

26 January 2010

**MINISTRY OF JUSTICE (MOJ) ELECTORAL REGISTERS  
PROPOSED CHANGES TO THE EDITED REGISTER**

**ABOUT ISBA**

ISBA is the representative body of the British advertisers, whose advertising expenditure funds and makes possible a significant part of the UK's commercial media. Further details on ISBA are available at [www.isba.org.uk](http://www.isba.org.uk)

ISBA considers itself a primary stakeholder in Direct Marketing and, specifically, Direct Mail, working very closely with the Direct Marketing Association (DMA). ISBA represents a large number of the UK's bulk mailers, as well as Royal Mail itself. The Edited version of the Electoral Roll (Edited Register) is used by a number of our members as a database of high integrity, with a very high percentage of robust information, and currently provides marketers with a source of data which is used extensively for database cleaning, thereby ensuring that mailings are effectively targeted and accurately addressed. Larger organisations use the Edited Register to enrich their own comprehensive mailing databases. A number of organisations use aggregated data, which is only as accurate as the most inaccurate data or the 'worst link in the chain'. A major player in interactive marketing services has confirmed that their database would drop in quality by 12% without having access to the Edited Register.

**BACKGROUND & SUMMARY OF ISBA'S POSITION**

On 1 August 2008 Bob Wootton, ISBA's Director of Media and Advertising, wrote to Stephen Carter, then Chief Special Advisor to the Prime Minister, regarding the recommendations made by Richard Thomas, the Information Commissioner, and Dr. Mark Walport, Director of the Wellcome Trust, within the Data Sharing Review, published on 11 July 2008.

We concentrated on Recommendation 19, which stated that the Government should remove the provision allowing the sale of the edited Electoral Register. As ISBA feels that the points raised in this letter are still relevant, we have included it as Appendix 1.

We felt that the first 18 recommendations were of no real surprise, although recommendation 19 was an unexpected addition and, it could be argued, can be considered as a disproportionate response which fell outside the remit of the review.

At the time, the Information Commissioner's Office made it clear that it was not aware of this recommendation, nor did they support it. It was also made clear that prior to any of the recommendations being included in legislation a consultation period would take place.

## **DETRIMENT CAUSED BY CONTINUING TO ALLOW ORGANISATIONS TO PURCHASE THE EDITED VERSION OF THE ELECTORAL ROLL**

We are still unsure of the nature and extent of the detriment caused by allowing organisations to purchase the Edited Register. What was the cost of allowing organisations to continue to purchase the Edited Register?

Richard Thomas's report stated that during his review he encountered calls for more targeted and specific reform with regards the sale of the Edited Register. We would like to know exactly who made these calls – whether it was the privacy lobby or the general public.

**It has been claimed that allowing the sale of the Edited Register should be stopped, based on arguments that information collected for electoral purposes should not be sold for other uses, and in doing so, may deter some people from registering to vote.**

The register offers a database of high integrity, with a very high percentage of robust information, and currently provides direct marketing companies with a source of data which is used extensively for database cleaning and companies compiling directories, thereby ensuring that mailings are effectively targeted and accurately addressed.

**It has been claimed that allowing the sale of the Edited Register may deter some people from registering to vote.**

If the language used on the electoral registration or annual canvass form is confusing, and if people do not realise that the edited register is on public sale, the form needs to be redesigned, to bolster confidence in the registration system and make it clearer to the general public what their options are, as well as explaining the consequences of these options. Members of the public can choose to have their details omitted from the edited register by simply ticking a box on the form. A high proportion of people must be able to understand the form, as 46% of those registered to vote across the UK have opted out, with this figure up to 95% in some Local Authorities. Our members tend to support the notion that, if necessary, these forms could be made clearer to allow voters to tick the box if they don't want to appear on the register.

Figures for the opt-out rate on the Electoral Roll published for 2010 show that one million more consumers have chosen not to allow their name and address to be made available for marketing purposes. Analysis carried out by Callcredit Information Group (CIG) has revealed a record level of opt outs at 46 per cent, up 2 per cent from the 2009 version. This provides further evidence that citizens are becoming more aware of privacy issues and understand how to opt out of appearing on the Electoral Roll.

