

A Summary of Real Cases:
Indiscriminate Collection of Identity Card Numbers or Copies
for Identity Verification

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All residents of Hong Kong aged 11 or above are required by law to register for a Hong Kong Identity Card (“**HKID Card**”) which contains the bearer’s name, photo, date of birth and a Government-assigned unique personal identifier (i.e. HKID Card Number) designed for immigration purposes. We must carry our HKID Cards at all times after reaching the age of 15. As no restrictions are imposed on the use of an HKID Card by the bearer for non-immigration related purposes, HKID Card numbers and copies are widely used by both the public and private sectors as a convenient personal identifier. Inspection of an HKID Card is also widely recognised as an effective means of identity verification.

However, as an HKID Card carries sensitive data by which an individual is identified, the indiscriminate use of HKID Card data will increase the risk of identity fraud. Identity thieves often prey on easily accessible HKID Card numbers/copies, made available through improper handling of such sensitive data by the data users. Armed with such unique HKID Card numbers and other relevant personal data, identity thieves can take on many different identities for monetary gains.

In recent years, the Office of the Privacy Commissioner for Personal Data (“**PCPD**”) has received an increasing number of complaints relating to data users’ wrongful collection of HKID Card numbers/copies. This reveals an underlying misconception among data users that HKID Card data is the silver bullet for identity authentication without paying attention to the attendant privacy risks. The following cases are selected and modified from actual complaint investigations and self-initiated compliance checks handled by the PCPD. They illustrate that factors like the nature of the dealings and the degree of the potential damage or loss caused to the data user in the case of misidentification of the data subject, will determine the means of identity authentication required and whether the collection of HKID Card numbers/copies is necessary and not excessive.

Scenario 1: Collection of excessive personal data in promotional activities

Business promotional activities take many different forms in Hong Kong, from discount cards, lucky draws, to membership and loyalty rewards, to name but a few. It should be noted that an HKID Card Number/Copy is not normally required for identification purpose if the customer only wishes to enjoy basic benefits such as shopping discounts, as illustrated in the following cases.

Case 1.1 – Application for discount card

A grocery store has introduced its own discount card. As requested by the store, a customer provided her HKID Card Number and Copy for the application of the discount card. Her name and a unique card number were printed on the discount card. She was entitled to a maximum 25% discount in her purchases.

Since the name and contact number were sufficient for authenticating the discount card holder, the grocery store ceased the practice of collecting the HKID Card numbers and copies and destroyed the ones previously collected.

Case 1.2 – Rewards points for purchases

A large retail group devised a customer loyalty programme which required the collection of HKID Card numbers of its members for two reasons.

First, members had to be authenticated for redeeming rewards points (valid for 2 years). If a member reported loss of his card, he could present his HKID Card to obtain a new card and retain the reward points earned. However, as the retail group had already collected the member's name, contact number and home address, it should be able to confidently authenticate the identity of a member by reference to such data. Besides, since the benefits conferred under the programme (rewards points and discount privileges) could not be considered substantial (a total purchase of HK\$200,000 over 2 years would attract 40,000 rewards points of a redeemable cash value of HK\$800), they did not justify the collection of HKID Card numbers.

Secondly, the HKID Card Number was used as a default password for members using the programme's online services. This was not justified as any set of alpha-numerals would suffice as a log-in password.

The retail group subsequently ceased the practice of collecting HKID Card numbers and completely erased the ones previously collected.

At the other end of the scale, an entertainment centre allowed customers to store without limit game credits and bonus points in their e-membership cards. It followed that the cash value accumulated by a customer through the use of his e-membership card could be unlimited. A customer might store in his e-membership card game credits of a cash value up to HK\$10,000 and bonus points that could be redeemed for electrical appliances worth over HK\$40,000.

In the circumstances, the collection of HKID Card numbers from the customers was deemed necessary to enable the identification of the cardholder and to ensure that the values stored in the cards would not fall into the wrong hands.

Case 1.3 – Lucky draw

A food company held a lucky draw for its customers. There were two categories of lucky draw tickets: one was that the tickets were placed inside the products all bearing the same lucky draw number, while the other was that the tickets were attached to the package boxes of other products with unique lucky draw numbers.

A customer who held a lucky draw ticket with a unique number called the registration hotline to enter the lucky draw. She was requested to provide her name, address, telephone number and HKID Card Number for registration. The food company could identify the winners by the unique lucky draw number, together with their registered names, correspondence addresses and telephone numbers, as well as by checking the names on the HKID Cards produced by the customer. Clearly it was not necessary for the food company to collect the HKID Card Number of this customer.

However, as for the customers who hold the other category of the lucky draw tickets where no unique numbers were assigned, it became necessary for the food company to authenticate the winners in view of the high value of certain prizes (e.g. credit card free spending credit of tens of thousands of dollars). Hence, the food company collected the HKID Card Number of those participants during registration for the lucky draw so as to avoid mistakenly awarding the prizes to non-winners later.

The food company destroyed the HKID Card numbers of participants who held unique lucky draw ticket numbers.

Scenario 2: Unnecessary Collection for the purpose of ascertaining an individual's identity

Copies of HKID Cards are often collected by organisations as evidence of their dealings with the individuals concerned. This may but not always constitute a legitimate ground for collection of HKID Card numbers or copies. Data users should always ask themselves whether such authentication of an individual is necessary.

