

# TransUnion International UK Limited & Callcredit Marketing Limited

## Data protection audit report Executive Summary

Onsite audit: November 2018

Published: October 2020

**ico.**

Information Commissioner's Office

- 1.1 The Information Commissioner is responsible for enforcing and promoting compliance with the General Data Protection Regulation (GDPR), the Data Protection Act 2018 (DPA18) and other data protection legislation. Section 146 of the DPA18 provides the Information Commissioner's Office (ICO) with the power to conduct compulsory audits through the issue of assessment notices.
- 1.2 The TransUnion group of companies obtains, processes and shares personal data in service of its business products as both a data controller and data processor. TransUnion International UK Limited operates as a credit reference agency (CRA), and Callcredit Marketing Limited is a provider of marketing services.
- 1.3 As a result of data protection concerns raised in other data broker investigations, the Information Commissioner issued an assessment notice to TransUnion in July 2018 concerning the processing of data for the following purposes:
  - direct marketing,
  - lead generation,
  - data broking,
  - personal data pooling, enhancing, enriching, matching, appending, profiling, screening, licensing or selling for any of the above purposes
- 1.4 The audit field work was undertaken at the TransUnion office at One Park Lane, Leeds, LS3 1EP between 13 and 15 November 2018.

## 2. Scope of the audit

2.1 As per the assessment notice, this audit focuses on TransUnion International UK Limited and Callcredit Marketing Limited's processing for the purpose of direct marketing and addressed the following data protection risk areas:

- Fairness and transparency
- Lawful basis for processing
- Data protection by design and default
- Creation, maintenance and accuracy of records
- Managing data supply, data enrichment and licensing
- Data subject rights (not including subject access requests)
- Compliance and assurance

2.2 The services in the scope of this audit are characterised as data broking for direct marketing purposes. The ICO has adopted the following definition of data broking:

“data broking” refers to the practice of obtaining information about individuals and trading, including by licensing, this information or information derived from it as products or services to other organisations or individuals. Information about individuals is often aggregated from multiple sources, or otherwise enhanced, to build individual profiles.’

2.3 TransUnion collected personal data from the Open Register and publicly available data. TransUnion used the data to build datasets added more detail to a small number of clients' existing customer or potential customer lists, but did not provide individuals' information for prospecting (save for the provision of the Open Register). Data was licensed for postal marketing only.

Credit reference data was used for limited purposes for a handful of clients in order to remove previous addresses from marketing lists and to screen out individuals from clients' marketing campaigns based on elements of their credit reference files which might indicate affordability concerns.

TransUnion also used personal data to create aggregated and anonymous profiling models which could be applied at postcode level, which it licensed to a handful of clients to assist with their marketing.

### 3. Audit Approach

- 3.1 The audit was conducted following the Information Commissioner's data protection audit methodology. The key elements of this are a desk-based review of selected policies and procedures, on-site visits including interviews with selected staff, and an inspection of selected records.
- 3.2 The purpose of the audit was to provide the Information Commissioner with an assurance of the extent to which TransUnion International UK Limited and Callcredit Marketing Limited, within the scope of this audit, were complying with the GDPR and DPA18.
- 3.3 The ICO's intention, at the start of the audit process, was to follow our established procedure of making recommendations to address identified weakness and seek a management response.
- 3.4 However, as we compiled the report and considered the evidence supplied concerning TransUnion's marketing activities, we were concerned about significant failures to comply with key aspects of the data protection legislation, such that it would not be appropriate to merely issue recommendations that TransUnion International UK Limited and Callcredit Marketing Limited adjusts their processing.
- 3.5 Accordingly, a Preliminary Enforcement Notice was issued to TransUnion in April 2019. A preliminary enforcement notice outlines to an controller that the Commissioner is minded to issue an enforcement notice in respect of her concerns, and sets out the action she intends to require of them. The controller is invited to make representations to the Commissioner on the contents of the notice and proposed remedial actions before a final decision is made on serving the notice. On the basis of TransUnion's representations, TransUnion's actions to resolve identified issues and subsequent substantial discussions, a revised Draft Enforcement Notice was issued to TransUnion in April 2020.
- 3.6 Following the service of the Preliminary and Draft Enforcement Notices, TransUnion International UK Limited and Callcredit Marketing Limited resolved all of the Commissioner's concerns, in part by terminating much of their data broking for marketing purposes. Although TransUnion has changed the nature of their processing, their position is and always has been that they do not accept that they were in breach of data protection legislation.
- 3.7 The summary of key areas for improvement and of good practice given below are those areas that we identified at the time of the audit in 2018. In each case, those concerns have been resolved since 2018.

## 4. Summary of audit findings

### Areas for improvement

TransUnion International UK Limited and Callcredit Marketing Limited failed to provide sufficient transparency information to a large number of data subjects whose data was gathered into their marketing services. Although this was mitigated by prospecting solely from the Open Register, and attempting to have clients notify data subjects from where they sourced the data, the existing mechanisms for providing privacy information were insufficient to meet TransUnion's obligations under the transparency, fairness and lawfulness principle or Article 14.

[The Commissioner is satisfied that this has now been rectified, by the termination of all processing that would require notification]

TransUnion International UK Limited and Callcredit Marketing Limited used credit bureau-derived personal data for limited direct marketing purposes. Credit data was not sold in bulk for these purposes, but was used to verify that address details were correct, to screen individuals out of marketing if their data suggested they might struggle to afford the product or service, and to build anonymised geodemographic models. This was against the reasonable expectations of individuals and in breach of the transparency, fairness and lawfulness principle.

[The Commissioner is satisfied that this has now been rectified, by the termination of the processing in question]

TransUnion provided legitimate interest assessments as evidence of their lawful basis for processing. However, the Commissioner considered that these assessments were not persuasive in their objectivity.

[The Commissioner is satisfied that this has now been rectified, by the termination of some parts of the processing and the improvement of the remaining legitimate interests assessments]

### Areas of good practice

TransUnion evidenced a GDPR-readiness programme that, whilst having not addressed the matters noted above, did improve the previous processing operations.

In addition the governance framework within TransUnion was generally mature and well-established.