

DATA PROTECTION ACT 1998

SUPERVISORY POWERS OF THE INFORMATION COMMISSIONER

MONETARY PENALTY NOTICE

To: PRS Media Limited trading as Purus Digital

Of: Philbeach House, Dale, Havefordwest, Dyfed, Wales, SA62 3QU

1. The Information Commissioner ("Commissioner") has decided to issue PRS Media Limited trading as Purus Digital ("the Company") with a monetary penalty under section 55A of the Data Protection Act 1998 ("DPA"). The penalty is in relation to a serious contravention of Regulation 22 of the Privacy and Electronic Communications (EC Directive) Regulations 2003 ("PECR").
2. This notice explains the Commissioner's decision.

Legal framework

3. The Company, whose registered office is given above (Companies House registration number: 09187848), is the person stated in this notice to have instigated the transmission of unsolicited communications by means of electronic mail to individual subscribers for the purposes of direct marketing contrary to regulation 22 of PECR.
4. Regulation 22 of PECR states:

- “(1) This regulation applies to the transmission of unsolicited communications by means of electronic mail to individual subscribers.
- (2) Except in the circumstances referred to in paragraph (3), a person shall neither transmit, nor instigate the transmission of, unsolicited communications for the purposes of direct marketing by means of electronic mail unless the recipient of the electronic mail has previously notified the sender that he consents for the time being to such communications being sent by, or at the instigation of, the sender.
- (3) A person may send or instigate the sending of electronic mail for the purposes of direct marketing where—
- (a) that person has obtained the contact details of the recipient of that electronic mail in the course of the sale or negotiations for the sale of a product or service to that recipient;
 - (b) the direct marketing is in respect of that person’s similar products and services only; and
 - (c) the recipient has been given a simple means of refusing (free of charge except for the costs of the transmission of the refusal) the use of his contact details for the purposes of such direct marketing, at the time that the details were initially collected, and, where he did not initially refuse the use of the details, at the time of each subsequent communication.
- (4) A subscriber shall not permit his line to be used in contravention of paragraph (2).”

5. Regulation 23 of PECR states:

"A person shall neither transmit, nor instigate the transmission of, a communication for the purposes of direct marketing by means of electronic mail—

(a) where the identity of the person on whose behalf the communication has been sent has been disguised or concealed; or

(b) where a valid address to which the recipient of the communication may send a request that such communications cease has not been provided."

6. Section 11(3) of the DPA defines "direct marketing" as "the communication (by whatever means) of any advertising or marketing material which is directed to particular individuals". This definition also applies for the purposes of PECR (see regulation 2(2)).

7. "Electronic mail" is defined in regulation 2(1) PECR as "any text, voice, sound or image message sent over a public electronic communications network which can be stored in the network or in the recipient's terminal equipment until it is collected by the recipient and includes messages sent using a short message service".

8. Section 55A of the DPA (as amended by the Privacy and Electronic Communications (EC Directive)(Amendment) Regulations 2011 and the Privacy and Electronic Communications (EC Directive) (Amendment) Regulations 2015) states:

"(1) The Commissioner may serve a person with a monetary penalty if the Commissioner is satisfied that –

(a) there has been a serious contravention of the requirements of the Privacy and Electronic Communications (EC Directive) Regulations 2003 by the person, and

(b) subsection (2) or (3) applies.

(2) This subsection applies if the contravention was deliberate.

(3) This subsection applies if the person –

(a) knew or ought to have known that there was a risk that the contravention would occur, but

(b) failed to take reasonable steps to prevent the contravention.”

9. The Commissioner has issued statutory guidance under section 55C (1) of the DPA about the issuing of monetary penalties that has been published on the ICO's website. The Data Protection (Monetary Penalties) (Maximum Penalty and Notices) Regulations 2010 prescribe that the amount of any penalty determined by the Commissioner must not exceed £500,000.
10. PECR implements European legislation (Directive 2002/58/EC) aimed at the protection of the individual's fundamental right to privacy in the electronic communications sector. PECR was amended for the purpose of giving effect to Directive 2009/136/EC which amended and strengthened the 2002 provisions. The Commissioner approaches PECR so as to give effect to the Directives.

