

### **DATA PROTECTION ACT 1998**

#### SUPERVISORY POWERS OF THE INFORMATION COMMISSIONER

### **MONETARY PENALTY NOTICE**

To: DialADeal Scotland Ltd

Of: Unit 10, 70 Strathclyde Street, Glasgow, G40 4JR

- The Information Commissioner ("the Commissioner") has decided to issue DialADeal Scotland Ltd ("DialADeal") with a monetary penalty under section 55A of the Data Protection Act 1998 ("DPA 1998"). The penalty is being issued because of serious contraventions of Regulations 21 and 24 of the Privacy and Electronic Communications (EC Directive) Regulations 2003 ("PECR").
- 2. This notice explains the Commissioner's decision.

### **Legal framework**

3. DialADeal, whose registered office is given above (Companies House Registration Number: SC609006), is the organisation stated in this notice to have used a public electronic communications service for the purpose of making unsolicited calls for the purposes of direct marketing contrary to Regulations 21 and 24 of PECR.



- 4. Regulation 21 applies to the making of unsolicited calls for direct marketing purposes. Regulation 21 paragraph (1) of PECR provides that:
  - "(1) A person shall neither use, nor instigate the use of, a public electronic communications service for the purposes of making unsolicited calls for direct marketing purposes where-
  - (a) the called line is that of a subscriber who has previously notified the caller that such calls should not for the time being be made on that line; or
  - (b) the number allocated to a subscriber in respect of the called line is one listed in the register kept under regulation 26."
- 5. Under Regulation 26 of PECR, the Commissioner is required to maintain a register of numbers allocated to subscribers who have notified the Information Commissioner's Office ("ICO") that they do not wish, for the time being, to receive unsolicited calls for direct marketing purposes on those lines. The Telephone Preference Service Limited ("TPS") is a limited company which operates the register on the Commissioner's behalf. Businesses who wish to carry out direct marketing by telephone can subscribe to the TPS for a fee and receive from them monthly a list of numbers on that register.
- 6. In general terms, Regulation 21 paragraph (1)(b) provides that companies cannot make unsolicited calls for direct marketing purposes to telephone numbers on the TPS register, unless the individual associated with the number has given their consent to receive such calls.



- 7. Regulation 21 paragraphs (2), (3), (4) and (5) provide that:
  - "(2) A subscriber shall not permit his line to be used in contravention of paragraph (1).
  - (3) A person shall not be held to have contravened paragraph (1)(b) where the number allocated to the called line has been listed on the register for less than 28 days preceding that on which the call is made.
  - (4) Where a subscriber who has caused a number allocated to a line of his to be listed in the register kept under regulation 26 has notified a caller that he does not, for the time being, object to such calls being made on that line by that caller, such calls may be made by that caller on that line, notwithstanding that the number allocated to that line is listed in the said register.
  - (5) Where a subscriber has given a caller notification pursuant to paragraph (4) in relation to a line of his—
    - (a) the subscriber shall be free to withdraw that notification at any time, and
    - (b) where such notification is withdrawn, the caller shall not make such calls on that line."
- 8. Regulation 21 paragraph (A1) provides that companies making calls for direct marketing purposes must not disguise their identity. Paragraph (A1) states:



"A person shall neither use, nor instigate the use of, a public electronic communications service for the purposes of making calls (whether solicited or unsolicited) for direct marketing purposes except where that person—

- (a) does not prevent presentation of the identity of the calling line on the called line; or
- (b) presents the identity of a line on which he can be contacted."
- 9. Regulation 24 of PECR concerns the information which must be provided when, *inter alia*, a business makes marketing calls which Regulation 21 applies to. Regulation 24 provides, insofar as relevant:
  - "(1) Where a public electronic communications service is used for the transmission of a communication for direct marketing purposes the person using, or instigating the use of, the service shall ensure that the following information is provided with that communication –

...

- (b) in relation to a communication to which regulation 21 or 21A (telephone calls) applies, the particulars mentioned in paragraph (2)(a) and, if the recipient of the call so requests, those mentioned in paragraph (2)(b).
- (2) The particulars referred to in paragraph (1) are -
  - (a) the name of the person;
  - (b) either the address of the person or a telephone number on which he can be reached free of charge."