CIG calculates that 21.2 million UK residents have now withheld their personal data from the Edited Register since the opt-out was introduced in 2002. In the first year of having an option, 22% exercised their right, a figure which had doubled to 44 per cent by the start of 2009.

**Mr Thomas felt that distributing the Edited Register is an unsatisfactory way for Local Authorities to treat personal information, sending a particularly poor message to the public that personal information collected for something as vital as participation in the democratic process can be sold to 'anyone for any purpose'.**

This view is in fact at odds with the aims of the Data Sharing Review and PAS 2020, the environmental initiative sponsored by the Direct Marketing Association (DMA), Royal Mail, IBA and Acxiom, which includes targets for data targeting and suppression and is aimed at good practice and reducing the environmental impact of direct marketing. PAS 2020 is a Publicly Available Standard, backed by the Department of the Environment, Food and Rural Affairs (DEFRA). Royal Mail's Sustainable Mail initiative has evolved from the Standard. The DMA has

recently introduced its Data Seal in order to encourage its members to ensure that Data Security maintains its importance.

The Direct Marketing industry has acted very responsibly in this space since July 2003, when the DMA signed a landmark voluntary agreement with the Government. The Producer Responsibility Agreement with DEFRA commits the industry to increase the proportion of direct marketing material (specifically addressed and unaddressed mail, and loose inserts in newspapers and magazines) going to recycling. At the time of signing the agreement research showed that approximately 13% of direct mail material was going to recycling. Research carried out at the end of 2005 by CACI for the DMA indicated that this had risen to nearly 30% and last year the industry met its commitment to DEFRA of 55%. A target of 70% by 2013 has been made by DEFRA, which the industry is confident of reaching.

Please see appendix 2 for sector specific facts and figures.

We can highlight a raft of Good Practice principles and procedures which currently operate. Many of the recommendations being made already appear, albeit in slightly different wording, on the Information Commissioner's Office website under Best Practice. A ban on the use of the Electoral Register for marketing purposes might generate difficulties for direct marketers who use the register to ensure compliance with the Data Protection Act 1998. In fact, if the Edited Register is withdrawn, the decision would go against the Government's 'Re-use initiative', European policy and various regulations.

**Mr Thomas was sympathetic to the strong arguments made by the Association of Electoral Administrators and the Electoral Commission that the primary purpose of the electoral register is for electoral purposes.**

We feel that comments made by Electoral Register Officers working for the Association of Electoral Administrators, and the Electoral Commission, although well intentioned, are not relevant to this discussion. We understand that members of the Association of Electoral Administrators are complaining that offering the edited version of the Edited Register gives them extra work. This is surely an internal issue between members of the Association undertaking this 'extra' work, and management.

**It has been claimed that abolishing the Edited Register may eliminate external costs to 'misinformed individuals' who will no longer be subject to unsolicited mail.**

Individuals who do not want to receive unsolicited mail can join the Mailing Preference Service, administered by the DMA. We envisage that withdrawal of the Edited Register will probably increase the amount of unsolicited mail, as organisations undertaking direct mail will not be able to update and refine their mailing databases.

The phrase 'junk mail' is used in the Summary: Intervention and Options Policy Option 3. We feel that this is a term that shouldn't be used as the bulk of direct mail has either been requested by the recipient or needs to be sent as part of 'Duty of Care' legislation, commonly found in the Financial Services sector.

**One option put forward is retaining the Edited Register, but imposing restrictions in legislation on who can purchase it and for what purposes. It has been argued that this option could decelerate the 'opt out' rates if the public are agreeable to those groups that have been given the option of purchasing the Edited Register and the purposes for which it will be used.**

The question here is how the decision will be made to determine which organisations are allowed to use the Edited Register. This is a viable option as long as organisations that can prove that they have legitimate reasons for purchasing the Edited Register are allowed to purchase it.

Another option is replacing the current 'opt out' provision with an 'opt in'.

