

Regulatory Sandbox Final Report: Financial institutions / Home Office and UK Finance

A summary of the financial institutions', facilitated by the Home Office and UK Finance, participation in the ICO's Regulatory Sandbox

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Information Commissioner's Office

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1. Introduction

- 1.1 The Regulatory Sandbox ('the Sandbox') is a service that the ICO provides to support organisations that are developing products or services which intend to use [personal data](#) in innovative and safe ways, and will deliver a potential public benefit.
- 1.2 The Sandbox is a free, professional service that is available to organisations of all sizes who meet our entry criteria and specified areas of focus. These criteria are assessed by the Sandbox's application processes.
- 1.3 The Sandbox specifically seeks to engage with projects operating within challenging areas of data protection. Sandbox participants have the opportunity to engage with the ICO, draw upon its expertise and receive support on mitigating risks and implementing [data protection by design and default](#) into their product or service. This helps ensure that the participant identifies and implements appropriate protections and safeguards.
- 1.4 The 'financial institutions' are a group of participating banks seeking to develop an 'information sharing pilot', which will be tested via a trial. This work is being facilitated by the UK Home Office and UK Finance.¹ Collectively, and in relation to this information sharing pilot, this report refers to these organisations as 'the pilot group'. The purpose of the information sharing pilot will be to assess whether the sharing of specific customer information (including personal data) between participating banks, via a central database, can lead to more effective management of financial crime risk. Outside of the information sharing pilot, where appropriate, the participating banks will be able to make use of the information shared to contribute to their existing business-as-usual processes to manage financial crime risks. More detail on how the information sharing pilot works is contained in section two of this report. A public-facing detailed explanation of the process could prove counter to the ultimate goal of reducing financial crime risk. The explanation outlined in this report therefore provides a high-level overview of the process only.

¹ UK Finance is a trade association in the financial sector which represents more 300 companies across the industry (<https://www.ukfinance.org.uk/>).

- 1.5 The ICO accepted the pilot group into the Sandbox in December 2021, determining that the pilot group's project aligned with the ICO's data sharing area of focus at the time of its application.
- 1.6 The ICO and the pilot group agreed to work on the following objectives as part of the pilot group's bespoke Sandbox plan:
- **Objective one:** To consider the data protection roles and responsibilities of the participating banks, and whether legitimate interests may be a valid lawful basis for this processing activity.
 - **Objective two:** The ICO to review and provide feedback on key data protection documents, prepared by the pilot group, to help the pilot group further manage and assess privacy risk.
 - **Objective three:** The pilot group will undertake a 12 week trial of the information sharing pilot, with its success being reviewed by the pilot group against key performance indicators (KPIs) established by the pilot group.

After the pilot group had entered the Sandbox, the ICO also agreed to help it assess how it will comply with the UK General Data Protection Regulation's (UK GDPR) data minimisation principle as an additional task.

- 1.7 The Sandbox work commenced in March 2022. The ICO and the pilot group agreed not to carry out the following tasks, within the above objectives from the originally agreed plan, during Sandbox Participation:
- Objective two – A review of the participating banks' individual privacy notices.
 - Objective two – A review of the data protection contractual frameworks to be used between the participating banks.
 - Objective two – A review of the information sharing pilot's operational materials.²

² The pilot group informed the ICO that it had no outstanding data protection related queries in relation to the operational materials at the conclusion of Sandbox participation.

- Objective two – Confirmation that the participating banks have completed their own internal data protection documentation, within their own contexts and where applicable or required.
- Objective three – The 12 week trial of the information sharing pilot.

The pilot group confirmed to the ICO that, where required by the UK GDPR, these tasks will be carried out by the pilot group (outside of the Sandbox) as the information sharing pilot develops. The pilot group also confirmed that it will take into account the ICO's published guidance and templates when carrying them out.

- 1.8 The ICO and the pilot group agreed to conclude Sandbox participation in May 2023. This report summarises the work that was carried out during the pilot group's time in the Sandbox. It does not reflect the full detail of the discussions with, or the informal steers provided to, the pilot group.

