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BETTER WAY

Our ref 0900c545804b53d5

01 May 2018

To All Toyota Centres, Toyota Service Outlets

Dear Centre Principal / After Sales Manager / Bodyshop Manager / Business Centre Manager / Customer Relations / Parts Manager / Sales Manager / Service Manager

GDPR Compliance

As the deadline for GDPR compliance approaches and public awareness is heightened, we wanted to provide you with a further update on activity at TGB and a reminder of some of the steps you need to take by 25 May 2018.

Building on the content of the GDPR Workshops, attached to this letter you will also find:-

- Updated Retailer GDPR Checklist, to help you prioritise and focus your activities (previously shared post the Workshops in December 2017)
- Draft Fair Collection Notice for use when collecting customer data
- Updated FAQs

In this letter where we refer to “customer” we include in that definition “prospect”. Under GDPR, the term used to describe any person about whom data is obtained is “data subject”.

1. Responsibilities: Centre v TGB

We have received a number of queries from Centres asking about who takes responsibility for certain aspects of data compliance. Responsibility for collecting and managing data captured at Centre touch points rests with you, as the Centre. Data captured by TGB, for example a brochure request or enquiry at an experiential event, is the responsibility of TGB. Where data is shared with TGB via various systems, each of TGB and you as Centre undertake different functions with that data. To this end, each of us are “joint” data controllers and each owe responsibilities towards the data subject.

Consent Management

Due to the current lack of data synchronisation between TGB and Centre systems, consent given by data subjects to receive marketing must continue to be managed separately. In other words, if a customer unsubscribes to Centre communications then this ‘unsubscribe’ is only valid for Centre communications and it will not affect consent provided to TGB (and

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vice versa). In order to preserve and maximise the customer experience, Centres must ensure that if a customer requests to stop receiving marketing communications from Toyota more broadly, that instruction is passed to TGB's customer relations team as soon as possible – we would like to manage these instructions via the Centre's nominated Data Protection Champion (we will provide further details on this role later in this letter). TGB already has a process in place for notifying Centres where it receives unsubscribe requests.

Data Accuracy

It is also essential that accuracy of data is maintained at all times. As well as the need to maintain accuracy to ensure a positive customer experience, the GDPR grants data subjects rights to challenge and correct their data and stop the processing of it where data is inaccurate. Therefore it is critical that when you receive a query concerning customer data accuracy that you take corrective actions at the earliest possible opportunity. Similarly, we have received a significant number of complaints from customers who have continued to receive marketing despite requests to stop such communications: as you would expect, such actions are a major breach of the law.

2. Consent Capture

We have previously communicated that a simple 'yes/no' consent to receiving "marketing communications" (or automatic 'opt-in') is insufficient to comply with GDPR. Instead, to ensure we are capturing detailed consent from our customers and prospects, TGB has adopted 4 consent categories (Reminders, Relevant Offers, Surveys, Events). These should also be adopted by the Network wherever possible to enable seamless data sharing and interaction with TGB's systems.

As the endorsed DMS platform for TGB, we understand that CDK have extended their Drive DMS to capture consent for Sales and Service (with an option for All) with four communication channel preferences (SMS, Email, Letter & Telephone). Clearly this does not align to TGB's 4 consent categories, however CDK's legal team have assessed GDPR requirements and deemed their extended consent structure to be sufficient for compliance.

In addition, and whilst it is approaching end-of-life, TGB will be taking the required actions to ensure that the V8 DMS system is also compliant. If your Centre uses a different DMS provider, it is your responsibility to obtain confirmation that system will be GDPR compliant.

Sharing Customer Consent Data with TGB

Currently Centres share customer consent data with TGB that was captured within their DMS, by manually entering that data into TGB's central systems (COL2 and AFRL) at point of vehicle order and registration. These new/used vehicle order and registration data entry points are the only situations where consent data is shared with TGB.

From 26th May 2018 to comply with GDPR requirements, TGB will require the Network to adopt a 'new' process to facilitate the capture of customer consent (per 4 categories) to receiving marketing communications from TGB: (i) at new/used vehicle purchase and (ii) service. This is separate to the consents for Centre communications that will need to be captured and maintained independently for Centre purposes. We will shortly communicate full details of the TGB consent data capture process in a separate Network communication.

3. Fair Collection Notice and Record of Processing

When collecting personal data, it is essential that data subjects are given sufficient detail about the basis on which data is collected and with whom it will be shared. It is within this Fair Collection Notice that you will refer data subjects to your own Privacy Policy (which we expect will vary by Centre/Centre group) and which will also provide the basis for collecting consent to receive marketing.

Centre's Privacy Policies must contain (amongst other things) details about with whom data will be shared and for what purpose, for example the use of agencies to drive centrally-managed aftersales promotions. Each data controller must also maintain up to date details of the processing activities they undertake.

