

# Compliance Newsletter

July & August 2021

*Compliance Clarity for 'Customer People'*

## 90 million reasons to check those renewal letters...

Short of time? Here are this issue's Headlines:

- **The call blocking firm's cunning plan to drum up business (and a £170,000 fine)**
- **Check those half-forgotten customer renewal letters - or you could face a £90m fine!**
- **Sainsbury's and its email marketing catastrophe**
- **EU tax changes mean you may need to revise your ecommerce site straight away**
- **And...Outsourcing 2.0 - Diversify or Consolidate?**

That's it, summer's over. But before you settle into whatever customer challenges and opportunities the autumn has for you, pop the kettle on for a quick read of our July & August summer special. All the compliance and regulation news and trends you need to be aware of if you're responsible for targeting, acquiring, retaining or serving customers.

**Be wise; don't get fined!**

Read on.

**Welcome to our 25<sup>th</sup> newsletter:**



## Summertime is Still Fines Time for the ICO

*No summer shut down for the Information Commissioner's Office, with another 4 fines imposed over July and August. The organisations fined are very varied and the majority of fines continue to be under the basis of the PECR Regulations.*

*Fines in 2021 continue to run at far above the level of recent years.*

Brazier is a claims management firm which brazenly made 11 million outbound 'cold' PPI calls to consumers months after an amendment to the PECR rules made it illegal to do so. Brazier has been [fined £200,000](#).



Mermaids - a small charity which helps gender-diverse children, young people and their families - has been [fined £25,000](#) for a data breach. Unlike the other charity which has recently been fined, Global One, this fine was nothing to do with marketing or fundraising and came under the rarely used auspices of the 2018 Data Protection Act. Mermaids' insecure email system meant that from 2016 to 2019 thousands of emails containing highly personal information about young people were accessible online.



You couldn't make it up!

[Yes Consumer Solutions](#), a provider of call blocking devices, has been [fined £170,000](#) for breaching the PECR rules. Yes made over 188,000 illegal calls to consumers whose phone numbers were registered with the TPS in order to sell them a solution to the problem of nuisance calls.

Genius plan.

Until they were caught.



Finally, Parkin Beacher, which describes itself as a market research firm, but acted as a lead generator and introducer, has been fined £50,000 for breaking the PECR ban on pensions cold calling. 16 complaints were generated from the over 96,000 calls made.

It's pretty inconceivable that Parkin Beacher didn't know that pensions calling had been made illegal. And its prospect 'targeting' was flawed at best, as its third party data sources didn't seem to offer any real, informed consumer consent to future calls, either.

And on top of all that, this [This Is Money story](#) from earlier in the year suggests that Parkin Beacher had form for promoting dodgy products.

## New acronym time!



The "UK Standard Contractual Clauses" - the UK-specific equivalent of the EU contractual boilerplate that provides a basis for international data transfers, by holding overseas firms to EU GDPR standards of data protection is being circulated [for consultation by the ICO](#). In a move that will either reduce or create confusion\*, they also have a new name has been launched by the ICO. But they have a new name, international data transfer agreement or IDTA.

*\*consult your lawyers for predictions on that one*

# Are Data Breach Pay-Outs the next PPI? No, probably not

The BA data breach claim has been settled according to [this article in Decision Marketing](#), but there's no word as to the final total pay-out (but we can safely assume it'll be somewhat less than the billions some were excitedly claiming).

Meanwhile, there has been another related court decision, largely ruling someone claiming damages as a result of the DSG Group (Currys PC World and Dixons) breach of 14 millions people's personal data. [Mishcon De Reya have all the long legal words here](#), but the up-shot seems to be that class actions against firms that experience data breaches are looking less and less likely to fuel PPI-scale pay-outs.

Good news for firms with lax cyber security and controls, bad news for those of us hoping to make money for nothing

## £640m Fine for Amazon



Technology

### Amazon Gets Record \$888 Million EU Fine Over Data Violations

By [Stephanie Rodoni](#)

30 July 2021, 12:03 BST Updated on 30 July 2021, 12:43 BST

- ▶ Luxembourg watchdog wields new powers with highest data fine
- ▶ Fine follows probe based on complaint by French privacy group



Luxemburg's data protection regulator is fining Amazon (whose European legal 'home' is in Luxembourg) €746m. This is more than double the total of all post-GDPR data protection fines levied across Europe so far. Details about the case haven't yet been made public but they are to do with how Amazon gains and handles consent from buyers for data processing and advertising activities.

*Amazon responded by saying that this seemed like a fair cop and could they pay by cheque?*

*No, only joking. It's appealing and challenging the ruling.*

# Sainsbury's Fall Foul of the "Service or Marketing?"

## Email Confusion



Although on the face of it not really confusing, the question of whether your customer comms constitute marketing or service messages continues to trip up organisations large and small.

