

Navigating New Rules.

What UK Marketers *Need to Know in 2024*

Introduction

A new government brings new legislation, and in the world of marketing, data protection is always on the front line.

During the recent Kings Speech, King Charles declared the government's intention to introduce the Digital Information and Smart Data (DISD) Bill, now called the UK Data (Use and Access) Bill, signalling a substantial shift in the UK's approach to data protection.

This new Bill aims to revive key provisions from the previously proposed Data Protection and Digital Information (DPDI) Bill, setting a standard for ethical data usage that could enhance the UK's position as a leader in innovative marketing practices.

In this whitepaper, we will explore the implications of these legislative changes, equipping you with the insights necessary to effectively navigate the complexities of the new regulatory landscape. By gaining a deeper understanding of these developments, you will be better positioned to leverage opportunities for growth and innovation within your marketing strategies.

Executive Summary

The UK government’s Data (Use and Access) Bill, the AI Bill, and Consumer Duty regulations introduce significant changes for the financial services sector.

The Data (Use and Access) Bill aims to strike a balance between fostering innovation and enhancing data protection. It introduces provisions for digital verification services and Smart Data schemes while also bolstering the powers of the Information Commissioner’s Office (ICO). Meanwhile the AI Bill is expected to set new standards for those developing powerful AI models.

The Direct Marketing Association (DMA) – who have their finger firmly on the pulse of all things marketing – have been pushing, for some time, for a major overhaul of our data protection rules in the form of a DPDI Bill, which was abandoned when the snap election of 2024 was called. The DMA, however, continue their lobbying and advocating for essential reforms, wanting to see data, technology, and AI become the backbone of innovation and growth in the UK economy.

For marketers in the financial sector, these changes present both challenges and opportunities. You will need to adapt your strategies to align with new data-sharing regulations, AI governance, and consumer protection requirements. But don’t worry – it’s not all about compliance. These changes also open doors to exciting possibilities through Smart Data initiatives.

The new Data Bill aims to strike a balance between fostering innovation and enhancing data protection.

The Background

Previous Legislation:

The Data (Use and Access) Bill aimed to provide the legal foundation for smart data programs but was unable to progress through Parliament before the general election.

Labour Government’s Agenda:

The newly elected Labour government has prioritised smart data and open finance, recognising their potential to drive economic growth and improve public services.

Objectives of the Bill

The Data (Use and Access) Bill has several overarching aims:

Foster Innovation: Enable the development and deployment of innovative data uses to improve public services and improve citizens’ lives.

Enhance Data Protection: Strengthen data protection measures by empowering the Information Commissioner’s Office (ICO) with new powers and a modern structure.

Promote Smart Data Schemes: Establish secure data-sharing frameworks to empower consumers and drive economic growth.

Support Digital Verification Services: Facilitate the creation of secure digital identity products to simplify transactions and improve user experiences.

Potential Impact

Consumer Empowerment:

By enabling consumers to share their data across sectors, the bill aims to boost economic growth and increase consumer engagement.

Market Innovation:

Smart data schemes encourage competition and innovation by allowing new entrants to offer differentiated services based on consumer data.

What it means for *Financial Marketers*

In this section, we'll break down what these changes mean for you in practical terms.

Reviewing the challenges you will need to navigate – think of these as the new skills you will need to develop, and exploring the opportunities these changes bring – the new capabilities that could give you a competitive edge.

By understanding both sides of this coin, you will be well-equipped to comply with these new regulations and capitalise on them to drive innovation and growth in your marketing strategies.

Challenges to consider:

Adapting to New Data Sharing Regulations

Marketers must ensure compliance with the Bill's data protection and sharing provisions, requiring a thorough understanding of new legal obligations.

Consumer Education

There is a need to inform consumers about the benefits and risks of Smart Data initiatives and AI-driven services, enhancing their engagement with financial services.

Protecting Customer Data

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Navigating Open Finance

Marketers must adapt their strategies to account for the complexities introduced by open finance, which expands the scope of data sharing.

Ethical AI Use

Marketers must consider the ethical implications of AI use in their strategies, aligning with potential requirements set forth in the AI Bill.

Opportunities to explore:

Access to Richer Customer Data

The Data (Use and Access) Bill's Smart Data schemes allow for more targeted marketing campaigns by using detailed customer data.