2. Product description

- 2.1 The information sharing pilot is a data sharing initiative, involving various financial institutions, which aims to address the risks of financial crime. In its Sandbox statement of participation the pilot group stated that, as at February 2022, "While current financial crime legislation means that Financial Institutions are able to share some information for the purpose of addressing financial crime risk, there are limitations. This can make it difficult to share data in some situations and difficult to address some specific money laundering typologies."
- 2.2 As a result, the participating banks will explore in the information sharing pilot whether they can share certain personal data, in a peer-to-peer way, to supplement their business-as-usual processes to better manage financial crime risks. The pilot group entered the Sandbox to consider if this data sharing can be carried out whilst adhering to the requirements of UK data protection law identified in the above section. It also intends to use Sandbox participation to help identify, and implement, appropriate privacy mitigations.

- 2.3 The pilot group has informed the ICO that the creation and maintenance of systems and controls for the prevention of financial crime are a regulatory obligation, as set out in the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations, 2017 and are regulated by the Financial Conduct Authority.
- 2.4 Personal data will be submitted by the participating banks to a central database (managed by a third party), which will be searchable by the other participating banks. The pilot group will establish what data fields (including some personal data) will be submitted to the database by the participating banks.³ Each participating bank will decide which customer's records are shared to the database.
- 2.5 Participating banks will be able to submit a query to the shared database when conducting financial crime due diligence for new or existing customers. The purpose of the searches will be to test whether the sharing of information will help the participating banks to better understand and manage financial crime risks. Each participating bank will exercise its own discretion over which customer's information it provides to the information sharing pilot, which queries it submits to the central database and the volume of them. Each participating bank will then solely determine what subsequent actions to take, if any, in its business-as-usual processes. Outside of the pilot, participating banks will undertake any further steps in accordance with its business-as-usual processes. A participating bank will not take any action that directly impact its relationship with a customer solely on the basis of the information received from the shared database.
- 2.6 The pilot group has been seeking to develop, and will implement, a set of agreed practices and procedures to ensure that the information sharing pilot is operated consistently, fairly and lawfully by the participating banks. Following the end of the information sharing pilot, the pilot group will assess its success against a set of agreed KPIs and metrics.

³ See the 'Data minimisation' section later in this report.

3. Key data protection considerations

3.1 During its participation within the Sandbox, the ICO and the pilot group considered a number of key data protection themes relevant to the development of the information sharing pilot under the objectives set out above. Some of those key areas of consideration are outlined below. They are presented in this report in the order they were considered during Sandbox participation.

Data minimisation

- 3.2 During Sandbox participation, the ICO and the pilot group considered how the [data minimisation](#) principle will be applied in relation to the personal data that will be processed during the information sharing pilot. The UK GDPR's data minimisation requirements are set out in Article 5(1)(c). It states that "Personal data shall be adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed ('data minimisation')." The UK GDPR does not define the terms adequate, relevant, and limited to what is necessary. These requirements depend on the specified purpose for collecting and using the personal data, and may differ from one individual to another, and so must be assessed on a case-by-case basis taking the relevant circumstances into account.
- 3.3 The pilot group informed the ICO that it was assessing the UK GDPR's data minimisation requirements against two different proposed datasets which would dictate what personal data the participating banks would submit to the shared database. 'Option A' included certain personal data fields related to the customer. The second option, 'Option B', included all of the personal data contained in 'Option A'. However, it also included an additional field which provided information about the nature of the financial crime risk posed by the customer.
- 3.4 The data minimisation principle requires an organisation to process the least amount of personal data possible in order to achieve its purposes. The adequacy element of the data minimisation principle also requires that the personal data processed by an organisation is sufficient to properly achieve its stated purpose. As a result, the ICO encouraged the pilot group to find an appropriate balance between the 'adequate' and 'limited to what is necessary' requirements

of the data minimisation when selecting what personal data to process. The ICO stated that it must also ensure that the personal data within that selected option is relevant to its purpose. The pilot group further considered which option will use the least amount of personal data, and if that option will allow the purposes of the information sharing pilot to be achieved.

