



Consumer Credit
Legal Centre NSW

June 2013

Submission in relation to the **Privacy Amendment (Privacy Alerts) Bill 2013**

by the

Consumer Credit Legal Centre (NSW) Inc

Consumer Credit Legal Centre (NSW) Inc (“CCLC”) is a community-based consumer advice, advocacy and education service specialising in personal credit, debt, banking and insurance law and practice. CCLC operates the Credit & Debt Hotline, which is the first port of call for NSW consumers experiencing financial difficulties. We also operate the Insurance Law Service which provides advice nationally to consumers about insurance claims and debts to insurance companies. We provide legal advice and representation, financial counselling, information and strategies, referral to face-to-face financial counselling services, and limited direct financial counselling. CCLC took over 18,000 calls for advice or assistance during the 2011/2012 financial year.

A significant part of CCLC’s work is in advocating for improvements to advance the interests of consumers, by influencing developments in law, industry practice, dispute resolution processes, government enforcement action, and access to advice and assistance. CCLC also provides extensive web-based resources, other education resources, workshops, presentations and media comment.

Thank you for the opportunity to comment on the Privacy Amendment (Privacy Alerts) Bill 2013.

Privacy Amendment (Privacy Alerts) Bill 2013

The CCLC strongly supports the Bill. The requirement to report any data breaches, unauthorised access to data, or the loss of personal credit information represents a clear benefit to consumers. The requirements in this Bill both provide information about organisations with histories of poor data handling practices and provide important incentives for organisations to improve their data handling practices. We agree with fellow consumer advocacy groups that the reporting requirements will lead to competitive advantages for organisations who can demonstrate a commitment to, and successful implementation of, proper information handling practices.

Credit & Debt Hotline: 1800 007 007

Insurance Law Service: 1300 663 464

Consumer Credit Legal Centre (NSW) Inc ABN: 40 506 635 273

The CCLC is particularly concerned about data breaches in relation to credit card information. There have been a number of recent high profile data theft cases in Australia relating to credit card information.¹ Unreported data breaches of credit reporting information leaves consumers with no knowledge that their personal credit reporting information has been mishandled or accessed without authorisation. This means that consumers are unable to seek any redress or take action to limit possible damage arising from these breaches including notifying credit reporting bodies of possible identity theft or fraud.

The process for consumers to correct fraudulent credit reporting information, cancel and restore bank accounts or deal with cases of identity theft can be expensive and arduous. The longer that a consumer goes without knowing that there has been a breach of their personal data, the more difficult the recovery process can be. In an increasingly online world the risks to personal credit reporting information arising from poor information handling practices, software errors and malicious activities are likely to continue to increase. A mandatory reporting requirement such as the one set out in the Bill would ensure that consumers receive the necessary information about how their personal credit reporting information is being protected. The mandatory notification requirement is long overdue, and represents a significant benefit to consumers.

The CCLC notes that the Australian Privacy Foundation, Electronic Frontiers Australia, and even the Privacy Commissioner himself all support these amendments to the Privacy Act. We strongly encourage the Senate Committee to endorse the Bill.

Thank you again for the opportunity to comment on the Privacy Amendment (Privacy Alerts) Bill 2013.

Katherine Lane
Principal Solicitor
Consumer Credit Legal Centre (NSW) Inc

¹ The Sydney Morning Herald, "Australia's biggest ever data theft: gang busted over credit card crime" (November 29, 2012) Available at: <http://www.smh.com.au/it-pro/security-it/australias-biggest-ever-data-theft-gang-busted-over-credit-card-crime-20121129-2agzy.html#ixzz2WiNC549X>