



Department
for Business
Innovation & Skills

PERSONAL DATA

Review of the midata voluntary
programme

JULY 2014

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Summary

After taking a power, through the Enterprise and Regulatory Reform Act, that allows Government to bring forward regulations to make midata compulsory we committed to reviewing progress through the voluntary programme to inform whether we needed to use those powers. The review of progress in the sectors that the powers focus on, energy, personal current accounts, credit cards and mobile phones is now complete.

During the review period encouraging progress has been made. A commitment from the big banks about midata should ease switching in the personal current accounts market. In the energy sector all of the large energy companies now provide access to a data file in a consistent format to their customers and the Secretary of State for Energy and Climate Change, Ed Davey, and Consumer Affairs Minister, Jenny Willott, recently agreed with them and third party intermediaries that they will work together towards providing third parties with automated access to consumer's data in a safe and secure way.

Given this progress we do not think that there is a strong objective case at this time for using our powers under the ERR Act to require companies to release data but we will review the situation in energy again in September and for other sectors in scope at the end of this year.

Protecting consumers' data and generating trust in third party intermediaries will be key to empowering consumers and unlocking more innovation. To help address this the Connected Digital Economy Catapult, funded by the Technology Strategy Board, will work with us, industry and key stakeholders to develop a code of practice for intermediaries for ethical use of personal data that is centred on consumer protection and benefit.

Introduction

The aim of the midata programme is that consumers should have access to the information that companies hold about their transactions in a machine-readable and reusable format. This will make it easier to compare the different offers available. The sectors considered have been energy, personal current accounts, credit cards and mobile phones. These are sectors where consumers have long term, frequent interactions with service suppliers and where it is complicated to compare the cost of those services – this is where having midata is most valuable.

The programme has been a voluntary one since its launch in November 2011. In 2012, we consulted on whether the programme needed legislative backing to require companies to release data and in 2013 gained the powers to do that through the Enterprise and Regulatory Reform Act. The powers cover the four sectors above.

The Consumer Affairs Minister wrote in November 2013 to CEOs launching a review of progress with the voluntary approach. The letters asked what companies were doing to make customers' data available to them and the levels of take-up. The written responses

were followed up with official level meetings with companies, consumer groups and comparison sites.

Personal current accounts and credit cards

Nearly all the companies that responded provide online accounts which allow customers to download pdf statements with archived data held for between several months and 3 years. Most current account providers, but not credit card providers, also provide downloadable data although there is currently no consistency between providers in terms of the fields of data and the length of time that data is archived for. Overall, the numbers of downloads of data reported were a small fraction of the numbers of .pdf statements downloaded. All those that replied were nervous about working with third parties, citing data security concerns.

While switching rates in the credit card sector are quite high (20% annually according to UK Cards Association), current switching rates in personal current accounts are rather low, albeit 600,000 account holders have switched in the six months since the seven day switching process was introduced last September, an increase of 14% compared to the same period a year ago. Part of the reason for the low switching rates in current accounts is likely to be the difficulty of comparison between the personal accounts on offer.

There were two encouraging developments on this just before Budget 2014. At the request of the Secretary of State for Business, Innovation and Skills and the Financial Secretary to the Treasury, the 5 biggest UK banks and the Nationwide Building Society committed to providing their customers with midata downloads in a consistent format by the end of 2014. Also, Martin Lewis, founder of moneysavingexpert.com, also announced that his organisation will work with the major banks and look to develop a comparison tool for consumers to check they are getting the best deal. The format of the downloads has now been agreed and deadline extended to the end of March 2015 to allow the banks sufficient time to implement this.

Energy

The big 6 energy companies and First Utility all now provide midata downloads with a consistent set of fields. The newest energy retailers don't yet have online accounts so can't provide midata at all. Most have been positive about doing so, however.

The companies that have made the effort to provide analytical tools are seeing their customers make significant and increasing usage. Annual midata downloads are a small fraction of this and vary considerably between companies.

Comparison sites do not currently provide a facility to upload energy midata files, limiting their usefulness. Those sites would ideally like automated, secure access to customers' data so that they can provide a very quick and easy process for consumers accurately to compare deals based on their energy usage. In the review, only one company said they were actively considering how to work with third parties using automated access. In the light of this, a ministerial roundtable event was held on 11 June 2014 to discuss how automated access could be implemented. It was agreed that an implementation group of representatives from suppliers, comparison sites, app developers and consumer groups will be set up to report by the middle of September on workable options. The group will take account of work by the Digital Catapult (see below) as well as that on QR (Quick Response) codes on paper bills on which DECC has recently consulted. This will inform the decision on whether the voluntary approach is working or whether legislation is needed.

Mobile phones

Although all of the major telecoms companies provide customers with online accounts and the ability to download .pdf bills, most do not provide the facility to download mobile phone usage data in a machine-readable, reusable format. While this is potentially a barrier to comparing offers, in fact consumer engagement in the market is regarded by consumer groups and comparison sites as quite high. This is usually triggered by the defined end of a contract and driven by a desire for a particular handset. There are already comparison sites that exist that provide automated access to customers' usage records (Billmonitor is an example).

Consumer protection and trust

In response to the concerns about data privacy and protection raised during the ERR Bill debates, the midata programme established four working groups to look at the issues involved. Members were drawn from a wide range of companies as well as comparison sites, consumer groups and the Information Commissioner's Office. Their conclusions were that the existing data protection legislation and related guidance applies to midata transactions just as it does to all other personal data sharing transactions. The potential risk involved could be increased, however, if data from different sources are combined. Their recommendations were:

- to signpost existing Data Protection Act provisions and guidance (see attached document);
- to draw attention to currently available complaint and redress mechanisms for consumers who have a concern over the handling of their personal data (see linked document); and
- for BIS to continue to liaise with industry, regulators and other interested organisations to see what additional measures might be needed to increase the confidence and protection of consumers in dealing with their midata information.

To take this work forward, the Connected Digital Economy Catapult will work with us, industry and key stakeholders to develop a code of practice for intermediaries for ethical use of personal data that is centred on consumer protection and benefit.

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