- 3.5 The ICO also suggested that, while the pilot group assesses the requirements of the data minimisation principle, it should also assess and mitigate the broader risks to individuals that arise as a result. For example, if the pilot group were to include the reason a customer is deemed to be a financial crime risk ('Option B'), it is important to consider whether that might result in an unnecessary degree of privacy intrusion if it is not required to achieve the information sharing pilot's purposes. Any such risks would need to be appropriately identified and mitigated as part of the DPIA process.
- 3.6 Following the ICO's informal steers, the pilot group concluded that it was appropriate to process the personal data in 'Option A' during the information sharing pilot. The ICO recommended that the pilot group fully assess and document which items of personal data are required to achieve the stated purpose of the information sharing pilot. The pilot group then clarified the purposes of the information pilot. It stated that "the purpose of sharing the data is to enable participating banks to identify that they have, or may have, a relationship with a client who has introduced financial crime risk to another bank, and the participating bank can then use its business-as-usual processes to assess whether that client is likely to introduce similar risk to them." The purpose is not to lead that participating bank to any particular decision or conclusion based solely on the information contained within the shared database.
- 3.7 The pilot group assessed that the personal data contained within 'Option A' would be sufficiently adequate to ensure that participant banks will be able to accurately identify whether a customer in the central database can be matched to queries about the same customer from other participating banks. It also assessed that 'Option A' would be relevant as a participating bank would need to know if an individual had been included in the shared database in order to be aware of, and mitigate, any risk of financial crime that may be introduced to it. When it reviewed this assessment, the ICO encouraged the pilot group to granularly consider and document why each item of personal data would assist

with the accurate identification of individuals within this matching process, and in line with the stated purpose of the information sharing pilot.

- 3.8 To further support its assessment, the pilot group determined that it would not require the additional personal data contained within 'Option B'. It determined that the inclusion of this personal data is not necessary to achieve the accurate identification of individuals.
- 3.9 Following further discussions, the ICO identified that additional information that may be processed by the information sharing pilot may constitute personal data. The ICO encouraged the pilot group to also assess and document whether any of that additional personal data would be required to facilitate the above stated purpose of the information sharing pilot and how it would adhere to the UK GDPR's data minimisation requirements.
- 3.10 The ICO stated, and the pilot group agreed, that sufficient safeguards must be put in place during the information sharing pilot to help mitigate the risk to individuals. For example, the participating banks must ensure that the personal data that will be processed within the information sharing pilot will be used in a way that is consistent with its stated purpose and the UK GDPR's [purpose limitation](#) principle. Where possible, the pilot group should also implement policies and procedures to reduce the risks that the processing results in unfair outcomes for individuals. This could include processes to ensure that the participating banks rely on the outcomes of their usual risk-based assessments, and not solely the flag produced by the information sharing pilot, when assessing financial crime risk.
- 3.11 During the course of this data minimisation work, the ICO has had an impact in helping the pilot group seek to identify and mitigate certain risks of the information sharing pilot's processing of personal data. For instance, this included helping it to assess how to avoid processing excessive personal data without compromising the purposes and aims of the information sharing pilot. The ICO has helped the pilot group consider sufficient safeguards to help ensure that the personal data included within the information sharing pilot is processed in line with its stated purpose, and that the processing does not result in unfair or unjustified outcomes for the participating banks' customers. The ICO's input extended beyond just the UK GDPR's requirements on data minimisation and also touched upon the purpose limitation and [accuracy](#) principles.