It is claimed that businesses might benefit because they would have a more receptive pool of potential customers. However, if the number of people who 'opt in' is small, as we envisage, there would be no guarantee to businesses.

#### **DETRIMENT CAUSED BY NOT ALLOWING ORGANISATIONS TO PURCHASE THE EDITED VERSION OF THE ELECTORAL ROLL**

Citizens face the prospect of actually receiving a greater quantity of less targeted mailings, due to the fact that organisations will not be able to update their direct mail databases with accurate, up to date data from the Edited Register.

ISBA's members claim that abolishing the Edited Register might increase 'search costs' for individuals who may rationally choose to be on the register, perhaps in order to receive information about local services or advertising material. There might also be adverse impacts on competition.

The Edited Register's loss would definitely provide hardship for a number of our members, increasing direct marketers' (private, public and charitable organisations) financial costs in sourcing similar information, which might also not be as accurate. Increasing the amount of irrelevant data in the market place would lead to more erroneously-addressed mailings.

It has also been argued that if the Edited Register is withdrawn, commercially available databases would become 'uncontrolled'.

Another option is replacing the current 'opt out' provision with an 'opt in'.

If this option is adopted, we envisage a very small number of people being included on the Edited Register, making it far less useful for organisations to use.

A further option is improving guidance for the public about the Edited Register.

ISBA supports this option, as long as the guidance is clear. There are a number of examples in the U.S. of people being successfully informed and educated on data privacy. We agree that organisations using the Edited Register need to be held responsible. If the new wording on the electoral registration or annual canvass form is clear, citizens' previous misunderstandings for opting out of the edited register are superfluous.

The costs for those with responsibility for producing the improved guidance are also superfluous as improved guidance for the public should be regarded as a necessity rather than an option, and is certainly in line with the Government's objective of making more information and data available to consumers.

What is the estimated cost to the economy if the Edited Register is withdrawn? This is very difficult to estimate. Companies that own commercially available databases are expected to pool their resources to build replacement coverage. If these consortia databases are freely made available, it is envisaged that they will be very expensive.

Rather than approaching industry for an estimate of the cost of withdrawing the Edited Register, it might be more beneficial to approach consumers, who, as a result of the withdrawal, will receive a greater quantity of less targeted direct mail.

Last year will go down as one of the worst in this country's economic history, and it's hardly surprising that the direct marketing industry was dealt a harsh blow. Withdrawing the Edited Register will simply compound their problems.

Although Financial Institutions are permitted to use the full electoral register for credit verification purposes via the credit reference Agencies, only the Edited Register is available for post-credit applications, which may be available in a more useful format from the Credit Reference Agencies.

## **Appendix 1**

LETTER FROM BOB WOOTTON, ISBA'S DIRECTOR OF MEDIA AND ADVERTISING, TO STEPHEN CARTER, CHIEF SPECIAL ADVISOR, PRIME MINISTER'S OFFICE, 1 AUGUST, 2008

We would like to take this opportunity to put ISBA members' views forward regarding the recommendations made by Richard Thomas, the Information Commissioner, and Dr. Mark Walport, Director of the Wellcome Trust, within the Data Sharing Review, published on 11 July.

Our members' main concerns revolve around Recommendation 19, which states that the Government should remove the provision allowing the sale of the edited Electoral Register. The register offers a database of high integrity with a very high percentage of robust information, and currently provides marketers with a source of data which is used extensively for database cleaning, thereby ensuring that mailings are effectively targeted and accurately addressed.

1. The Electoral Register's loss would probably increase direct marketers' costs in sourcing similar information, which might also not be as accurate. Increasing the amount of irrelevant data in the market place would lead to more erroneously-addressed mailings. This would be at odds with the aims of the Data Sharing Review and the current environmental initiatives.
2. Members of the public can choose to have their details omitted from the Edited Register by ticking a box on their electoral registration or annual canvass form. Our members tend to support the notion that, if necessary, these forms could be made clearer to allow voters to tick the box if they don't want to appear on the register.
3. We can highlight a raft of Good Practice principles and procedures which currently operate. Many of the recommendations being made already appear, albeit in slightly different wording, on the Information Commissioner's Office website under Best Practice. A ban on the use of the Electoral Register for marketing purposes might generate difficulties for direct marketers who use the register to ensure compliance with the Data Protection Act 1998.
4. A current initiative which includes targets for data targeting and suppression is PAS 2020, a standard for promoting good practice and reducing the environmental impact of direct marketing.
5. Accountability needs to be examined. If, by law, a Data Protection officer has to be appointed, many organisations might well instinctively nominate their Direct Marketing