- 10. Section 122(5) of the Data Protection Act 2018 ("DPA 2018") defines direct marketing as "the communication (by whatever means) of any advertising material which is directed to particular individuals". This definition also applies for the purposes of PECR (see regulation 2(2) PECR and paragraphs 430 & 432(6) to Schedule 19 of the DPA 2018).
- 11. Consent in PECR is now defined, from 29 March 2019, by reference to the concept of consent in Regulation 2016/679 ("the GDPR"): regulation 8(2) of the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019. Article 4(11) of the GDPR sets out the following definition: "'consent' of the data subject means any freely given, specific, informed and unambiguous indication of the data subject's wishes by which he or she, by a statement or by a clear affirmative action, signifies agreement to the processing of personal data relating to him or her".
- 12. "Individual" is defined in regulation 2(1) of PECR as "a living individual and includes an unincorporated body of such individuals".
- 13. A "subscriber" is defined in regulation 2(1) of PECR as "a person who is a party to a contract with a provider of public electronic communications services for the supply of such services".
- 14. Under section 55A(1) of the DPA 1998 (as applied to PECR cases by Schedule 1 to PECR, as variously amended), the Commissioner may serve a person with a monetary penalty notice if the Commissioner is satisfied that
  - "(a) there has been a serious contravention of the requirements of the Privacy and Electronic Communications (EC Directive) Regulations 2003 by the person, and



- (b) subsection (2) or (3) applies.
- (2) This subsection applies if the contravention was deliberate.
- (3) This subsection applies if the person
  - (a) knew or ought to have known that there was a risk that the contravention would occur, but
  - (b) failed to take reasonable steps to prevent the contravention."
- 15. The Data Protection (Monetary Penalties) (Maximum Penalty and Notices) Regulations 2010 prescribe that the amount of any penalty determined by the Commissioner must not exceed £500,000.
- 16. The Commissioner has issued statutory guidance under section 55C(1) of the DPA 1998 about the issuing of monetary penalties that has been published on her website.
- 17. PECR were enacted to protect the individual's fundamental right to privacy in the electronic communications sector. PECR were subsequently amended and strengthened. The Commissioner will interpret PECR in a way which is consistent with the Regulations' overall aim of ensuring high levels of protection for individuals' privacy rights.
- 18. The provisions of the DPA 1998 remain in force for the purposes of PECR notwithstanding the introduction of the DPA 2018: see paragraph 58(1) of Schedule 20 to the DPA 2018.



# **Background to the case**

19.	DialADeal was incorporated on 25 September 2018. The Companies
	House listing records DialADeal as a "business and domestic software
	development" company.

- 20. DialADeal first came to the attention of the Commissioner when complaints about unsolicited direct marketing calls during January 2020 were reported by the TPS as being linked to a particular Calling Line Identifier ("CLI"):
- 21. This CLI was investigated and found to not be in use, which led the Commissioner to conclude that it had been "spoofed", which is to say that the number displayed to the recipient of the call had been disguised. With the co-operation of one of the complainants, the number was traced down via five Communication Service Providers ("CSPs"):

22. From the information provided by \_\_\_\_\_\_, DialADeal was initially believed by the Commissioner to be another CSP in the chain rather than the end-user. As a result, the Commissioner contacted DialADeal on 3 March 2020 to request assistance in tracing the spoofed calls.

- 23. DialADeal responded on 6 March 2020. It advised the Commissioner that it was unable to locate any calls relating to the relevant CLI and was pursuing the matter with the company's CSP,
- 24. A third-party information notice ("3PIN") was served on DialADeal on 10 March 2020 requiring it to disclose the result of its enquiries with . No response to the notice was received from DialADeal



within the allotted 35 days, despite the 3PIN being 'signed for'. An email reminder was sent on 21 April 2020. No reply was received.

there	wing further investigation, the Commissioner determined that was evidence to suggest that DialADeal was in fact the end-user, and not a CSP as previously suspected.
infor	9 April 2020, a 3PIN was sent to requesting responded on 18 May with documentation which disclosed the following:
•	The CLI in question ( ) did relate to their subscriber DialADeal;  did not allocate CLIs to DialADeal, rather  DialADeal and its clients were responsible for entering CLIs on its systems;  One of DialADeal's company directors had made a "SIP Trunking Application" to on 9 August 2019 confirming the trunking service would primarily be used for call centre traffic and "conversational PBX traffic";
	there of Total On 2 inform 2020

also supplied Call Dialler Records ("CDRs") for the period 11 August 2019 to 12 March 2020, for the calls attributable to DialADeal which passed through systems. These were analysed by the Commissioner and the results indicated that there

<sup>2</sup> "PBX" stands for Private Branch Exchange, which is a private telephone network used within a company to enable users to communicate internally and externally.

