FOR PRIVACY PROTECTION AND STATE TRANSPARENCY Tatari tn 39 / 10134 Tallinn / 627 4135 / info@aki.ee / www.aki.ee Registration code 70004235 PRELIMINARY WARNING in personal data protection case no. 2.1.-1/23/2963-5 Injunction maker Data Protection Inspectorate lawyer Kirsika Kuutma Time and place of injunction 22.03.2023 in Tallinn Addressee of injunction - personal data processor Krediidiregister OÜ, registry code 12400621 address: Harju county, Tallinn, Kesklinna district, A. Weizenbergi tn 20, 10150 e-mail address: art@krediidiregister.ee Responsible person of the personal data processor Board members RESOLUTION: § 56 subsection 1, subsection 2 point 8, § 58 subsection 1, § 10 subsection 1, subsection 2 point of the Personal Data Protection Act (IKS) 3 and on the basis of Article 58(2)(a), (b) and (f), Article 6(1)(f), Article 14(1) and (2) of the General Regulation on the Protection of Personal Data, I issue a mandatory injunction: Terminate XXX (identity code XXX) by Elisa Teleteenused AS on 30.11. .2007 publication of the payment default in the amount of 182.37 euros (as of 18.01.2023) in the payment default register and delete XXX payment default data. I set the deadline for the execution of the order to be 04/05/2023. Report compliance with the order to the Data Protection Inspectorate by this deadline at the latest. REFERENCE FOR DISPUTES: This order can be challenged within 30 days by submitting either: - an appeal under the Administrative Procedure Act to the Data Protection Inspectorate or - an appeal under the Code of Administrative Procedure to the Administrative Court (in this case, the appeal in the same matter cannot be reviewed). Challenging a precept does not stop the obligation to fulfill it or the implementation of measures necessary for fulfillment. EXECUTION MONEY WARNING: If the injunction has not been complied with by the set deadline, the Data Protection Inspectorate will impose an extortion fee of 25,000 euros on the recipient of the injunction based on § 60 of the Personal Data Protection Act. A fine may be imposed repeatedly - until the injunction is fulfilled. If the recipient does not pay the penalty, it will be forwarded to the bailiff to start enforcement proceedings. In this case, the bailiff's fee and other enforcement costs are added to the enforcement money. MISCONDUCT PUNISHMENT WARNING: Failure to comply with the prescription under Article 58(2) of the Personal Data Protection General Regulation may result in a misdemeanor proceeding based on § 69 of the Personal Data Protection Act. For this act, a natural person may be fined up to EUR 20,000,000, and a legal person may be fined up to EUR 20,000,000 or up to 4 percent of its global annual turnover of the previous financial year, whichever is greater. The out-of-court procedure for a misdemeanor is the Data Protection Inspectorate. FACTUAL CIRCUMSTANCES: On 16.12.2022, the Data Protection Inspectorate XXX (complainant) received a complaint regarding the processing and disclosure of his personal data to third parties in the default register maintained by Krediidiregister OÜ (www.taust.ee). According to the complaint, in the default

register kept by Krediidiregister OÜ (www.taust.ee), data on the debt of Elisa Teleteenused AS paid in 2020 was published, whereas the debt arose in 2007. According to the complainant, he only found out about the debt in 2020, and upon learning about the debt, he paid the debt immediately. The applicant lived for a long time in XXX and the court documents did not reach him earlier. The applicant requested the data processor to remove the non-payment related to him from the register, but the non-payment register continued to publish the debt data. On 13.01.2023, the inspectorate sent an inquiry to Krediidiregister OÜ, in which it explained the requirements for disclosure of personal data and asked additional questions (see appendix). Together with the inquiry of 13.01.2023, the inspection proposed to the data processor to stop publishing the applicant's payment default, if the data processor considers that the processing of the applicant's payment default is not in accordance with IKÜM and asked to inform the inspection and the applicant about this. On 18.01.2023, the data processor responded to the inquiry, but did not stop publishing the applicant's payment default in the payment default register. PERSONAL DATA PROCESSOR EXPLANATION: Krediidiregister OÜ (data processor) did not agree with the objections of the complainant. According to the data processor, it processes the applicant's payment default data in accordance with IKS § 10 and for the legitimate purposes arising from IKS § 10 and IKÜ Article 6(1)(f). From the point of view of the data processor, he has sufficiently checked the correctness of the payment default data, properly informed the applicant about the publication of the payment default and the circumstances of paragraphs 1-2 of Art. 14 of the IKÜM, and sufficiently checked the excessive damage to the applicant. When assessing the applicant's excessive damage, the data processor took into account the truthfulness of the payment default data, the number, size and age of debts, the applicant's credit rating, as well as the fact that the debt obligation is still unpaid. In addition, the fact that there is no information about causing damage to the applicant. In order to assess the excessive damage to the applicant, the data processor used, among other things, a scoring model, which means that the excessive damage was assessed through a change in category, i.e. the basis of the assessment is how much the publication of disputed payment disorders affects the credit rating given to the person. When analyzing the results of the scoring model, the data processor took the position that the publication of payment irregularities does not excessively harm the rights and interests of the data subject. The data processor found that due to the circumstances taken as a basis for checking the excessive damage to the applicant, the publication of payment default data is justified for 5 years from the moment of marking the payment default as resolved (see appendix). GROUNDS FOR THE DATA PROTECTION INSPECTION: Legal basis 1. Pursuant to § 10 (1) of the IKS, the disclosure of personal data related to the violation of a debt relationship to a third