Manager. But should this be Legal Counsel? And if so, would accountability lie with them or with the CEO, as it does for other legal issues?

6. The recommendations need to be viewed from an EU point of view, not only regarding the use of data, but also its governance. For example, if the most senior person is deemed to be ultimately responsible in the UK, would the same rule apply in other countries?

## Appendix 2

### Sector specific facts and figures\*

**£8.6bn:** the overall value of direct mail industry to the UK economy

**182,000:** the total employment accounted for by the direct mail industry in the UK

**£14bn:** sales accounted for by the internet and email

**£17bn:** sales accounted for by direct mail

\* **Future Foundation study: Economic Impact of Direct Marketing 2006**

### Social and environmental facts and figures

**2%:** the percentage, in volume terms, of household waste accounted for by direct mail – equivalent to about a third of a Sunday newspaper per week

**4%:** percentage of the UK's total paper usage used in direct mail\*\*

**95%:** percentage of paper used in direct mail coming from recycled or managed sources\*\*

\*\* **Confederation of Paper Industries**

### DMA environmental and social initiatives

**Green going out:** The DMA has partnered with Envirowise and Friends of the Earth to develop a series of sector specific 'Enviro-guides' which will enable members to work to environmental best practice guidelines, significantly reducing their environmental impact.

**Green coming back:** In July 2003 the DMA signed a landmark voluntary agreement with the Government. The Producer Responsibility Agreement with DEFRA commits the industry to increase the proportion of direct marketing material (specifically addressed and unaddressed mail, and loose inserts in newspapers and magazines) going to recycling. At the time of signing the agreement research showed that approximately 13% of direct mail material was going to recycling. Research carried out at the end of 2005 by CACI for the DMA indicated that this had risen to nearly 30% and that the industry was on track to meet its commitment to DEFRA of 55% by 2009 and 70% by 2013.

The DMA has partnered with WRAP so that DMA members can use a variety of logos from the Recycle Now campaign to continue to encourage and improve recycling levels of direct mail.

**Addressing consumer concerns:** The Mailing, Telephone, Fax and Baby Preference services already provide consumers with the choice as to whether they want to receive direct marketing. The DMA continues to promote these services through local authorities and media relations. It is also currently developing a new consumer facing website which addresses other concerns about marketing in general such as data protection, legislation and scams as well as providing a forum where consumers can voice their concerns to which the industry will respond.

**Ridding the industry of 'junk':** The DMA continues to promote improved targeting based on best practice and its Code of Conduct. Due to better targeting, the quantity of direct mail being sent is 88% of the level three years ago. This trend is set to continue. No company wants their mailing to be perceived as 'junk' therefore they will want to continue with a targeted approach.

The industry does face a challenge. When used responsibly, direct mail is a very effective business tool. Irrelevant 'junk' obviously still exists and the DMA is rising to the challenge to guide

and change the industry and rid it of the 'junk' label.

**Recognising industry achievement:** The DMA has introduced the 'Green Initiative' Award which will recognise campaigns which provide clear evidence of strategic and creative thinking to minimise environmental impact.

**Direct marketing as a vital business tool**

Direct marketing is often a favoured advertising medium as it can be tailored and personalised to make it relevant to the audience. It is a key medium in acquiring new customers, retaining current customers as well as building customer relationships.

- Nearly three quarters of all UK companies use some form of direct marketing
- For every £1 spent on direct mail, £14 is generated\*\*\*
- Direct mail is the most responsive advertising medium with 60% of consumers responding to it\*\*\*

\*\*\* DMIS: Consumer Advertising Trends 2004

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