As part of the application, the director provided details of seven
Internet Protocol ("IP") addresses which would be used to
connect to the trunking service.

<sup>&</sup>lt;sup>1</sup> "SIP Trunking" is a method by which a user can make calls over a data connection.



were 233 separate CLIs associated with calls made by DialADeal, of which 214 were 'valid' and 19 'invalid'.

- 28. From the evidence provided it was apparent that between 11 August 2019 and 12 March 2020 there had been a total of 1,376,255 calls made by DialADeal, with 558,250 of those connecting to subscribers who had been registered with the TPS for not less than 28 days at the time they received the call.
- 29. Of the CLIs attributed to DialADeal, the Commissioner was able to identify that there were 314 complaints made to the TPS and 213 complaints to the ICO between 11 August 2019 and 12 March 2020.
- 30. Furthermore, the complaints which could be attributed to DialADeal suggested that the calls related to non-existent "Green Deal" energy saving schemes, including boiler and window replacement, loft insulation and home improvement grants. The complaints suggested that DialADeal had used several generic and untraceable trading names including, but not limited to, "First Home Improvements", "Green Alliance", "Green Allowance Team", "Green Allowance Scheme", "Green Funding Team", "A1 Energysave", "Boiler Funding Solutions", "ECO Green UK", and "Home Advice Group."
- 31. The following are examples of the complaints received about such calls by the TPS and the Commissioner:
  - "Man named knew my name and said he was from the green allowance team and they are in our area at the moment and we may be eligible for money off home improvements under the green allowance scheme (sic)."
  - "Said they were a government department giving grants for insulation etc under the Government Green Deal (sic)."



- "They said they were from Home Advice Unit and that they were calling all the houses in the KY area to see if they were eligible for some home improvements after the recent bad weather (of which we have had none, incidentally). She asked me to confirm that I still lived at my address and I asked how she had my details. She said they were on a screen in front of her, but didn't know how they had been obtained. I asked her not to call again and hung up (sic)."
- "Government funding for home energy. At this point I informed the caller that I was registered with TPS and they claimed they asked if I had updated TPS as it now has to be done annually. I then terminated the call and checked TPS is still valid on TPS website which it is (sic)."
- 32. On 4 June 2020, the Commissioner applied to Companies House for disclosure of the home addresses of the two directors of DialADeal.
- 33. On 8 October 2020, the Commissioner sent an initial investigation letter to the two directors at their home addresses, setting out her concerns about the organisation's compliance with PECR, attaching details of all complaints, and requesting information about its business and marketing activities which would assist in her investigation.
- 34. The Commissioner received confirmation that the letter to one of the directors was delivered and signed for. No such confirmation was received in relation to the second director. No reply was received to either letter.
- 35. On 22 October 2020, Information Notices were sent to both directors at their home addresses, and to the company at its registered address



requesting information to assist with the Commissioner's investigation. All three Notices were delivered and signed for on 23 October 2020.

- 36. On 25 November 2020, Calum Kirkpatrick replied on behalf of both directors to advise that DialADeal had ceased trading.
- 37. Following the earlier disclosure by of the IP addresses associated with DialADeal, a 3PIN was served by the Commissioner on on 1 December 2020 requesting the subscriber's identity.
- 38. The Commissioner sent a further email to the directors on 2 December 2020, reminding them of their obligation to respond to the Information Notices, regardless of the current status of the company, and warning them of the consequences of failing to comply.
- 39. In response, on 9 December 2020, Calum Kirkpatrick sent an email on behalf of both directors stating DialADeal was not responsible for initiating any of the calls detailed in the Information Notice. He added that DialADeal:
  - did not own or use any telephone numbers or CLIs;
  - did not use data to promote its business;
  - did not and had not made any unsolicited marketing calls and therefore did not require the use of TPS screening;
  - did not market itself;
  - did not possess marketing lists;
  - did not conduct any kind of marketing campaigns;
  - had no staff to train;
  - was not responsible for any complaints and was therefore unable to comment on them;
  - was happy to cooperate and answer further questions.



