

# We are more concerned about identity theft than ever before.

Identity theft is the fastest growing form of consumer fraud in the United Kingdom. The consequences for businesses are enormous both in terms of direct costs and potential damage to corporate reputation.

## Identity Theft Facts

- In the UK, identity theft costs consumers, banks, retailers and other businesses £1.2bn a year, equating to £25 per person, according to estimates from the Identity Fraud Steering Committee in October 2008.
- According to the Department for Business, Enterprise & Regulatory Reform (BERR), in their Information Security Breaches Survey 2008, it was revealed that the average total cost of a UK company's worst incident is between £10,000 and £20,000. Results also indicated that the cost increases with the size of the company; for large businesses (more than 250 staff), it is between £90,000 and £170,000, and for very large businesses (more than 500 staff), security breaches cost between £1 million and £2 million.
- In addition, when incidents become known about externally, the survey revealed damage to reputation could cost large businesses between £30,000 and £250,000.
- Shockingly 79% of businesses make no effort to destroy the sensitive material that they throw away or are preparing to recycle.  
<http://www.stop-idfraud.co.uk/corporate-id-fraud.aspx>
- A Populus Poll carried out on behalf of Fellowes showed that 81% of the British public were concerned about becoming a victim of identity theft. The survey also showed that identity theft was of greater concern than other crimes like burglary, mugging and pickpocketing to people in the UK. <http://www.stop-idfraud.co.uk/the-facts.aspx>
- Research from credit reference agency Experian reveals that on average it takes 467 days to discover that you are a victim of identity fraud. By managing your personal information carefully, you can substantially reduce the likelihood of becoming a victim of identity fraud.  
<http://www.stop-idfraud.co.uk/the-facts.aspx>
- According to the Information Commissioner's Office, there has been "a significant increase in the number of data breaches in the past year, with nearly 100 new breaches reported in the last three months (376 at the end of January 2009, compared to 277 at the end of October 2008)."
- In February 2009, leading professional services firm KPMG released its annual Forensic Fraud Barometer, which revealed that in the current economic climate, fraud levels in the UK are at their second highest level in over 20 years.

## Identity Theft Prevention Tips

### In the workplace:

- Understand your company's privacy and document destruction policies:
  - Only collect essential data and obtain consent when you collect data
  - Limit access to sensitive data
  - Encrypt data on networks, laptops and remote access devices
  - Conduct employee background checks
  - Use locks, alarms and video cameras
  - Prepare a strategy to manage a security breach
- Ensure your data is stored in a secure and confidential place and develop a document management system. Protect the information that must be kept and shred information when it's time to dispose of it.
- Shred all sensitive documents and old files:
  - business forms • customer data • letterhead • proprietary information
  - business cards • contact lists • receipts • financial reports

### At home:

- Be careful when giving personal information, especially by telephone or online
- Use a locked mailbox
- Keep your personal documents in a locked box, secure storage area or personal safe
- Carry a minimal amount of personal information in your wallet – it is unlikely you use your passport or social security card regularly
- Take receipts when leaving stores and restaurants
- Destroy envelopes and return address labels
- Check your credit report every year and report problems immediately
- Shred unwanted receipts, cheques, pre-approved credit applications and old tax returns



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# At Shred-it, our business is to ensure that no one knows yours.

## Privacy Legislation

Over the past few years all levels of government have made the protection of privacy legislation a priority.

### ▪ Data Protection Act 1998 (DPA)

The DPA addresses how information is obtained, used and processed. Schedule 1 of the DPA outlines the eight data protection principles. Principle Seven relates directly to document management as it requires that: "Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data."

### ▪ Financial Services Authority Policy (FSA)

The FSA policy provides detailed information regarding how documents are handled. It provides a clear procedure for how documents, sent to the FSA by firms operating in the financial services market, are stored and tracked within the FSA and the length of time they are retained prior to disposal.

### ▪ Law Society guidance

The Law Society guidance on records management and document retention aims to promote good practice by encouraging legal professionals to maintain a high level of service to clients and compliance with the Solicitors' Code of Conduct.