Background to the case

11. The Company is an advertising marketing company. It markets services using different forms of media, including by e-mail and text message, directing recipients to websites.

12. Mobile phone users can report the receipt of unsolicited marketing text messages to the GSMA's Spam Reporting Service by forwarding the message to 7726 (spelling out "SPAM"). The GSMA is an organisation that represents the interests of mobile operators worldwide. The Commissioner is provided with access to the data on complaints made to the 7726 service.
13. Between 1 January 2016 and 17 May 2016, 2,628 complaints were made to the 7726 service about the receipt of unsolicited direct marketing text messages sent on behalf of the Company.
14. The Commissioner wrote to the Company, providing details of the complaints made and asking a number of questions about its compliance with PECR. The Commissioner warned the Company that she could issue monetary penalties of up to £500,000 for serious breaches of PECR. The Company was particularly asked to provide evidence that the recipients of the text messages had consented to receiving such marketing from the Company.
15. The Company did not respond and was issued with an Information Notice on 21 July 2016.
16. Following receipt of the Information Notice the Company responded and explained that it was responsible for sending the text messages in question and that the data used had been sourced from its own website.
17. The Company's website, [REDACTED], is a competition and prize draw website. A condition of entry to their competitions includes a compulsory agreement to marketing at the point of sign-up to the

website. This was referred to by the Company together with its terms and conditions and its privacy policy.

18. The privacy policy and terms and conditions presented on the website were generic and unspecific, for example noting that details would be shared with third parties. These were combined with a general list of retail, and other industries, who could be permitted to use any form of marketing to promote their goods and services. At no point is an individual able to express a preference on how they may be contacted.
19. Further questions were raised as a result of the Company's partial responses in August and September 2016, however, no further response has been received.
20. Resultantly, the Commissioner made her own formal enquiries and discovered that PRS Media Limited had sent a total of 4,357,453 text messages between 1 January 2016 and 17 May 2016.
21. The Commissioner's own findings were at odds with the answers provided by the Company in its earlier incomplete response.
22. The Commissioner has made the above findings of fact on the balance of probabilities.
23. The Commissioner has considered whether those facts constitute a contravention of regulation 22 of PECR by the Company and, if so, whether the conditions of section 55A DPA are satisfied.

The contravention

24. The Commissioner finds that the Company has contravened regulation 22 of PECR.
25. The Commissioner finds that the contravention was as follows:
26. Between 1 January 2016 and 17 May 2016, the Company used a public telecommunications service for the purposes of instigating the transmission of 4,357,453 unsolicited communications by means of electronic mail to individual subscribers for the purposes of direct marketing contrary to regulation 22 of PECR.
27. As the instigator of the text messages, it was the responsibility of the Company to ensure that sufficient consent had been acquired.
28. Regulation 22(2) requires that the recipient of the electronic mail has notified the sender that he consents to messages being sent by, or at the instigation of, that sender.
29. Consent must be freely given, specific and informed, and involve a positive indication signifying the individual's agreement. Individuals were required to agree to marketing when signing up to the website. In addition, informing individuals that their details will be shared with unspecified third parties, is neither freely given nor specific and does not amount to a positive indication of consent.
30. In this case the Commissioner is satisfied that the Company did not have the consent of 4,357,453 subscribers to whom it had instigated the sending of unsolicited direct marketing text messages.

31. The Commissioner is satisfied that the Company was responsible for this contravention.
32. The Commissioner has gone on to consider whether the conditions under section 55A DPA were met.

Seriousness of the contravention

33. The Commissioner is satisfied that the contravention identified above was serious. This is because the Company sent 4,357,453 direct marketing text messages to subscribers without their consent. This resulted in 2,628 complaints being made.
34. The Commissioner is therefore satisfied that condition (a) from section 55A(1) DPA is met.