- 40. On 17 December 2020, in response to the Commissioner's 3PIN of 1
  December 2020, confirmed that the subscriber using six of
  the IP addresses on 9 August 2019 was Calum Kirkpatrick, a company
  director for DialADeal, who provided an email address

  In relation to the seventh IP address, no
  server under the IP address was active on the 09 August 2019.
- 41. The Commissioner's investigation was concluded at this point.
- 42. The Commissioner has made the above findings of fact on the balance of probabilities.
- 43. The Commissioner has considered whether those facts constitute a contravention of Regulations 21 and 24 of PECR by DialADeal and, if so, whether the conditions of section 55A DPA are satisfied.

### The contravention

- 44. The Commissioner finds that DialADeal contravened Regulations 21 and 24 of PECR.
- 45. The Commissioner finds that the contraventions were as follows:
- 46. Between 11 August 2019 and 12 March 2020, DialADeal used a public telecommunications service for the purposes of making 558,250 unsolicited calls for direct marketing purposes to subscribers where the number allocated to the subscriber in respect of the called line was a number listed on the register of numbers kept by the Commissioner in accordance with regulation 26, contrary to regulation 21(1)(b) of PECR.



This resulted in 527 complaints being made to the TPS and the Commissioner.

- 47. The Commissioner is also satisfied for the purposes of regulation 21 that these 558,250 unsolicited direct marketing calls were made to subscribers who had registered with the TPS at least 28 days prior to receiving the calls, and they had not given their prior consent to DialADeal to receive calls.
- 48. Further, DialADeal failed, as required by regulation 24 of PECR, to provide the recipient of the calls with the particulars specified at regulation 24(2) of PECR. Rather, DialADeal used various generic trading names (including "First Home Improvements", "Green Alliance", "Green Allowance Team", "Green Allowance Scheme", "Green Funding Team", "A1 Energysave", "Boiler Funding Solutions", "ECO Green UK", and "Home Advice Group") and/or did not identify itself.
- 49. When engaging in its direct marketing calls, DialADeal used not only a range of 214 valid CLIs, but also used 19 invalid presentation CLIs on which the recipients of the calls could not contact DialADeal. For these reasons, the Commissioner is concerned about DialADeal's compliance with Regulation 21(A1) of PECR but has not sought to take specific enforcement action against it for this breach in this instance.
- 50. The Commissioner notes DialADeal's submissions towards the end of the Commissioner's investigation that it did not engage in any such direct marketing, however these claims are not borne out by the evidence provided by DialADeal's CSP.



51. The Commissioner has gone on to consider whether the conditions under section 55A DPA are met.

## Seriousness of the contravention

- 52. The Commissioner is satisfied that the contravention identified above was serious. This is because there have been multiple breaches of Regulations 21 and 24 by DialADeal arising from the organisation's activities over a seven-month period, and this led to 558,250 unsolicited direct marketing calls being made to subscribers who were registered with the TPS and who had not provided valid consent. The Commissioner is further satisfied that there were a total of 527 complaints between 11 August 2019 and 12 March 2020 for which DialADeal was culpable.
- 53. Furthermore, DialADeal used presentation CLIs to prevent call recipients from contacting it. It also failed to identify itself on the calls and/or provided false generic company names.
- 54. Many of the calls in question were simultaneously in breach of various PECR requirements.
- 55. The Commissioner is therefore satisfied that condition (a) from section 55A (1) DPA is met.

#### **Deliberate or negligent contraventions**

56. The Commissioner has considered whether the contravention identified above was deliberate or negligent.



- 57. The Commissioner considers that in this case DialADeal did deliberately contravene regulations 21 and 24 of PECR. When reaching this finding she has given consideration to the following facts:
  - a. It engaged in the direct marketing of 'Government' green schemes which do not appear to exist;
  - b. There has been a high level of complaints;
  - c. There is evidence that DialADeal used generic and untraceable names during its calls, in addition to the use of 'spoofed' CLIs contrary to regulation 21(A1) PECR;
  - d. The Company is not registered with the TPS and offered no evidence that it screened its calls against the TPS register;
  - e. The company appears to have no internet presence which further hinders recipients of its calls from being able to contact it.
- 58. Further and in the alternative, the Commissioner has gone on to consider whether the contravention identified above was negligent.

