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## Differentiation by data

**T**here are significant legal, commercial and reputational risks for organisations in today's highly regulated marketplace in failing to embed core governance disciplines into business practice and corporate culture at all levels – and being perceived by our stakeholders as failing to do so.

But there is also an upside and a proven correlation between investing in governance and winning regulator, customer and market confidence, directly leading to enhanced organisational performance and shareholder value. A reputation for trust and integrity is hard-earned but very easily lost.

At the heart of compliance across all businesses, and in particular the credit sector, is data protection, and this serves to show the importance of taking regulation seriously at the top of any organisation. Accountability lies in the boardroom, not with the compliance department.

A recent survey by the Information Commissioner's Office (ICO) reveals that most organisations are strong advocates of

the Data Protection Act, with 95 per cent saying it is needed and 87 per cent saying the Act improves customers' trust. The ICO has powers to impose substantial fines on organisations that deliberately or recklessly breach the Act.

On the whole we enjoy a balanced data protection regime in the UK – unlike many of our European neighbours. We should not jeopardise this position through reckless or careless handling of personal information.

While we are all credit industry professionals we are also consumers. My test is: what would I expect of



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Good privacy provides a framework of protection to give me the confidence to make informed decisions and lifestyle choices as to how I use my information for my benefit as a consumer; and ensures transparency over the legitimate uses and disclosures of my personal information in respect of my rights, obligations and protection as a citizen. Simple as that – and a good sense check for our businesses.

But the challenge facing executives in today's bottom-line driven environment is to identify the 'hygiene level' of compliance investment within their organisation, below which there are likely to be damaging consequences but above which the payback is limited in terms of risk avoidance or business collateral.

This is where compliance professionals and the business must come together to determine where to set the bar. We have all met the "business prevention officer", but the really good compliance people will help your business and add value to your product and sales teams.