Deliberate or negligent contraventions

35. The Commissioner has considered whether the contravention identified above was deliberate. In the Commissioner's view, this means that the Company's actions which constituted that contravention were deliberate actions (even if the Company did not actually intend thereby to contravene PECR).
36. The Commissioner considers that in this case the Company did not deliberately contravene regulation 22 of PECR.
37. The Commissioner went on to consider whether the contraventions identified above were negligent. First, she has considered whether the Company knew or ought reasonably to have known that there was a risk that these contraventions would occur. She is satisfied that this

condition is met, given that the Company relied heavily on direct marketing, and the fact that the issue of unsolicited text messages was widely publicised by the media as being a problem.

38. Furthermore, the Commissioner has published detailed guidance for those carrying out direct marketing explaining their legal obligations under PECR. This guidance explains the circumstances under which organisations are able to carry out marketing over the phone, by text, by email, by post, or by fax. In particular it states that individuals must have a genuine choice over whether or not to consent to marketing. Organisations should not coerce or unduly incentivise people to consent, or penalise anyone who refuses. Where consent to marketing is a condition of subscribing to a service, the organisation will have to demonstrate how this indicates that consent was freely given.
39. It is therefore reasonable to suppose that the Company knew or ought reasonably to have known that there was a risk that these contraventions would occur.
40. Second, the Commissioner considered whether the Company failed to take reasonable steps to prevent the contraventions. The deliberate transmission or instigation of the transmission of unsolicited marketing mail by electronic mail without the appropriate consent from subscribers is a failure to take reasonable steps to avoid the contravention. Organisations should take extra care to ensure that the consent is freely given, sufficiently clear and specific if using data to send marketing texts or emails. In this case, the consent to processing relied upon by PRS Media Limited and obtained from data subjects was invalid as it was not freely given, clear or specific. In fact, consent to marketing by any means and by an unrestricted pool of

industries is compulsory for users of the Company's website. It is extremely unlikely that a customer would intend to consent to unlimited future marketing calls or texts from anyone, anywhere.

41. In the circumstances, the Commissioner is satisfied that the Company failed to take reasonable steps to prevent the contraventions in this case.
42. The Commissioner is therefore satisfied that condition (b) from section 55A (1) DPA is met.

The Commissioner's decision to issue a monetary penalty

43. For the reasons explained above, the Commissioner is satisfied that the conditions from section 55A (1) DPA have been met in this case. She is also satisfied that section 55A (3A) and the procedural rights under section 55B have been complied with.
44. The latter has included the issuing of a Notice of Intent dated 13 January 2017, in which the Commissioner set out her preliminary thinking.
45. The Commissioner is accordingly entitled to issue a monetary penalty in this case.
46. The Commissioner has considered whether, in the circumstances, she should exercise her discretion so as to issue a monetary penalty.
47. The Commissioner's underlying objective in imposing a monetary penalty notice is to promote compliance with PECR. The sending of

unsolicited marketing texts is a matter of significant public concern. A monetary penalty in this case should act as a general encouragement towards compliance with the law, or at least as a deterrent against non-compliance, on the part of all persons running businesses currently engaging in these practices. The issuing of a monetary penalty will reinforce the need for businesses to ensure that they are only texting those who consent to receive marketing.

48. For these reasons, the Commissioner has decided to issue a monetary penalty in this case.

The amount of the penalty

49. The Commissioner has taken into account the following **aggravating features** of this case:

- PRS Media Limited failed on two separate occasions to answer requests for information and it required the service of an Information Notice to compel a response.
- The response received from PRS Media Limited to the Information Notice provided unsatisfactory answers to the questions asked and figures provided were at odds with the Commissioners own findings.

50. The Commissioner has also taken into account the fact that PRS Media Limited has contravened regulation 23 of PECR in that it did not identify the person who was sending or instigating direct marketing text messages.

51. Taking into account all of the above, the Commissioner has decided that a penalty in the sum of **£140,000 (one hundred and forty thousand pounds)** is reasonable and proportionate given the

particular facts of the case and the underlying objective in imposing the penalty.

