

Power speaker

GDPR: Data protection rising up the agenda for retailers

Mike Butler | Strategic Legal Advisor

With data becoming the lifeblood of retailers, it is imperative that they recognise the changes that are going to be brought about by the forthcoming General Data Protection Regulations (GDPR).

Speaking at the recent K3 Retail 'Make Happy' conference in London Mike Butler, Strategic legal advisor says data protection has leapt up the agenda because of a growing misuse of data through cyber-attacks: "Retailers have customers' personal data – they control it and they have a responsibility for it."

The new regulations come into law on May 25, 2018 and he says they represent a change of focus rather than a paradigm shift. "We are moving to an era where retailers will have to demonstrate their compliance. It is moving from a [current] register-type arrangement to one that requires demonstration."

Among the key changes GDPR will bring about is the way the maximum fine is calculated. At present the ceiling is set at £500,000 but this will be moving to a potential 4% of the global sales of the organisation that has been found guilty. To put this in context Butler says the fines of £1 million that were imposed in the UK would have increased to £69 million under the new rules.

Other changes include: expanding the definition of personal data to also incorporate online identifiers such as cookies; bringing in the 'right to be forgotten' and data portability elements into the legislation; and for retailers to no longer be able to rely on pre-tick boxes to help them navigate around data protection.

On the back of these elements Butler says there are some actions retailers should be taking. Firstly, there is some "low hanging fruit" that can be picked off and this involves: making an assessment as to whether GDPR necessitates the need for the appointment of a Data Protection Officer; putting in place the notification procedures that will be initiated if a breach takes place; and undertaking a review of the data that is held in the company, as well as the privacy notices, the data protection policies, and the internal procedures. The latter point is effectively answering the question of what data does the retailer actually hold.

Butler says there are also some actions that can be undertaken higher up the value chain. These include: initiating a supply chain audit to ascertain the data that is being shared with suppliers; and checking what cyber insurance is in place because lots of policies are of little value.

What he also suggests for all retailers is to use GDPR as a prompt to adopt a different mindset when designing products and services. "Rather than just adding privacy on afterwards it must be embedded at the front-end. This requires a cultural change in organisations," says Butler.

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