Innovative Financial Products

Marketers can develop new products and services based on insights derived from Smart Data.

Enhanced Customer Engagement

Improved digital services can lead to better customer experiences and increased loyalty.

Industry Leader Positioning

Brands can establish themselves as leaders in data-driven, customer-centric financial services by effectively leveraging Smart Data.

Legitimate Interest

Legitimate interest can justify the use of personal data for direct marketing purposes, reducing the administrative burden of always asking for consent before sending marketing materials.

Jargon *Busters*

AI Bill: Proposed legislation to regulate the development and use of artificial intelligence technologies in the UK.

Consumer Duty: Regulations requiring financial institutions to ensure fair value and good outcomes for customers.

Data Protection Measures: Strategies and technologies implemented to safeguard personal and sensitive information from unauthorised access or breaches.

Digital Verification Services: Technologies and processes used to verify individuals' identities digitally, enhancing security and reducing fraud risk.

Data (Use and Access) Bill: Aimed at fostering innovation and enhancing data protection in the UK financial services sector.

Ethical AI Use: The responsible development and application of AI technologies, considering fairness, transparency, and accountability.

ICO: Information Commissioner's Office, the UK's independent authority for upholding information rights and data privacy.

Multi-Channel Communication: Delivering personalised, relevant communications across various platforms to improve customer engagement.

Open Finance: An extension of open banking that allows consumers to share their financial data across various sectors.

Regulatory Compliance: Adherence to laws, regulations, and guidelines relevant to an organization's business processes and operations.

Smart Data Schemes: Initiatives allowing secure sharing of customer data with authorised third-party providers upon request.

Legitimate Interest: A legal basis for processing personal data that allows an organisation to collect, use, or disclose that data without the individual's consent.



10 Steps to Regulatory Readiness

To help you prepare for a future where compliance meets marketing innovation, we have prepared a 10-step checklist that can guide you on your journey to navigating the new landscape.

01

Update Data Practices and Security

- Review current data collection, usage, and sharing methods.
- Align practices with Data (Use and Access) Bill and AI Bill requirements.
- Strengthen data protection measures and cybersecurity protocols.

02

Implement Ethical AI Use

- Assess current AI-powered marketing tools for compliance.
- Develop guidelines for responsible AI use in marketing.
- Establish processes for human oversight of AI-driven decisions.

03

Leverage Smart Data and Digital Verification

- Explore opportunities offered by Smart Data schemes.
- Integrate digital verification services into marketing processes.
- Develop strategies for personalised marketing using enriched data.

04

Ensure Consumer Duty Compliance

- Review marketing strategies to ensure fair value and good outcomes for customers.
- Implement processes to demonstrate compliance with Consumer Duty regulations.
- Train team on Consumer Duty implications for marketing.

05

Enhance Multi-Channel Communication

- Develop strategies for consistent messaging across various channels.
- Implement automated and personalised communication solutions.
- Ensure transparency in AI-driven communication.

06

Educate Customers and Staff

- Create clear explanations of Smart Data benefits and AI use in marketing.
- Develop FAQs and educational content for various channels.

07

Adapt to New ICO Powers

- Stay informed about the ICO's new structure and powers.
- Review and update data governance processes to align with ICO requirements.
- Prepare for potential increased scrutiny of data practices.

08

Collaborate Across Departments

- Schedule regular meetings with IT, legal, and compliance teams.
- Create a shared action plan for regulatory compliance.
- Ensure alignment between marketing strategies and overall business risk management.

09

Monitor Regulatory Developments

- Assign team members to track updates on each Bill and Consumer Duty.
- Regularly review and update marketing strategies based on legislative changes.
- Participate in industry discussions and consultations on new regulations.

10

Innovate Responsibly

- Explore fresh marketing opportunities within the regulatory framework.
- Develop processes for assessing and managing risks of new marketing initiatives.
- Foster a culture of responsible innovation in marketing practices.

Conclusion

The Data (Use and Access) Bill presents transformative opportunities for marketers in the financial services sector.

By embracing Smart Data initiatives, prioritising data security and compliance, and leveraging specialised marketing services, companies can turn regulatory challenges into avenues for innovation and growth.