party and the processing of the transmitted data by a third party for the purpose of assessing the creditworthiness of the data subject or for other similar purposes is permitted, and only if the data processor has checked the correctness and legal validity of the transmitted data. basis for the transfer of personal data and has registered the data transfer. 2. Regardless of the above, in accordance with IKS § 10, paragraph 2, it is not permitted to process personal data related to the breach of a debt relationship for the purpose of assessing the creditworthiness of the data subject or for other similar purposes, if: − it is a special type of personal data; − it is data about the commission of an offense or becoming a victim of it before a public court hearing or a decision in the case of an offense or the termination of the case proceedings; − it would excessively harm the rights or freedoms of the data subject; − less than 30 days have passed since the breach of the contract; − more than five years have passed since the end of the breach of obligation 3. When disclosing data to the requesters, the disclosing party may also rely on Article 6(1)(f) of the IKÜM, i.e. legitimate interest, but essentially this requires at least equivalent measures to be taken as the processing of debt data based on Section 10 of the IKS. In addition, it must be taken into account that, based on a legitimate interest, data processing may more likely prove to be excessively harmful to the person and therefore impermissible, to the extent that there are no additional criteria for the disclosure of personal data prescribed by § 10 of the IKS (e.g. regarding the time of publication). By their nature, the weighing of the rights of the affected person against their own business interests on the basis of legitimate interest, as well as the assessment of excessive damage to the rights of the person based on § 10 of the IKS, are similar. 4. The data processor has stated in its explanation that it processes and publishes the debtor's personal data on the basis of § 10 of the IKS with the aim of making them available to companies making credit decisions, and on the basis of the legitimate interest of Article 6 (1) of the IKÜM for the following purposes: - disclosure of information to contractual customers for the purpose of credit assessment (both payment failures and data from public sources); - providing a credit score when the customer orders a service in this regard; - publication of connections between a company and a person and between persons related to the company on the company's profile and publication of connections on the profile of a natural person; - the right to monitor customers of a selected circle. Excessive damage to the data subject 5. Based on the above, both IKS § 10 and IKÜ Article 6 (1) point f) when publishing a person's debt data in the default register and transmitting it to third parties, the damage to the debtor's rights and freedoms must be assessed. The degree of damage to a person's legitimate interests must be assessed, i.e. each time, based on the circumstances of a specific case, it must be considered whether the need to transfer personal data to third parties without the person's consent outweighs

the infringement of the person's rights and interests1. This is also supported by the Data Processor 1 of the Supreme Court, 12.12.2011, arising from paragraph 1 of Article 21 of the IKÜM. a decision in administrative case No. 3-3-1-70-11, p. 21; Decision of the Supreme Court of 14.03.2008 in civil case No. 3-2-1-5-08, p-d 25-26. the obligation to prove the legality of data processing in a situation where the debtor has submitted an objection to the data processor. After submitting an objection, it is the duty of the data processor to reassess the current state of damage to legitimate interests. 6. According to himself, the data processor has checked the veracity of the payment default information, the number of debts, the size of the debt, the age of the debt, and the fact that the debt obligation is still unpaid. OÜ Krediidiregister has also taken into account the fact that it is not known that the publication of a payment default has resulted in any damage. There is also a reference to the evaluation model and the principles of its implementation. A mere list of the circumstances that are checked when publishing debt data and a reference to the assessment model do not provide clarity in this case, why the applicant has come to such a conclusion that his debt data will be disclosed further. 7. Therefore, in the opinion of the Data Protection Inspectorate, the data processor has not sufficiently explained and presented evidence on which, based on the specific characteristics of the breach of the debt relationship (including the creation of the debt relationship) and the general descriptive characteristics of the debtor, and based on which criteria for the necessity of disclosure of debt data, he has come to the conclusion that his justified the interest outweighs the rights of the individual. Especially considering that the data processor had not taken into account in its analysis that the debt obligation had been fulfilled at the time of the objection. At this point, it is important to point out that a contradiction arises in the response of the data processor, because at the beginning of the response, the data processor states that the debt will be paid in 2020. 8. In the opinion of the inspectorate, the following circumstances excessively harm the applicant's rights, which cause the legitimate interest of the data processor not to outweigh the harm to the applicant's rights. It is: 1) a small debt; 2) the debt claim arose more than 10 years ago; 3) with a single debt that does not show a consistent pattern of behavior on the part of the applicant; 4) the planned time for disclosure of debt data (maximum time of 5 years) is not in proportion to the circumstances characterizing the debt and the debtor's behavior. 9. The Inspectorate is of the opinion that the purpose of disclosing the data of the applicant's payment default is not so weighty as to outweigh the long-term infringement of the applicant's rights and freedoms, which is accompanied by the disclosure of an individual debt claim. For all kinds of potential transaction partners, the inclusion of a person's data in the payment default register is a signal not to do transactions with the person or to do them under less favorable conditions compared to people without payment defaults. If a