### ▪ Freedom of Information Act 2000

The Freedom of Information Act 2000 deals with access to official information. It provides individuals with the right to request recorded information held by, or on behalf of, public authorities.

### ▪ Basel II Accord

The Basel II Accord seeks to ensure that banks evaluate and measure operational risk setting out rules for assessing risk. These rules are contained throughout the framework and often require that data and/or documents be retained for a specific time frame. Information management is therefore critical to ensure compliance.

### ▪ Waste Electrical & Electronic Equipment ("WEEE")

Directive 2002/96/EC is aimed at preventing the generation of waste from electrical and electronic equipment ("EEE") and encouraging the recovery, reuse and recycling of such equipment. There has been an increased focus on re-using and recycling computer equipment in Europe and the UK. Computer equipment often contains personal information. UK/European entities should be aware that privacy obligations may apply to the disposal of such equipment.

### ▪ EU Directive on Packaging Waste

EU Directive 94/62/EC on packaging and packaging waste focuses on reducing the environmental impact of disposing of packaging waste by requiring Member States to recover more each year. The UK Government, to meet the Directive's targets, imposed 'producer responsibility obligations' on certain businesses that handle packaging. The Producer Responsibility Obligations Regulations 2007 now obligate over 5,500 UK businesses to recover and recycle packaging waste to meet national targets.

## Resources

#### Data Protection Act 1998:

- UK Information Commissioner - <http://www.ico.gov.uk>
- Data Protection Act - [http://www.opsi.gov.uk/acts/acts1998/ukpga\\_19980029\\_en\\_1](http://www.opsi.gov.uk/acts/acts1998/ukpga_19980029_en_1)
- Companies Act 2006 - [http://www.opsi.gov.uk/acts/acts2006/pdf/ukpga\\_20060046\\_en.pdf](http://www.opsi.gov.uk/acts/acts2006/pdf/ukpga_20060046_en.pdf)

#### FSA:

- <http://www.fsa.gov.uk>

#### Law Society:

- <http://www.lawsociety.org.uk/home.law>

#### FOI:

- [www.ico.gov.uk](http://www.ico.gov.uk)
- <http://www.dca.gov.uk/foi/reference/imp/imp/codemanrec.htm>
- [http://www.opsi.gov.uk/Acts/acts2000/ukpga\\_20000036\\_en\\_1](http://www.opsi.gov.uk/Acts/acts2000/ukpga_20000036_en_1)
- <http://www.opsi.gov.uk/si/si2004/20043391.htm>

#### Basel II Accord:

- <http://www.oipc.ab.ca>

#### WEEE:

- [http://ec.europa.eu/environment/waste/weee\\_index.htm](http://ec.europa.eu/environment/waste/weee_index.htm)
- <http://www.environment-agency.gov.uk/business/topics/waste/32084.aspx>
- [http://www.doeni.gov.uk/index/protect\\_the\\_environment/waste/waste\\_electrical\\_electronic\\_equipment.htm](http://www.doeni.gov.uk/index/protect_the_environment/waste/waste_electrical_electronic_equipment.htm)
- [http://www.sepa.org.uk/waste/waste\\_regulation/producer\\_responsibility/weee.aspx](http://www.sepa.org.uk/waste/waste_regulation/producer_responsibility/weee.aspx)

#### EU Directive on Packaging Waste:

- [http://ec.europa.eu/environment/waste/packaging\\_index.htm](http://ec.europa.eu/environment/waste/packaging_index.htm)
- <http://www.environment-agency.gov.uk/business/topics/waste/32206.aspx>
- [http://www.sepa.org.uk/waste/producer\\_responsibility/packaging.aspx](http://www.sepa.org.uk/waste/producer_responsibility/packaging.aspx)
- [http://www.doeni.gov.uk/index/protect\\_the\\_environment/waste/producer\\_responsibility\\_.htm](http://www.doeni.gov.uk/index/protect_the_environment/waste/producer_responsibility_.htm)



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