



Case study: Investment/Funds

FINANCIAL PLANNER BREACHED CUSTOMER'S PRIVACY RELEASING PERSONAL DATA

Themes: Data breach; attempted cover-up; delayed process; distress and inconvenience award

The privacy of a complainant's personal data was breached by his financial planner causing distress.

In January 2021, Mr W received an email from his financial planner with a pension proposal document, which included personal financial and health information. The sender also included another customer's email address in error, causing a data breach. The other customer noticed the error and immediately contacted the financial planner to advise that he had deleted the email without reading the contents. Mr W remained unaware of the breach.

In May 2021, Mr W was reviewing his financial affairs and noticed the pension proposal email included an additional email address. Mr W also noticed that the email he was sent had tried to be recalled by his financial planner. Mr W queried this with his financial planner who advised that the email recall request was made because changes needed to be made to the pension proposal. Mr W decided to contact the other customer who had been emailed in error and he advised that he had deleted the email immediately, without reading the contents and contacted the financial planner. Mr W complained to his financial planner, alleging that they had attempted to cover up the error and that he had suffered sleepless nights as a result leading to numerous doctor appointments to help with the stress.

Mr W's financial planner notified the local data protection authorities a few days after Mr W's complaint and advised the local financial regulator that it had received a complaint regarding a data breach. Mr W received an apology from his financial planner regarding the breach of his data, but they did not accept Mr W's assertion that they had tried to cover up the error. The financial planner referred Mr W to CIFO.

CIFO investigated and found that the financial planner did know at the time Mr W's data had been breached because of the communication from the other customer who had been copied into the email. CIFO decided that the financial planner should have known what course of action to take when a data breach occurred. CIFO also noted that the financial planner had not been transparent in January 2021 when Mr W queried the incident, which further compounded the error.

CIFO upheld the complaint and concluded that Mr W had suffered undue stress as a result of the error made by his financial planner and suggested compensation of £500 for distress caused. Mr W rejected this proposal and provided CIFO with a letter from his doctor that detailed the level of stress he had suffered as a result of the incident. CIFO reconsidered the compensation value and

issued a final ombudsman decision confirming that the initial recommended compensation of £500 was a fair and reasonable amount considering the circumstances of this case.