person does not actually have payment difficulties or constantly arising debts, keeping him in the non-payment register and treating him differently by transaction partners is unjustified and excessively damaging. 10. The longer the period after which personal data is processed, including transmission, the more intensively it infringes the fundamental rights of the data subject, in particular the privacy, and the more compelling must be the need to transmit data to third parties. The data processor has not pointed out any such exceptional circumstances that would confirm the necessity of assessing the creditworthiness of the applicant's data or transferring them to third parties for other similar purposes within a maximum period of 5 years after the payment of the debt relationship. 11. Also, the data processor has not taken into account the person's voluntary debt payment upon learning about the debt immediately, especially considering that the person paid both the main debt (€175.68) and all ancillary claims (almost €400 in total) without disputing the claims. The inspection is of the opinion that there is no basis to treat a person who voluntarily pays a debt claim as equivalent to those who refrain from paying the debt to the end. Therefore, it is not justified to apply the allowed maximum 5-year disclosure period for a one-time debt that arose almost 15 years ago. 12. Failure to evaluate the circumstances characterizing the creditor in the context of the need to publish debt data is also unclear. The data processor has not assessed the creditor's actions before the payment default was disclosed, namely whether the creditor has used all possible legal remedies to collect the debt and whether the debtor was aware of the debt before the debt claim expired and received notifications from the creditor, etc. Disclosing a payment failure cannot be a coercive mechanism for debt payment, but is for the protection of both the person himself and future lenders in order to assess the solvency of the persons. 13. A mere abstract listing of the prerequisites for the publication of payment defaults and the analysis of the data processor's general legitimate interest do not provide an assessment in a specific case of how the need to publish debt data outweighs the encroachment on the rights and interests of the individual. Thus, the mere mention that the debtor has failed to pay the debt, has been in communication with the creditor, as well as the fact that the information about the default is true from the point of view of the data processor, does not constitute consideration. The prerequisites for the publication of payment default must be evaluated in essence, based on the circumstances of the specific case. Objection of the data subject 14. The Data Protection Inspectorate does not agree with the data processor's point of view that one of the prerequisites for the disclosure of payment default can be the debtor's failure to notify how the disclosure of debt data excessively damages his rights and freedoms. The fact that the debtor has not provided information about excessive damage and the person disclosing the payment default does not have information about the damage caused by disclosing the payment