The attached Notice is required to be used without variation, save for the insertion of a link to your own Privacy Policy, **where data is collected at point of order/purchase**. You will see that within the document there is also a need to link to TGB's Privacy Policy, as some data will still need to be shared with Toyota (eg warranty data). As indicated, you will require a separate Fair Collection Notice for Centre-only data capture, albeit you may find the enclosed helpful as a basis.

4. Existing Databases

Extreme care should be exercised in continuing to use existing marketing databases beyond 25th May unless you can be confident those databases are GDPR-compliant. Centres must ensure that:

- a. databases only contain data sets that are relevant and proportionate for the purposes for which they were captured. For example, you should not hold date of birth data of a service customer if this is not strictly necessary for servicing their vehicle or for any other purpose for which the data was captured.
- b. evidence exists to document that consent was obtained via an informed and clear affirmative action by the customer that meets GDPR requirements – this may be obtained during the period prior to May 2018. Care must be taken not to contact customers that have already opted-out of receiving marketing communications as such repermissioning activity in itself is likely "marketing".
- c. a systematic process is in place going forward to manage and maintain consent data quality, including the removal of lapsed and inactive records. Maintaining accuracy of data is a key tenet of GDPR.
- d. where a third party is used to facilitate repermissioning activity, there is a clear written agreement documenting responsibilities including how any technical solution will maintain accuracy and protect the integrity of the data.

5. Surveys

As mentioned above in Section 2, we require consent to be obtained for the purpose of sending 'surveys' to customers. Whilst not strictly required in all circumstances, TGB has been encouraged to adopt a strict policy to maximise the basis on which surveys can be utilised in future. This means that all TGB triggered surveys (CRS, CEM, Prospect Survey, NCBS, NCVS, IACS) can only be issued if the customer has specifically opted in to receiving surveys from TGB.

Details of the TGB consent data capture process will be communicated shortly and will cover the capture of 4 categories of consent (including for surveys) at new/used vehicle purchase and service (as referenced in last paragraph of section 2).

6. Leads

We have received a number of queries about how to manage leads.

RAPID! Response

Leads shared with Centres via RAPID! Response are shared for the sole purpose of fulfilling the original customer request, for example a request for a test drive. Centres are encouraged to seek fresh consent from customers who visit for a test drive to ensure they have appropriate marketing consents in place for their own future marketing purposes.

Other Sources of Lead Generation

Third party agencies collect personal data for their own purposes and to share with Centres and in some cases, the manufacturer. By way of example only, AutoTrader currently shares data of people seeking the “*particular services*” of a quote for a new vehicle with their chosen Centre and manufacturer. We would not recommend that Centres rely on this consent for their own (wider) marketing purposes, the legal basis for contacting the prospect quite possibly exhausted after the initial quote or delivery of a test drive, for example. For this reason, we would strongly recommend that as a data controller in your own right, Centres are careful to obtain their own marketing consents at the first possible opportunity. As stated above, consents for Centre communications are captured and maintained separately to the TGB consents.

We would also remind you that it is not permissible to share data of Toyota or Lexus customers for the purposes of promoting any other automotive brands. It is however permitted to share data for the purposes of non-brand specific aftersales promotions where you have made this purpose clear to the data subjects at point of data capture.

7. TFS OnebyOne System

The current basis for marketing for the OnebyOne system is the consent that the customer gives at point of sale through Finance@ / NGage.

Under GDPR consent will still be relied upon and consent will still be obtained at point of sale. That said, under GDPR TFS will be expanding the categories of consent to marketing for the customer, and One by One customer contact will be covered by one of these categories. In the same way as now, One by One will continue to include an opt out tick box so that if the customer retracts their consent during a call made by the dealer, the Centre will be able to record this on the system.

8. MyToyota

As part of TGB’s GDPR compliance delivery MyToyota will be updated to support customers in submitting and updating their consent. We are collaborating with TME to deliver this process as soon as possible and is currently targeted for June 2018.

Data Protection Champion Nomination

For ease of GDPR and data privacy communications going forward, please provide us with details of your Data Protection 'Champion(s)', by sending an email with their contact details (title, full name, email and tel/mobile) to privacy@tgb.toyota.co.uk. We will send further GDPR communications, including the TGB consent data capture process communication to your nominated Data Protection Champion(s). It is advisable to have a second Data Protection Champion to act as a backup.

Please note: This letter and accompanying documents are not intended to be exhaustive, nor do they form legal advice and should not be taken as a substitute for obtaining independent legal advice.

Documents to be used in conjunction with the information provided in this letter, can be located on Central.

Yours sincerely

A handwritten signature in black ink, appearing to read "R. B. Giles". The signature is written in a cursive style with a large initial "R" and "G".

Robin Giles
Director
HR & Corporate Operations