call centre believed to be in Pakistan is calling both business and consumer customers informing them that they have evidence that they have an amount of money which has to be returned to them. They then very quickly give the customer a number to call back on while they get the file.

Unwittingly the customers call them, and after a period of time are informed they will receive the paperwork in the next 5-10 days and to fill in details and return in the pre-paid envelope provided. Both consumers and Business customers are being caught by this, especially if an office is busy. Consequently for a single call its cost over £115. They state that they will possibly call the next week to confirm receipt of the documents. No doubt to ask them to call the same number again and run up another huge bill.



No news from the Fundraising Regulator, this month.

Before you go

Are we on the right lines? Or would a different approach make sense in these changeable times? Who and what else would you like to see covered in future monthly newsletters about the world of regulation and compliance as it affects customer engagement?

Let us know at hello@channeldoctors.co.uk

The Small Print

This content is accurate as of 28th May 2020.

Channel Doctors is a trading name of Murphy Sullivan Associates Limited, a company registered in England and Wales with Registration Number 4830889.

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