default does not release the data processor from the obligation to assess excessive damage to the legitimate interests of the data subject arising from IKS § 10(2)(3) and IKÜM Article 6(1)(f). The obligation to consider arises on the non-payment register itself every time before it intends to publish or even collect (ICS § 10 (2)) personal debt data. 15. Pursuant to Article 21(1) of the IKÜM, the data subject has the right to object to the processing of personal data concerning him at any time based on his specific situation, and upon receipt of an objection, the controller does not have the right to further process the personal data, unless the controller proves that the processing is effective and lawful for a reason that outweighs the interests, rights and freedoms of the data subject. The data subject also has the right to demand the deletion of his personal data in accordance with IKÜM Article 17(1)(c) and (d). 16. The data subject has the right to contact any controller with a request for data deletion, i.e. both the creditor and the default register. This helps to facilitate the use of the rights granted by Article 17 of the IKÜM and to ensure the individual's right to effective data protection. In the opposite case, the data subject would have to contact each data controller separately, which would make the exercise of rights (deletion of personal data) particularly difficult, which in turn contradicts the idea of IKÜM.2 17. The debtor has repeatedly requested the deletion of his data from the payment default register and objected to the publication of the payment default, stating, that he was not aware of the claim that had arisen, but he paid it immediately after learning of it and indicating that the debt arose a long time ago and does not characterize his current payment behavior and is excessively damaging to his interests. 18. Despite receiving an objection, the data processor continued to publish the debtor's debt data, failing to provide evidence confirming the legality of the disclosure of payment default and failing to assess the extent of damage to the debtor's legitimate interests. In the opinion of the Data Protection Inspectorate, the data processor has thus violated IKÜ Article 21, paragraph 1. obligation of proof. According to Article 21(1) of the IKÜM, verification is a prerequisite for further data processing and disclosure. 19. In addition, the data processor has pointed out in its letter of 18.11.2022 to the debtor that there is no statement of intent from the creditor to erase the payment default. The debtor has replied to the said letter on 12.12.2022, to which he has attached a correspondence with the creditor, in which the creditor indicates that after paying the debt they will stop publishing defaults, but the default register has the right to publish defaults in the closed status on the basis of IKS. The data processor, however, still discloses the payment default. Thus, the statement of the data processor as if the disclosure of payment default depends on the will of the creditor is erroneous. Informing the data subject 20. The information provided in paragraphs 1 and 2 of Article 14 of the GDPR must be provided to the data subject within a reasonable time, but no later than one month after receiving the personal data, or if the

personal data is intended to be disclosed to another recipient, then at the latest during the first publication of the data (Article 14 paragraph 3 of the GDPR). 21. Pursuant to IKÜ Article 14(5)(a) and (b), the data processor may fail to fulfill the duty of active notification to the debtor if the data subject already has this information or providing this information turns out to be impossible or would require disproportionate efforts. Namely, the person disclosing a payment default can fail to inform the debtor about the publication of debt claims if the creditor has already informed the person and provided information about the payment default register and the data protection conditions of this register (IKÜM § 14). If the creditor himself does not notify the debtor, the obligation to notify falls on the non-payment register upon receipt of the debt data.3 Even if the debt is assigned and a new creditor is created, the new creditor, as a new responsible processor who also has its own processing purpose and conditions, must inform the debtor about the new creditor and its data protection conditions . 22. Failure to notify on the grounds that it requires disproportionate efforts on the part of the data processor can be especially in a situation where the data processor does not have the contact details of a specific natural person. For example, if the data processor should collect additional personal data only in order to fulfill the obligation of active notification. 23. The documents submitted by the data processor show that the creditor had the debtor's contact information. The letter sent by the creditor also shows that the creditor has informed the debtor that if the debt is not paid, it will be published on the website ww.taust.ee. Therefore, notifying the debtor of the disclosure of debt information would not entail a disproportionate effort for the non-payment discloser. 24. According to the explanations of the non-payment discloser, he has checked the notification of the debtor's non-payment based on the documents made available by the person entering the non-payment information system, including notifications sent by the creditor through the information system. The data processor presented a letter sent by the creditor, in which the specific debtor is informed that if the debt is not paid, it will be published in the default register. According to the content of the letter, it was a preliminary notification, and the notification that the debt has been published in the non-payment register was not submitted by either the creditor or the non-payment register. The data processor further explained that it informs the debtors about the circumstances of paragraphs 1-2 of Article 14 of the IKÜM through the data processing conditions on the website taust.ee. 25. In the opinion of the Data Protection Inspectorate, the data processor has not fulfilled the notification obligation arising from paragraphs 1 and 2 of Article 14 of the IKÜM. In the correspondence submitted by the creditor, there is an indication that if the debt is not paid, the debt will be disclosed in the default register. 3 The decision of the civil panel of the Supreme Court of 13.03.2019 in civil case No. 2-17-1026, p. 30. the data protection conditions of the data processor are not

attached to the letter, so there is no information about the circumstances of paragraphs 1-2 of Article 14 of the IKÜM. Publishing the said information on your website is not enough to fulfill the notification obligation, the corresponding information must be made available to the debtor together with the notification of the publication of default. The notification must be made to the debtor before the payment default is published. Otherwise, the data processing would not be predictable or transparent for the person (IKÜM art. 12). Summary Taking into account the above, the inspection is of the opinion that in this case the data processor has not fulfilled the requirements arising from IKS § 10 (1) and (2) point 3 and IKÜ Article 6 (1) point f, Article 21 for publishing the debtor's payment default in the payment default register kept by him on the website taust.ee. In addition, the data processor has erred against the basic principles set forth in Article 5(1)(a) of IKÜM - the processing of the applicant's personal data has not been legal, fair or transparent. The data processor has failed to fulfill the obligation to inform the data subject arising from paragraphs 1-2 of IKÜM art. (digitally signed) Kirsika Kuutma lawyer under the authority of the director general