

Compliance & Risk

Volume 1, Issue 6

November/December 2012

Headlines

- US regulators threaten \$470m fine for Barclays, p.16
- SFO toughens stance on bribery, p.17
- EU women on board quota proposal watered down, p.18

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Mistaken customer funds transfer costs Prudential £50k

The Information Commissioner's Office (ICO) has issued a civil monetary penalty notice for the first time in relation to a matter which does not involve 'significant data loss'.

The data protection regulator has imposed a fine of £50,000 on financial services provider Prudential after a mix-up between the accounts of two customers who shared the same first name, surname and birthdate. Over a period of about three and half years, each of the two customers received financial details about the other. Worse still, after

the accounts had been accidentally merged in 2007, tens of thousands of pounds of one customer's retirement fund ended up being transferred into the other customer's savings account.

In a statement, Stephen Eckersley, head of enforcement at ICO, said: "This case would be considered farcical were it not for the serious sums of money involved."

The ICO, which has only had the power to impose fines for serious breaches of the Data Protection Act (DPA) since April 2010, said it was nonetheless

right to penalise Prudential for how it had dealt with the issue since that date.

The DPA requires organisations to ensure that personal data stored by them is accurate and up-to-date. In this instance, the customers' accounts were consistently confused over a long period and despite Prudential having been alerted several times to the mistake.

The problem was finally resolved in September 2010 and Prudential

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Ryanair's bid to acquire Aer Lingus looks unlikely to fly

Although Ryanair's chief executive Michael O'Leary is confident that the remedies package proposed in connection with the airline's bid to acquire Irish rival Aer Lingus is a persuasive one — he has called it 'radical' and 'unprecedented' — the European Commission (EC) thus far appears to remain unmoved.

The Commission has recently issued a list of objections in relation

to the proposed merger, which is Ryanair's third attempt to buy Aer Lingus, latterly Ireland's dominant airline. O'Leary has stated that the remedies package already offered by Ryanair is sufficiently comprehensive to address all the objections raised by the EC, but according to other sources Ryanair has been told that the remedies proposed fall short of what is required to eliminate competition

concerns on those routes where the merged airline would enjoy a dominant position.

O'Leary claims that up to six airlines have indicated a willingness to operate on routes currently serviced by Ryanair and Aer Lingus and the remedies package is said to include a commitment by at least two 'major EU airlines' to establish a base in

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