

Data Control Matters

A report into data consent
within financial services



Contact State
A Verisk Business





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A research report by **Contact State** into consumer experiences of 'cold-calling', aggressive telephone-based sales tactics and consumer data.

Inside this report:

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- Cold-calling and data-misuse: The headlines
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193 MILLION¹
COLD CALLS
73% OF THE UK WILL
RECEIVE A COLD CALL
THIS YEAR

73%

Received cold call during previous year

63%

Unhappy if details resold to others

53%

Have no idea how caller got their number

48%

Angry with cold calls

52.8M

UK adult population*

38.6M

Receive 5 calls each

193M

Total calls per year

*Source: Office for National Statistics



Why does data control matter?

Today, more than 500,000ⁱ people will stare blankly at their mobile phones as an unknown or withheld number tries to catch their attention. The phone will ring, ring and ring until the consumer finally gives up, answering the annoyance...

...then, a sales pitch will begin.

These half million interruptions a day are sometimes 'road accident ambulance chasers' or purveyors of 'superfast' broadband. But more perniciously, sometimes, the cold caller intends to defraud a pensioner of their savings, trick a consumer into buying a worthless life insurance policy or encourage the giving of sensitive, personal information for future exploitation.

Contact State's latest report, *Data Control Matters* will argue that the use of 'boiler room' telephone sales tactics, designed to harass a consumer into a sales conversation is damaging consumer trust. We believe that the illegal and aggressive practice of calling a consumer without their consent, legitimises a cold call sales culture that in turn enables a rogues' gallery of fraudsters and criminals to prey on the vulnerable.

As the world economy prepares for a fiscal adjustment, consumers struggling with the increased cost of living, rising mortgage bills and job uncertainty are trying to make ends meet. We believe that protecting consumers from fraud through regulation that requires online consumer consent, is an idea whose time has come.

The research findings

In July 2022, Contact State commissioned *Opinion Research and Carr Consulting and Communications* to ask 5,000 consumers their thoughts about applying for financial products online. We asked consumers to tell us about their experiences of being called by a salesperson, either in response to an application online or a cold call.

The results are staggering and reveal that consumers now simply expect to be harassed by salespeople. The only barrier between a vulnerable consumer and fraudulent sales, is the resolve of the consumer.



Cold calling and data-misuse: *The headlines*

The *Data Control Matters* report found that 73% of people have been victim of at least one negative cold calling experience in the past 12 months, with two thirds of respondents (66%) admitting they had received more than ten unsolicited, unwanted calls in the same period.

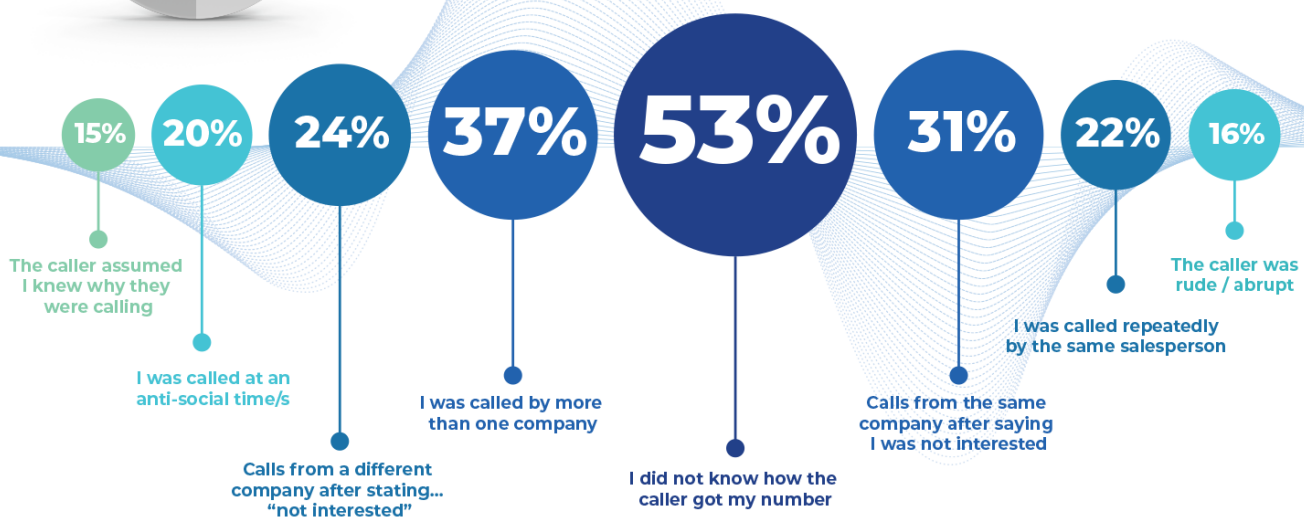
Extrapolated out to the wider population, we estimate that the average British consumer receives five unsolicited calls a year, a staggering combined total of 193 million cold calls in the UK each year. Whether the object of the cold call is fraudulent or just intrusive sales, our findings point to a culture of marketing firms illegally calling consumers, without their consent.

