

Notes from the speeches made to delegates of the DPOC, 4 March 2

Neil Paterson presentation

Tesco: Customer information

David Smith introduced Neil Paterson who has been at Tesco since August 2007. David described him as the model DPO as he has an extremely good relationship with the ICO.

Neil agreed stating that it was a fair summary of Tesco's relationship with the ICO. Neil understands the pressures and issues the regulator is under. Tesco has a very good working relationship with the ICO and long may it continue. Neil thanked Richard and his team for this conference and said that this time last year he was sat in the crowd listening as a DPO.

Neil had practiced his presentation to his 20 month old son yesterday and it struck him that at such a young age, so many records and data were already held about him. He had already been the victim of the HMRC data breach; he has a passport and a savings account. Neil's wife has a Facebook account and Neil is keen that photos of his son are not uploaded by her on to Facebook but that control has been taken away as friends have put photos of him on there already. His son's toddler group asked for lots of details about his son and Neil questioned this at the time. Neils point is that one is never too young to have an interest in DP and privacy issues.

Tesco is here today to share some practices and ideas that they have around DP and privacy. There are lots of factors influencing where customers shop and if they do not handle personal data properly then people will take their business elsewhere.

Neil gave the delegates an outline of the scale of the Tesco business. The magnitude and diversity still amazes him. Tesco's group sales are £51.8bn with 3,728 stores worldwide in 13 markets and 30million customers shop with them each week. They employ 440,000 people worldwide and are the 3rd largest grocery retailer in the world. Tesco's overall strategy includes Tesco.com, Tesco direct, Tesco Personal Finance and Dobbies garden centres. This size and range of business creates issues and it is important for Neil to know who to contact about various issues and how to get messages to the staff at Tesco. Neil sits within the legal team but recognises as a DPO, the importance of having a good working relationship with other departments such as sales, marketing and customer services.

Neil discussed Tesco's values. They work as one team – the "Tesco Team", and their values underpin everything they do. Neil understands as a DPO, what the different business areas do. He keeps his advice short and to the point, offers solutions and delivers it as quickly as possible. He is seen as a strong resource in the business and is regularly contacted for ideas. He explained that it is important to pick up the telephone and talk to people in the business – when answering their DP queries he focuses on how he would feel as a customer with that use of his personal data. They need to create value for customers to earn their lifetime loyalty.

Understanding their customers is crucial. Tesco talks regularly with their customers through focus groups. Customers have very clear expectations on how they should manage their



information. Neil gets the impression that only a few organisations really think about their customers and their key areas of concern. This affects their brand and reputation. Trust is very important to customers. Customers talk about 3 key requirements:

1. Control – customers expect to have some control over how their information is used by Tesco and they want their preferences respected regarding whether data is passed on to other businesses.
2. Responsibility – Customers expect Tesco to behave responsibly with their information, they want their privacy respected at all times.
3. Benefits - they expect clear benefits for trusting Tesco their personal data.

Neil discussed the “Tesco Way” for managing customer information. Everyone must comply with this. The 3 main elements are:

1. Business ownership – it is crucial that business areas are accountable for customer information and it is not left to legal or IT to sort out DP matters. Business units must be responsible for how personal data is used by them.
2. Principles and standards – required of colleagues who use personal data.
3. Compliance and monitoring of how staff use personal data in relation to the principles and standards.

Tesco did a data review of how personal data is used in terms of these 3 elements. They mapped out how personal data flows around the business. This helped Tesco understand who collects the data, what is collected, where it is stored, who uses it, where is it used, who transfers data internally and externally. The review helped to confirm that how Tesco used personal data is quite good. It helped to check whether procedures were sufficient and robust.

Tesco saw areas for improvement and opportunities to build on an existing governance framework. Data Governance groups and committees were established. Marketing teams have a traffic-control system to determine how much information is given to customers. Existing policies were updated and re-launched and they are monitoring how effective these are. Tesco is reviewing its DP policies together with its access to personal data on their systems. They are focussing on what information is held and what is actually needed.

The review helped to increase awareness of DP in the business. Neil is no longer being contacted at the last minute, he is included in the start of projects and he is not seen as a barrier to what the business wants to do.

Neil explained that the DP review was successful because

1. It had the full backing of the board and Compliance Committee
2. Tesco had the right framework in place with senior managers in the business and senior departments such as legal working with steering committees;
3. The time, budget and resource were put in by the business to make it work; and
4. Deloitte managed the review on Tesco’s behalf – their experience and extra resource were vital to running the review, providing an independent assessment.

Neil discussed the Tesco Clubcard that was introduced in 1995, explaining that it is a voluntary scheme and this gives Tesco a unique advantage. It allows Tesco to understand

the wants and needs of its customers. The Clubcard Customer Charter was introduced in 1997 as they recognised the need to go further than the law requires as customers needed to be able to trust Tesco in terms of what they would and would not do with their personal data. Customers need to trust that Tesco will respect their customers' marketing and research preferences. Neil described Clubcard as almost a business on its own and an excellent example of the Tesco way in managing personal information.

In summary and conclusion, Neil stressed the 3 most important things to take away from his presentation:

1. Control. Customers expect to have some control over what happens to their data.
2. Responsibility. Customers expect organisations to take responsibility for their personal data and act responsibly with it.
3. Benefits. Customers expect organisations to provide clear benefits for providing us with their personal data.

Questions following the presentation:

1. How can Neil achieve all this as well as train Tesco staff as the only DPO in Tesco?

Answer: Neil explained it is important to build relationships and work closely with teams, especially the information security team. You need to have clear messages coming from the top along with accountability. There is a commercial director on the board who is responsible for customer information. Having a framework in place and building on those good relationships is important.

With training he explained that it was important to take a holistic approach to training. He needed to look at key areas of the business, e.g. customer services team who has access to personal data so they have a specialised training package. The customer services desks in stores are provided with bronze, silver then gold training packages as they need this as part of their induction before they are allowed to access customers' personal data. The review was crucial to raising awareness. They also have a staff newsletter called 'The One' in which Neil writes an article to highlight relevant DP issues at that time. For example, the most recent one is on ID theft so the article included details of the need for staff with laptops to have them encrypted.