  This consideration comprises two elements:
- 59. Firstly, she has considered whether DialADeal knew or ought reasonably to have known that there was a risk that this contravention would occur. She is satisfied that this condition is met.
- 60. The Commissioner has published detailed guidance for companies carrying out marketing explaining their legal requirements under PECR. This guidance explains the circumstances under which organisations are able to carry out marketing over the phone, by text, by email, by post or by fax. Specifically, it states that live calls must not be made to any subscriber registered with the TPS, unless the subscriber has specifically consented to receive calls. The Commissioner has also published detailed guidance on consent under the GDPR. In case



organisations remain unclear on their obligations, the ICO operates a telephone helpline. ICO communications about previous enforcement action where businesses have not complied with PECR are also readily available.

- 61. Standard practice of the TPS is to contact the organisation making the calls on each occasion a complaint is made. It is therefore reasonable to believe that DialADeal would have received a notification from the TPS for each of the complaints being made in this case. That there were 314 complaints made to the TPS alone over the period of the contravention should have made DialADeal aware of the risk that such contraventions may occur and were indeed occurring.
- 62. It is reasonable to suppose that DialADeal should have been aware of its responsibilities in this area.
- 63. Secondly, the Commissioner has gone on to consider whether

  DialADeal failed to take reasonable steps to prevent the contravention.

  Again, she is satisfied that this condition is met.
- 64. Reasonable steps in these circumstances may have included ensuring that it was only calling individuals for whom it had valid consent, or who were not registered with the TPS. To the contrary, DialADeal's minimal engagement with the Commissioner suggests that it gave no regard to the privacy of those individuals whom it sought to contact.
- 65. Given the volume of calls and complaints, it is clear that DialADeal failed to take any reasonable steps to prevent a contravention in this instance.
- 66. The Commissioner is therefore satisfied that condition (b) from section 55A (1) DPA is met.



## The Commissioner's decision to issue a monetary penalty

- 67. The Commissioner has taken into account the following **aggravating features** of this case:
  - DialADeal failed to co-operate with the Commissioner's investigation;
  - The actions of DialADeal were carried out to generate business and to increase profits, gaining an unfair advantage on those businesses complying with the PECR.
- 68. For the reasons explained above, the Commissioner is satisfied that the conditions from section 55A (1) DPA have been met in this case. She is also satisfied that the procedural rights under section 55B have been complied with.
- 69. The latter has included the issuing of a Notice of Intent, in which the Commissioner set out her preliminary thinking. In reaching her final view, the Commissioner has taken into account the representations made by DialADeal on this matter. Within those representations, DialADeal apologised for "being naïve with this matter in the past", and accepted that it had "made mistakes". DialADeal did not seek in its representations to challenge the Commissioner's substantive findings as outlined in her Notice of Intent.
- 70. The Commissioner is accordingly entitled to issue a monetary penalty in this case.
- 71. The Commissioner has considered whether, in the circumstances, she should exercise her discretion so as to issue a monetary penalty.



- 72. The Commissioner has attempted to consider the likely impact of a monetary penalty on DialADeal. She notes that DialADeal has failed to file any company accounts since its incorporation in September 2018 and its financial status is unknown. DialADeal was invited to provide financial representations, and evidence of financial hardship, in response to the Notice of Intent but failed to do so. The Commissioner considers in the circumstances that a penalty remains the appropriate course of action.
- 73. The Commissioner's underlying objective in imposing a monetary penalty notice is to promote compliance with PECR. The making of unsolicited direct marketing calls is a matter of significant public concern. A monetary penalty in this case should act as a general encouragement towards compliance with the law, or at least as a deterrent against non-compliance, on the part of all persons running businesses currently engaging in these practices. This is an opportunity to reinforce the need for businesses to ensure that they are only telephoning consumers who want to receive these calls.
- 74. For these reasons, the Commissioner has decided to issue a monetary penalty in this case.