Data protection roles and responsibilities

- 3.12 It is crucial, for any organisation seeking to comply with the UK GDPR, to appropriately establish its data protection roles and responsibilities for each processing activity it undertakes. The ICO supported the pilot group to assess whether the participating banks will act as a [controller or processor](#), for certain stages of the information sharing pilot's processing of personal data, as part of its Sandbox objectives.
- 3.13 The pilot group sought clarification on whether the participating banks would act as independent [controllers](#) or [joint controllers](#). It outlined that the participating banks would have responsibility for the personal data that is submitted to the central database, as well as having responsibility for holding and using the information received from the central database.
- 3.14 The ICO worked with the pilot group to outline certain stages of the information sharing pilot, in order to try and focus on its processing activities in a more granular way. The following stages were identified:
- 'Activity one' – when a participating bank enters the personal data of a customer to the central database.
 - 'Activity two' – when the personal data of all of those customers is stored in the central database.
 - 'Activity three' – when a participating bank submits a search to the central database to query whether any records are matched to its search terms and receives a result. This is likely to be when a participating bank is considering onboarding a potential customer or is conducting financial crime investigations.
 - 'Activity four' – when a participating bank uses the result of a matched query to carry out additional processing activities outside of the central database. For example, where it continues with its usual due diligence processes. The pilot group has confirmed that this processing will happen outside of the information sharing pilot.

This was not intended to be an exhaustive list of the processing activities that will be carried out. It was used solely to help illustrate the points made during the completion of this Sandbox objective.

- 3.15 The ICO encouraged the pilot group to give close consideration to whether a joint controllership relationship will be established in relation to Activities one, two and three, as a number of factors may indicate that the purposes and means of the processing will be jointly determined. For example:
- the ICO understands that the overarching purpose of the information sharing pilot will be to help the participating banks address the risks of financial crime. During these three activities it appears that the participating banks will have the same, jointly determined, purpose: they will voluntarily share some personal data to better understand the financial crime risks associated with certain customers;
 - the participating banks will be using the shared central database for the same purpose. The ICO also understands that the information sharing pilot will require the cooperation and coordination of the participating banks in order to jointly determine the purpose and means of the processing;
 - the pilot group confirmed that all of the participating banks have contributed, to varying degrees, in the design of the information sharing pilot. Although the end product may not meet the specific requirements of each participating bank, they have all been involved in development negotiations; and
 - the operational materials and contractual agreements will contain common information management rules setting out how personal data will be used by the participating banks.
- 3.16 The ICO also suggested to the pilot group that, in relation to Activities one, two and three, certain indicators of independent controllership (detailed in the ICO's guidance linked to in section 3.12) may not be met. For example, an individual participating bank has not solely determined what categories of personal data will be collected and stored in the database. Also, the third party (which the pilot group has determined will act as a [processor](#)) which will operate the central database has been jointly appointed by the participating banks. Following this work, the pilot group assessed that joint controllership would likely be established in relation to these activities.
- 3.17 However, the ICO's steers indicated that this joint controllership assessment may change in relation to Activity four, or other processing activities where the participating banks independently determine the purposes and means of the

processing. As an example, where a participating bank independently decides to carry out its usual due diligence processes outside of the central database following a match in the information sharing pilot, it would seem to be pursuing its own purposes (such as complying with its own regulatory obligations). The ICO understands that each participating bank will exercise its own judgement in making decisions related to its customers or potential customers. Processing that takes place outside of the information sharing pilot was not within the scope of Sandbox participation, and the ICO advised that the participating banks would need to perform a granular assessment of their own processing activities to understand at which point they may become independent controllers.

- 3.18 The ICO and the pilot group worked together to clarify, specifically in relation to the information sharing pilot, where the boundaries of independent controllership will transition into joint controllership and vice versa. The pilot group stated that, where a participating bank applies its own discretion or risk appetite to decide which customer's information is submitted to the central database (prior to Activity one), it would be an independent controller. Although this processing activity is outside of the scope of the information sharing pilot, and consequently Sandbox participation, the ICO considered that, at a high-level, this conclusion seemed reasonable and consistent with the guidance summarised in section 3.17 of this report.
- 3.19 Lastly, the pilot group sought to clarify whether the participating banks would be independent controllers when determining which queries should be submitted to the central database, but joint controllers when actually submitting the searches within the central database. The ICO suggested to the pilot group that, as part of that assessment, it is important to differentiate between the processing activities where a participating bank independently determines why and how the customer's personal data is processed, and those that require the other participating banks to jointly determine why and how the personal data is processed. For instance, successfully carrying out a search of the central database in line with the information sharing pilot's overarching purpose appears dependent upon the participation of the various participating banks.
- 3.20 This work has supported the pilot group's assessment of data protection roles and responsibilities in relation to the information sharing pilot. It has highlighted where the participating banks may need to take additional steps as joint controllers, as per the requirements of the UK GDPR, such as implementing transparent arrangements that set out

