

Data Protection

In October 2023, the UK Financial Conduct Authority (FCA) fined credit reporting agency, Equifax, £11 million for failing to manage and monitor the security of UK consumer data. The fine was in relation to a massive cyber attack in 2017, which resulted in hackers accessing the personal data of 13.8 million UK consumers. In 2018, the UK Information Commissioner's Office (ICO) issued a £500,000 fine in relation to the same incident.

Staff within regulated firms must **understand the data protection risks** associated with their role and **comply with the law**. This will not only avoid fines or other regulatory penalties, it will also help the firm **maintain the trust** of its customers.

1

Personal data

Personal data includes any information that relates to an identifiable individual, including their name, address, date of birth and financial details. Some personal data is considered **sensitive**, such as racial or ethnic origin, medical history and religious beliefs. Extra safeguards apply to this information.

Organisations must respect an individual's **right to privacy**, and embed data protection into all aspects of their business.

2

Fair and lawful use

Your firm must have a **lawful basis** for collecting and using personal data (e.g. the individual's consent). In addition, the firm must **clearly disclose** how it intends to use an individual's personal data (e.g. via a privacy notice or policy).

Make sure you are familiar with your firm's **policies and procedures** and, if you are ever unsure about whether a particular use is permitted, **seek guidance** immediately.

3

Protecting data

There is a legal obligation to **safeguard personal data**. It must be kept secure at all times, and appropriate steps must be taken to prevent loss, unauthorised access, corruption or theft. Personal data should **remain private** and must be securely destroyed when no longer required.

If you suspect that there has been a **personal data breach**, you must report it immediately, in accordance with your firm's procedures.