### The amount of the penalty

75. Taking into account all of the above, the Commissioner has decided that a penalty in the sum of £150,000 (One hundred and fifty thousand pounds) is reasonable and proportionate given the particular facts of the case and the underlying objective in imposing the penalty.



## **Conclusion**

- 76. The monetary penalty must be paid to the Commissioner's office by BACS transfer or cheque by **24 September 2021** at the latest. The monetary penalty is not kept by the Commissioner but will be paid into the Consolidated Fund which is the Government's general bank account at the Bank of England.
- 77. If the Commissioner receives full payment of the monetary penalty by 23 September 2021 the Commissioner will reduce the monetary penalty by 20% to £120,000 (one hundred and twenty thousand pounds). However, you should be aware that the early payment discount is not available if you decide to exercise your right of appeal.
- 78. There is a right of appeal to the First-tier Tribunal (Information Rights) against:
  - (a) the imposition of the monetary penalty and/or;
  - (b) the amount of the penalty specified in the monetary penalty notice.
- 79. Any notice of appeal should be received by the Tribunal within 28 days of the date of this monetary penalty notice.
- 80. Information about appeals is set out in Annex 1.
- 81. The Commissioner will not take action to enforce a monetary penalty unless:



- the period specified within the notice within which a monetary penalty must be paid has expired and all or any of the monetary penalty has not been paid;
- all relevant appeals against the monetary penalty notice and any variation of it have either been decided or withdrawn; and
- the period for appealing against the monetary penalty and any variation of it has expired.
- 82. In England, Wales and Northern Ireland, the monetary penalty is recoverable by Order of the County Court or the High Court. In Scotland, the monetary penalty can be enforced in the same manner as an extract registered decree arbitral bearing a warrant for execution issued by the sheriff court of any sheriffdom in Scotland.

Dated the 24th day of August 2021.

Andy Curry
Head of Investigations
Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF



#### **ANNEX 1**

#### **SECTION 55 A-E OF THE DATA PROTECTION ACT 1998**

### RIGHTS OF APPEAL AGAINST DECISIONS OF THE COMMISSIONER

- 1. Section 55B(5) of the Data Protection Act 1998 gives any person upon whom a monetary penalty notice has been served a right of appeal to the First-tier Tribunal (Information Rights) (the 'Tribunal') against the notice.
- 2. If you decide to appeal and if the Tribunal considers:
  - a) that the notice against which the appeal is brought is not in accordance with the law; or
  - b) to the extent that the notice involved an exercise of discretion by the Commissioner, that she ought to have exercised her discretion differently,

the Tribunal will allow the appeal or substitute such other decision as could have been made by the Commissioner. In any other case the Tribunal will dismiss the appeal.

3. You may bring an appeal by serving a notice of appeal on the Tribunal at the following address:

General Regulatory Chamber HM Courts & Tribunals Service PO Box 9300 Leicester LE1 8DJ



Telephone: 0203 936 8963 Email: grc@justice.gov.uk

- a) The notice of appeal should be sent so it is received by the Tribunal within 28 days of the date of the notice.
- b) If your notice of appeal is late the Tribunal will not admit it unless the Tribunal has extended the time for complying with this rule.
- 4. The notice of appeal should state:
  - a) your name and address/name and address of your representative (if any);
  - b) an address where documents may be sent or delivered to you;
  - c) the name and address of the Information Commissioner;
  - d) details of the decision to which the proceedings relate;
  - e) the result that you are seeking;
  - f) the grounds on which you rely;
  - g) you must provide with the notice of appeal a copy of the monetary penalty notice or variation notice;
  - h) if you have exceeded the time limit mentioned above the notice of appeal must include a request for an extension of time



and the reason why the notice of appeal was not provided in time.

- 5. Before deciding whether or not to appeal you may wish to consult your solicitor or another adviser. At the hearing of an appeal a party may conduct his case himself or may be represented by any person whom he may appoint for that purpose.
- 6. The statutory provisions concerning appeals to the First-tier Tribunal (Information Rights) are contained in section 55B(5) of, and Schedule 6 to, the Data Protection Act 1998, and Tribunal Procedure (First-tier Tribunal) (General Regulatory Chamber) Rules 2009 (Statutory Instrument 2009 No. 1976 (L.20)).