A few months ago it was American Express and this summer it was Sainsbury's which got it wrong. Usually it's a case of firms sending marketing messages to consumers who haven't opted in. But according to the Guardian, Sainsbury's mistakenly didn't email a product recall of toxic cat food - which would unambiguously be regarded as a service message; no-one wants tibbles to cop it - to customers who had opted out of marketing communications.

## New Information Commissioner?

Finally, in what might be another instance of them coming over here and taking our jobs, it's been reported that the government will appoint New Zealand's data privacy boss, John Edwards, as the new Information Commissioner, replacing Elizabeth Denham.



## Checked the Text of your Marketing Comms Recently? £90m says Lloyds wishes it had!



### Lloyds fined for nine million misleading insurance letters

4 hours ago



Lloyds Banking Group's insurance arm has been fined £90m for sending out nine million misleading letters between 2009 and 2017 about home insurance.

The FCA has [fined Lloyds £90m](#) for breaking the rules over "failures of communication" from 2009 to 2017. Over that period of time over a million home insurance customers received renewal letters which made false claims. They were all told that they were being offered a "competitive price" when the renewal prices were typically nothing of the sort. Furthermore, 500,000 customers were told they would receive a discount based on their loyalty or because they were a valued customer, but the discount was never applied and was never intended to be applied.

Most of us don't work in financial services, but the types of scrutiny and regulation applied to firms like [Lloyds](#) by the FCA is often adopted more widely over time.

*So, are you claiming to offer customers competitive pricing or discounts without genuinely doing so? If so, watch out. And how often do you review the standard comms which appear on letters, emails and in online journeys?*

## Do More to Help Struggling Customers or Face Stricter Regulation, warns Ofcom

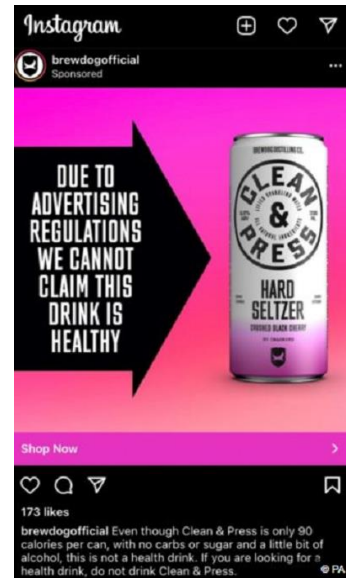
Ofcom has warned telco firms that they need to do more to help and support customers struggling to pay their mobile, broadband and landline bills - or be hit with more strict rules and regulations.



## Brewdog Ad Banned. As Usual...

Tediously predictable controversialists, Brewdog, have yet again succeeded in getting a cheeky Instagram advert [banned by the ASA](#).

Yawn



## New EU eCommerce Tax Rules

New [rules about the application of VAT on ecommerce](#) in the EU took effect at the start of July, but anecdotally levels of awareness are still low.

*So, if your website is transactional and you can or do sell to EU residents you should check out the new rules asap.*



"Cross-border VAT e-commerce is being modernised in the EU."  
"We are making life simpler and fairer for all."  
"The new rules will come into force on 1 July 2021 but preparation can start right here, right now."

# PSA

Phone-paid Services Authority

## TCS fined £750,000

TCS, which ran 'Discount Me Direct' an offers and competitions text alert service, has been [fined £750,000](#) for a series of failings which resulted in customers unknowingly signing up and paying for the service. The final fine figure was slightly reduced from the original one proposed in the light of mitigating arguments from TCS.

# ofgem

As the Ofgem price cap is lifted and quite a long time without an energy supplier failing, HubEnergy – a small payer with only 15,000 customers - has folded and had its customer base [transferred to E.ON](#).



## And something different...

Away from the world of compliance and regulation, a few weeks ago our pals at the [Contact Centre Panel](#) asked me to share my thought about the post-Covid future of customer management outsourcing.

I specifically had a look at the conflicting arguments about whether to diversify or consolidate outsourced service providers.

You can read the full article [here](#).



By Steve Sullivan, Head of Regulatory Compliance

**In all areas of business there is a periodic question: should we consolidate our supply chain or should we consciously seek to diversify?**

At Contact Centre Panel, we have heard that question being asked with increasing frequency over the past few months, by clients using customer management outsourced service providers (OSPs) which deliver contact centre services. All business operating models have been tested and altered since the onset of the Covid-19 epidemic. Customer management and contact centre frameworks and agreements are no exception and the question of whether to consolidate or diversify suppliers is frequently addressed.



## **We Need Your Feedback**

What else would you like to see in this monthly newsletter? Are the stories covered of use and/or interest? Let me know.

And remember, if you have come across an interesting story or trend do let us know and we can include it in the next newsletter.

### **The Small Print**

This content is accurate as of 30<sup>th</sup> August 2021.

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