This is also no longer a minor inconvenience; almost half (48%) of the consumers that interacted with our research project said that getting a cold call made them feel angry and 14% felt vulnerable.

Our research points to another key trend of people being worried, angry, and concerned that seemingly anyone can get access to their private details to sell them a product they haven't requested and isn't suitable for them. 53% of our consumer research panel have no idea how a cold caller got their number.



What are the UK's biggest marketing and sales calls frustrations?





Why is this happening: *misleading data collection*

One of the most notable things our consumer research has revealed is the scale of data reselling that happens online. One in four, (24%) consumers say they have felt 'forced' to share their data to get a quote for a financial product, indicating that it wasn't made clear to them who they were sharing their data with or what was going to happen next.

Furthermore, 29% of people reported that when they last gave their details online, they were then cold called by a company other than the one they submitted their details to. Something is very wrong with the state of play if a company can trick a customer into applying online and then resell their details.

Consumers also seem to be confused about what rights a financial firm has over their details. Only 14% of consumers think if they fill out an online form, they have given consent to be contacted with just 9% of people 'confident' they know who has access to their personal data when they get an online quote.

Calling and selling to consumers, with their permission

The process of negotiating a better mortgage rate is going to be increasingly important in the UK over the next few years. With almost two millionⁱⁱ people on a standard variable rate or a tracker rate mortgage, and with interest rates steadily rising, we predict that consumers will enthusiastically seek out the services of mortgage professionals.

Using the mortgage quote process as our example, we asked the *Data Control Matters* research panel about their experiences researching a new mortgage, where they do it and what they expect.