In this new landscape, the importance of partnering with highly secure providers for delivering marketing communications cannot be overstated. These partnerships can provide the necessary infrastructure and expertise to handle sensitive financial data securely, ensuring compliance while enabling innovative marketing strategies.

“Financial institutions can harness the power of Smart Data to dramatically improve customer communication and engagement.”

Leveraging Smart Data in line with the bill offers tremendous value for financial institutions. By accessing partners with secure, technology-driven solutions, financial institutions can harness the power of Smart Data to dramatically improve customer communication and engagement.

These partners can provide the tools and expertise needed to analyse complex data sets, automate personalised communications across multiple channels, and ensure all marketing activities remain compliant with the new regulations.

The key to success lies in viewing these regulatory changes not as obstacles, but as catalysts for transformation. As the financial services landscape evolves, those who adapt quickly and effectively will not only thrive but lead in this new era of data-driven marketing.

Sources:

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How MBA Group can help

In today's rapidly evolving financial landscape, you need a partner who excels in both marketing finesse and operational precision. MBA Group operates within an industry-leading robust and secure infrastructure, leveraging our people and platforms to deliver swift, effective transformation without compromising on integrity or compliance.

We specialise in executing simply powerful communications that enrich customer experiences across all touchpoints.

At MBA Group, we don't just help you keep pace with change – we empower you to lead the transformation in financial services communication. Our blend of expertise, technology, and customer-centric approach positions you at the forefront of innovation in your industry.

Ready to revolutionise your customer communications and meet the challenges of the evolving regulatory landscape? Contact us today to learn more about how we can help.

“We have a wealth of case studies demonstrating our success in transforming financial services communications – let's discuss how we can achieve similar results for you.”

Rapid Transformation

We understand that traditional transformation models can take years. Our innovative approach delivers cutting-edge capabilities within 3-6 months, allowing you to stay ahead of market demands.

Smart Data Expertise

We help you develop Smart Data initiatives securely and effectively, turning complex data into actionable insights and personalised customer experiences.

Comprehensive Solutions

As a full-service provider, we offer end-to-end management of your marketing and transactional communications, seamlessly integrating digital and physical touchpoints.

Multi-Channel Communication

Our technology-driven approach enables automated, centralised, and personalised communications across multiple channels, enhancing customer engagement and satisfaction.

Data Security & Compliance

Our robust security protocols and deep understanding of regulatory requirements in the financial sector ensure that your data handling and marketing practices always meet the highest standards and protection.

Cost-Effective Innovation

By streamlining processes and reducing reliance on manual methods, we help you innovate while optimising your resources.

Our Group *Capabilities*



Personalisation at scale

Helping big brands with complex needs transform the way they engage with their customers by delivering a unified approach to multichannel communications.

Our investment in advanced technologies and our team's deep knowledge of data management, variable content, and workflow automation enable us to deliver highly targeted, relevant messages to individual consumers.

mba-group.com



Leading Edge Technology

VideoSmart is a cutting-edge video technology agency that harnesses the power of data, AI, and creativity to deliver compelling content.

This full-service agency offers comprehensive support throughout the entire process, from concept development to post-campaign analytics. Our end-to-end approach grants you access to our multifaceted team of digital specialists, including skilled animators, experienced project managers and full stack developers. VideoSmart; working in partnership with you to create personalised, interactive and immersive video solutions that captivate and convert.

videosmart.com



Next Level Creativity

Studio Certain is a multi-disciplinary independent creative agency based in the heart of London's West End, chock full of award-winning creatives and rigorous client services folk.

Working across a wide range of sectors — B2B and B2C — our clients are small brands, big businesses, global firms, and startups. From strategy to execution, we bring our years of experience and determination to bear on every project we work on.

studiocertain.com



Customer Journeys that Count

Our customer journey platform that empowers businesses to create seamless, personalised experiences.

Our platform's intuitive interface allows marketers to effortlessly design and orchestrate individualised journeys that adapt in real-time, ensuring that each customer receives the right message, at the right time, through the right channel.

intilery.com



Contact Centre of Excellence

Using the right mix of expert people and innovative technology, we deliver a flexible contact centre of excellence for you and your customers. From there, our analytical approach ensures we stay focused on continuous improvement.

wearedots.co.uk