Conclusion

52. The monetary penalty must be paid to the Commissioner's office by BACS transfer or cheque by **26 April 2017** at the latest. The monetary penalty is not kept by the Commissioner but will be paid into the Consolidated Fund which is the Government's general bank account at the Bank of England.
53. If the Commissioner receives full payment of the monetary penalty by **25 April 2017** the Commissioner will reduce the monetary penalty by 20% to **£112,000 (one hundred and twelve thousand pounds)**. However, you should be aware that the early payment discount is not available if you decide to exercise your right of appeal.
54. There is a right of appeal to the First-tier Tribunal (Information Rights) against:
 - (a) the imposition of the monetary penalty
and/or;
 - (b) the amount of the penalty specified in the monetary penalty notice.
55. Any notice of appeal should be received by the Tribunal within 28 days of the date of this monetary penalty notice.
56. Information about appeals is set out in Annex 1.

57. The Commissioner will not take action to enforce a monetary penalty unless:

- the period specified within the notice within which a monetary penalty must be paid has expired and all or any of the monetary penalty has not been paid;
- all relevant appeals against the monetary penalty notice and any variation of it have either been decided or withdrawn; and
- the period for appealing against the monetary penalty and any variation of it has expired.

58. In England, Wales and Northern Ireland, the monetary penalty is recoverable by Order of the County Court or the High Court. In Scotland, the monetary penalty can be enforced in the same manner as an extract registered decree arbitral bearing a warrant for execution issued by the sheriff court of any sheriffdom in Scotland.

Dated the 27th day of March 2017

Signed

Stephen Eckersley
Head of Enforcement
Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

ANNEX 1

SECTION 55 A-E OF THE DATA PROTECTION ACT 1998

RIGHTS OF APPEAL AGAINST DECISIONS OF THE COMMISSIONER

1. Section 48 of the Data Protection Act 1998 gives any person upon whom a monetary penalty notice or variation notice has been served a right of appeal to the First-tier Tribunal (Information Rights) (the 'Tribunal') against the notice.
2. If you decide to appeal and if the Tribunal considers:-
 - a) that the notice against which the appeal is brought is not in accordance with the law; or
 - b) to the extent that the notice involved an exercise of discretion by the Commissioner, that she ought to have exercised her discretion differently,

the Tribunal will allow the appeal or substitute such other decision as could have been made by the Commissioner. In any other case the Tribunal will dismiss the appeal.

3. You may bring an appeal by serving a notice of appeal on the Tribunal at the following address:

GRC & GRP Tribunals
PO Box 9300
Arnhem House
31 Waterloo Way
Leicester
LE1 8DJ

- a) The notice of appeal should be sent so it is received by the Tribunal within 28 days of the date of the notice.

- b) If your notice of appeal is late the Tribunal will not admit it unless the Tribunal has extended the time for complying with this rule.
4. The notice of appeal should state:-
- a) your name and address/name and address of your representative (if any);
 - b) an address where documents may be sent or delivered to you;
 - c) the name and address of the Information Commissioner;
 - d) details of the decision to which the proceedings relate;
 - e) the result that you are seeking;
 - f) the grounds on which you rely;
 - g) you must provide with the notice of appeal a copy of the monetary penalty notice or variation notice;
 - h) if you have exceeded the time limit mentioned above the notice of appeal must include a request for an extension of time and the reason why the notice of appeal was not provided in time.
5. Before deciding whether or not to appeal you may wish to consult your solicitor or another adviser. At the hearing of an appeal a party may conduct his case himself or may be represented by any person whom he may appoint for that purpose.
6. The statutory provisions concerning appeals to the First-tier Tribunal (Information Rights) are contained in sections 48 and 49 of, and Schedule 6 to, the Data Protection Act 1998, and Tribunal Procedure (First-tier Tribunal) (General Regulatory Chamber) Rules 2009 (Statutory Instrument 2009 No. 1976 (L.20)).