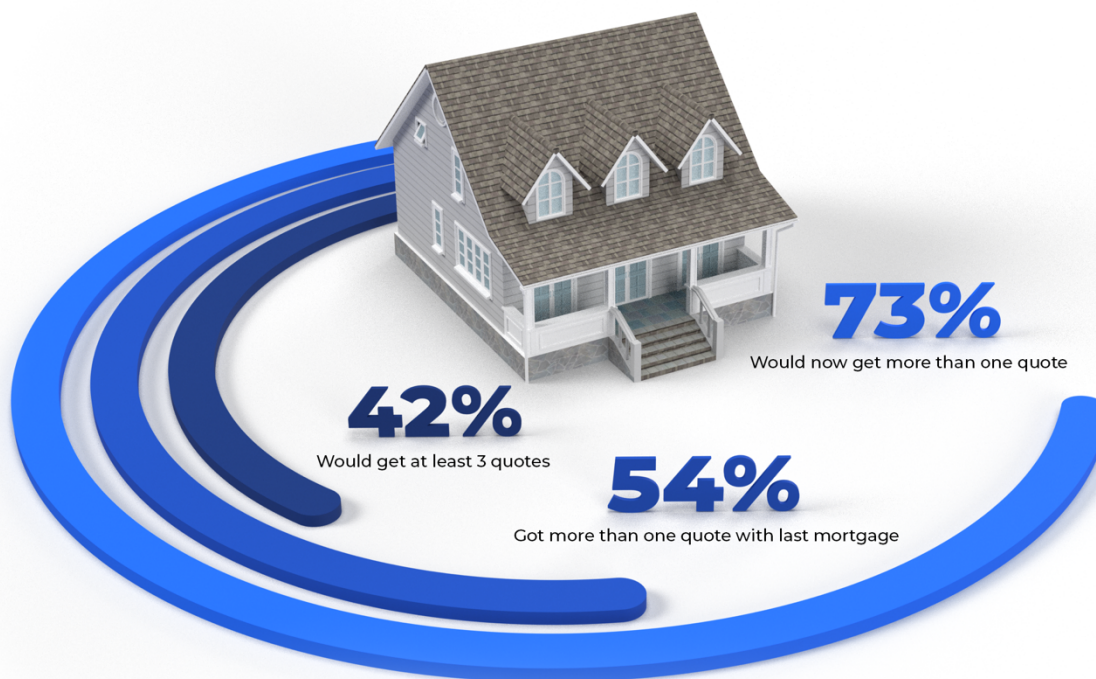
The research found that while just 17% of consumers began their mortgage search online, the last time they looked for mortgage quotes, 31% would now go online next time - a rise of 83%. Among those who have previously held a mortgage, 34% would now begin their search online - a rise of 100%.

In sharp contrast to attitudes to receiving unsolicited sales calls, consumers who are in the market for a mortgage product actively want to be contacted by



mortgage professionals when they themselves initiate the conversation. Half (54%) of consumers got more than one quote before proceeding with their last mortgage. 73% would now get more than one quote, with 42% saying they'd get at least three.

Consumers are only unhappy in the online mortgage quote process when they apply on a specific website to be called back by a different business or businesses; 63% told us they would be unhappy to get a call from a mortgage business they didn't apply to.



How can we protect the vulnerable and prevent harm?

Our research is designed to sound the alarm in the public, media and business consciousness: there is a problem with the way vulnerable consumers are being targeted by cold callers and misleading websites.

Failure to gain the appropriate consent is also bad for business as our focus on the mortgage sector shows. Consumers actively want to be sold to and are happy to receive multiple quotes and calls, if they understand the process and are able to verify who is calling them back.



We believe that marketing businesses and financial firms have a very clear role to play to more clearly explain to a consumer, what is going to happen to them, after they apply online.

Better advertising and sales practices should be complimented by firmer data legislation that makes the cold calling of consumers without their documented consent, illegal. Doing so would make it easier for consumers to report fraudulent sales tactics to the relevant regulators.

We all need to demand a much higher standard of consent online that goes beyond blindly agreeing to a cookie policy. Only when a business has to verify that they have a consumers consent to call them, will we be able to appropriately protect vulnerable consumers and those more susceptible to consumer scams.

About Contact State

Contact State helps financial services businesses take control of their financial promotions, lead generation and data delivery processes. We work with clients to cut out invalid and unsuitable sales data, whilst building a real time audit and consent trail of the sales leads a firm has purchased or generated.

To find out more about Contact State technology and the work we do, please email hello@contactstate.com or connect with us on [LinkedIn](#):

Notes and reference:

ⁱ UK adult population 52,890,044 according to ONS (taken from UK stats, 18 years and over) <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>

73% of 52,890,044 = 38,609,732

5 cold calls on average, each in the last 12 months. $5 * 38,609,732 = 193,048,660$ $193,048,660 / 365$ days = 528,900 per day

ⁱⁱ <https://www.ft.com/content/31ea5115-c253-42b4-b734-a92191c257ae>