agreed roles and responsibilities. These requirements are detailed in the ICO's guidance on [what it means if you are a joint controller](#). The impact of this work will likely have a beneficial effect in helping to ensure that the personal data of the many individuals whose information will be processed by the information sharing pilot is properly protected. An agreement between joint controllers about data protection roles determines how UK GDPR requirements are provided for, such as how individual rights are to be appropriately handled, and therefore provides clarity and certainty for the individuals involved.

Lawful basis for processing

- 3.21 To process personal data lawfully, Article 6 of the UK GDPR requires that a controller identify a valid [lawful basis for processing](#). Where that processing involves [special category data](#) the controller must also identify an appropriate condition for processing under Article 9 of the UK GDPR (and where necessary, an appropriate condition set out in Part 1 of Schedule 1 of the Data Protection Act 2018 (DPA 2018)). If the processing involves [criminal offence data](#), and the controller does not have official authority, it must also identify a valid condition for processing as per the requirements of Article 10 of the UK GDPR and Schedule 1 of the DPA 2018. Which lawful bases and conditions are appropriate depends on the individual processing activity, the purpose for processing and the controller's relationship with the individuals.
- 3.22 The ICO helped the pilot group to consider whether the participating banks will be able to rely on [legitimate interests](#) as their Article 6 lawful basis for the processing that occurs within the information sharing pilot (ie Activity one, two and three). Article 6(1)(f) gives you a lawful basis for processing where:
- "processing is necessary for the purposes of the legitimate interests pursued by the controller or by a third party except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject which require protection of personal data, in particular where the data subject is a child."
- 3.23 Following these considerations, the ICO suggested that the participating banks may be able to rely on legitimate interests for these processing activities. However, it should be noted that the ICO had not seen a granular assessment

of all of the processing activities due to be carried out within the information sharing pilot and, as a result, this should be treated as a high-level suggestion. Appropriate lawful bases will need to be identified for any other processing activities.

- 3.24 It is also subject to the controllers meeting the three-part test (purpose, necessity and balancing tests) requirements of legitimate interests. In relation to this, the pilot group submitted a draft [legitimate interests assessment](#) (LIA) for the ICO to provide feedback on. That feedback was intended to be iterative and high-level, and to help the pilot group with its assessments. The pilot group informed the ICO that, before the information sharing pilot commences, each participating bank will carry out the appropriate assessments on an individual basis. The below sections detail some examples of the feedback the ICO provided in relation to the LIA. However, this is not an exhaustive list.
- 3.25 Within the purpose test the pilot group set out its perceived benefits of the information sharing pilot. It referenced a number of sources which attempt to estimate the scale and cost of economic crime to the UK economy. For example, it quoted one source that estimated that money laundering costs the UK more than £100 billion per year (2019). The ICO suggested that the pilot group could detail the potential impact of the information sharing pilot further. For example, including any estimates or analyses of how much the pilot might reduce these costs may demonstrate the benefits of the processing of personal data further. This could be further illustrated with any qualitative evidence that may have been acquired from relevant stakeholders.
- 3.26 In relation to the necessity of the information sharing pilot, the pilot group set out why the overarching purpose of the information sharing pilot could not be achieved without its processing of personal data, or by existing data sharing initiatives. The ICO suggested, and the pilot group agreed, that it should document in this part of the test why this type of peer-to-peer data sharing will address a particular need. For example, the absence of the information sharing pilot might contribute to a lack of knowledge amongst the participating banks which could otherwise be used to help address financial crime risk. Given that the pilot group intends to use KPIs to assess the success of the information sharing pilot, the ICO also suggested that some of its early considerations in relation to developing these criteria may also help to provide additional detail in relation to why the processing will be required.

- 3.27 The pilot group also considered the necessity of including further personal data fields, if the participating banks were to hold that personal data, as part of the information sharing pilot. The ICO stated that the pilot group should apply the rationale from the data minimisation steers it provided earlier during participation to assess if these sets of personal data are required (eg to ensure accurate matches in the central database). In addition, the ICO encouraged the pilot group to assess whether the inclusion of these personal data fields could lead to an increased risk to individuals if there was a [personal data breach](#). Any such risks should be assessed and mitigated as part of the DPIA process.
- 3.28 In relation to the balancing test, the ICO supported the pilot group to consider the sensitivity of the personal data that will be included within the information sharing pilot when weighing it against the purpose and necessity of the processing. This includes assessing whether it will constitute criminal offence data. The ICO has published guidance on [what criminal offence data is](#) under the UK GDPR. Where it does constitute criminal offence data, it will need to be processed lawfully as per section 3.21 of this report. The participating banks will also need to ensure that individuals are provided with appropriate [transparency](#) messaging and that their [right to be informed](#) is provided for where required. This will help to inform the pilot group's assessment of whether this type of peer-to-peer data sharing will be within the individual's reasonable expectations as part of the assessment's balancing test.
- 3.29 During this work the ICO stated that, for any processing to be [lawful](#) under the UK GDPR personal data must not be used in a way that is unlawful in a general sense. For example, it must not be processed in a way that is in contravention of any other statute or common law obligations, whether criminal or civil. During Sandbox participation, the pilot group informed the ICO that the participating banks owe a general 'duty of confidentiality' to their customers (subject to certain exemptions). This is established by the 'Tournier requirements' (originally set out in the Court of Appeal's judgment in *Tournier v National Provincial and Union Bank of England* [1924] 1 KB 461). However, the pilot group also informed the ICO that it considers that it can rely on a specific exemption from these requirements which means that the information sharing pilot will not be in breach of the duty of confidentiality where personal data is shared to detect or prevent economic crime.

- 3.30 At the time, the pilot group also stated that, once it receives Royal Assent, the Economic Crime and Corporate Transparency Bill (ECCTB) will (in certain circumstances) remove the duty of confidentiality owed by a bank to its customers when it shares information for the purposes of preventing and detecting economic crime.
- 3.31 The Tournier requirements and the ECCTB (now the Economic Crime and Corporate Transparency Act 2023) do not fall under the remit of the ICO. However, the pilot group confirmed that it would ensure that the information sharing pilot will not be in contravention of other laws that would result in it not being lawful under the UK GDPR – for example, the 'duty of confidentiality' owed by the participating banks to their customers.

Data protection impact assessment

- 3.32 During Sandbox participation the pilot group completed a draft [DPIA](#) for the ICO to provide feedback on. A DPIA must be carried out by a controller when the processing of personal data is 'likely to result in a high risk to the rights and freedoms of natural persons'. The ICO's feedback was intended to be iterative and high-level, to help the pilot group further develop its assessment. It was not intended to provide the ICO's opinion on the wider compliance of the information sharing pilot with the UK GDPR. The participating banks intend to use the pilot group's assessment to inform any of their own individual assessments. The pilot group informed the ICO that any required assessments will be in place prior to the commencement of the information sharing pilot.
- 3.33 The pilot group's assessment identified and sought to mitigate a number of potential risks related to the information sharing pilot's processing of personal data. These include (but are not limited to):
- the information sharing pilot being used as a type of 'blocklist' where the participating banks make decisions in relation to financial crime risk solely due to a customer's presence in the central database;
 - the impacts on the rights and freedoms of individuals if they are incorrectly added to the central database, the central database is not appropriately updated when an individual's status changes, or personal data is retained for too long;

- vulnerable customers, who are more susceptible to harm, being unwittingly involved in financial crime and as a result are inadvertently included in the information sharing pilot;
- the personal data of individuals in the central database being compromised by a personal data breach; and
- the incorrect matching of customers to records in the central database due to inaccurate personal data.

- 3.34 The ICO supported the pilot group in conducting an assessment of the risks identified within its assessment. This included the further development of a risk matrix, which detailed how the severity of the risks were scored, in order to help the pilot group apply a logical methodology as part of an objective assessment of risk.
- 3.35 The ICO also helped the pilot group refine its assessment to help ensure that the exact risks and their resulting impacts are articulated as clearly as possible. This, in turn, should help the pilot group ensure that any risk mitigations described in the assessment will be a targeted and proportionate response designed to lessen the impact of those risks. The ICO acknowledges that the participating banks will implement their own assessments where and when required.
- 3.36 The ICO encouraged the pilot group to ensure that the assessment demonstrates how the information sharing pilot will comply with certain [principles](#) of the UK GDPR. For example, and in relation to the purpose limitation principle, the ICO encouraged the pilot group to include within its assessment the various processes that will be put in place to prevent 'function creep'. The ICO also suggested that additional information be included on how accuracy standards will be measured, and what methodology and processes will be used to ensure those standards are achieved and maintained. The ICO provided additional guidance in relation to the [storage limitation](#) and [security](#) principles.
- 3.37 The ICO recommended that the pilot group's assessment should go further in describing how individual rights will appropriately be provided for, such as through the privacy notices provided by the participating banks to their customers. The ICO stated that the assessment should also include detail related to any processes that will be put in place to ensure a consistency of transparency messaging across the various participating banks' privacy notices. In addition, the assessment described how [right of access](#) requests will be handled. However, it should also make clear

how other requests to exercise individual rights will be handled, noting that the use of any applicable [exemptions](#) must be assessed on a case-by-case basis.

- 3.38 [Children](#) require specific protection when their personal data is processed and they may be less aware of the risks involved. As a result, the ICO recommended that the assessment includes the procedures that will be used to establish if, and when, participating banks will include children within the information sharing pilot. It should also identify, assess and mitigate any specific risks to children that arise as a result of the information sharing pilot. The pilot group has since determined that it will not be necessary or proportionate to include children (under 18 years of age) in the information sharing pilot.
- 3.39 The ICO acknowledges that the participating banks will implement their own assessments where and when required. However, this Sandbox work will help to inform those assessments where the participating banks seek to identify and mitigate the risks to individuals within the scope of the information sharing pilot.

4. Ending statement

- 4.1 Throughout its Sandbox participation the pilot group stated that the information sharing pilot has been designed in response to the severe, high-profile impact of financial crime on the UK economy. During Sandbox participation the ICO and the pilot group maintained a positive and proactive working relationship. This has helped the pilot group assess how it will seek to comply with the requirements of the UK GDPR, whilst also intending to address and mitigate key economic challenges.
- 4.2 Following the completion of its Sandbox participation, the pilot group stated that "The industry has welcomed the engagement with the regulator to provide clarity and greater confidence on what information can be shared under UK GDPR to combat financial crime. It is an important development that it is better understood that not only can data be shared to prevent fraud, but also to prevent financial crime. The pilot steering group and participating banks have benefitted from the support and advice from the ICO. The ICO has been open and accessible throughout the sandbox engagement, and the advice and support has been much appreciated."

- 4.3 By engaging with the Sandbox, the pilot group has had the opportunity to utilise wider ICO expertise as it explores key data protection requirements. It has considered how the participating banks' data protection roles and responsibilities will be assigned, and whether their processing of personal data will be lawful under Article 6 of the UK GDPR. It has also sought to assess whether the personal data included in the information sharing pilot will meet the requirements of the data minimisation principle. The ICO and the pilot group also worked together to focus on some of the risks identified by the pilot group. The pilot group has sought to assess them and mitigate the impact on individuals presented by processing their personal data in a complex data sharing ecosystem.
- 4.4 The ICO believes that this Sandbox project further illustrates its role as a trusted information rights regulator and that seeking to comply with UK data protection legislation is not a barrier to innovation. It also further underlines the Sandbox's intention to work with projects deemed to be in the public benefit, and the ICO's commitment to its objectives to 'Safeguard and empower people' and 'Empower responsible innovation and sustainable economic growth' from its [ICO25 strategic plan](#).