Case 2.1 – Corporate mobile service plan

A staff member, on behalf of his employer (a company), subscribed to a corporate mobile service plan. In handling the registration, the telecommunication company

collected his HKID Card Number, in addition to the copies of business registration and authorisation documents.

Further, he was requested to provide his HKID Card Number for verification upon delivery of the SIM card for the corporate mobile service to his office. Although he suggested showing his HKID Card to the courier upon delivery of the SIM card, the telecommunication company refused. Finally, he provided his HKID Card Number to the telecommunication company.

The telecommunication company mistakenly held the staff personally liable for the corporate account by asserting that the collection of HKID Card numbers served as evidence of the identity of the parties to the service agreement. Since it is the corporation, not the individual staff member, which entered into the service agreement with the telecommunication company, collection of the HKID Card Number of the staff member did not serve the purpose intended by the telecommunication company in relation to the service agreement between the corporate customer and the telecommunication company. Even if the corporate customer defaults on service charges, the individual employee would not be personally liable.

The data user ceased the practice of collecting HKID Card Number.

In general, if a data subject is merely acting on behalf of a company and is not a party to a dealing or transaction with a data user, the HKID Card Number or copy of that data subject should not be collected.

Case 2.2 – Recording of HKID Card numbers of visitors

Residential premises

A visitor was to pay a visit to her friend's home. Upon entry to the residential premises, she was asked by the security guard to provide her HKID Card Number even though she was picked up by her friend at the lobby.

The property management company subsequently ceased the practice of collecting visitors' ID Card Number under similar circumstance.

If the security guard has already ascertained the purpose of the visit through confirmation with the relevant flat occupier, it is not normally necessary to record the visitor's identity information as an additional security measure.

Non-residential premises

An electrician who wanted to enter a unit at an industrial building to conduct

maintenance works during non-office hours was required by the management office to provide his HKID Card numbers for registration. He suggested providing his Certificate of Registered Electrical Workers bearing his name and photo issued by the Electrical and Mechanical Services Department as an alternative but was turned down. Although the tenant of the unit had confirmed the appointment of the maintenance works, the management company still insisted on registering his HKID Card Number. This was unnecessary.

The management company subsequently ceased the practice of collecting HKID Card Number of visitors under similar circumstances.

Collection of HKID Card Number should only be resorted to after due consideration of alternative means of identity authentication e.g. production of other photo identification document.

Case 2.3 – Exchanges of notes into smaller denominations at a bank

A non-account holding customer asked a bank to exchange a HK\$500 note for notes of smaller denominations. The bank collected his HKID Card Number in accordance with its internal policy. Since such transaction did not involve substantial risk of money laundering activities, collection of HKID Card numbers was unnecessary.

The bank ceased the practice of collecting ID Card Number for similar transactions which involved only a small amount of money.

However, banks are permitted to collect HKID Card copies of their customers as due diligence measures before carrying out a transaction involving an amount equal to or above HK\$120,000, and if that is a wire transfer, an amount equal to or above HK\$8,000 so as to comply with the relevant requirement in the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance.

Scenario 3: Premature Collection - Data users have yet to establish a definite relationship with the data subject

The timing of collection of HKID Card numbers and/or copies is of essence. Premature collection of HKID Card numbers and/or copies may constitute wrongful collection. If a data user has not yet established a definite relationship with the data subject so as to justify collection of the HKID Card numbers and/ or copies, the data user must not collect them at that point.

Case 3.1 – Recruitment

A hotel unnecessarily collected the HKID Card Copy of a job applicant during its recruitment process. Employers should not collect HKID Card Copy of job applicants during the recruitment process unless and until the candidate has accepted the offer of employment.

The hotel subsequently ceased the practice of collecting ID Card Copy of job applicants.

An employer may collect a copy of the HKID Card of an employee as proof of compliance on the part of the employer with section 17J of the Immigration Ordinance (Cap 115).

Case 3.2 – Direct Marketing

As part of a marketing programme, an insurance company collected the HKID Card Number of its target customers. This was unnecessary as the collection of only their names, phone numbers and addresses would suffice for making the direct marketing approach.

The insurance company has ceased the practice of collecting HKID Card Number for the marketing programme and destroyed the data previously collected.

After the customer has agreed to purchase an insurance policy, his HKID Card Number may be collected.

Scenario 4: Improper handling of HKID Card number/copy may create privacy risks

Improper handling of HKID Card numbers and copies may create privacy risks such as identity fraud. Therefore, data users should handle HKID Card numbers and copies with care.

Case 4.1 – HKID Card number as an authentication item for instant password changing

A telecommunication company allowed customers to access their mobile phone account online and to change password instantly. If a customer forgot his password, he might reset his password to the account instantly by providing his mobile phone number, HKID Card Number and date of birth as the pre-set authentication items for changing password.

A debt collector, who possessed the mobile phone number, HKID Card Number and date of birth of a customer, successfully reset the password of the customer's online account. In consequence, the debt collector gained access to the customer's account and retrieved other personal data including his address and call records. The debt collector made use of these data to make calls to the debtor's friends to embarrass the debtor.

The telecommunication company subsequently redesigned the password resetting service. Upon receiving password reset request, a code will be sent to the customer through SMS message to the customer's telephone number or registered email for activating the new password.

Data users should treat documents containing HKID Card numbers and copies as confidential documents. Data users should take all practicable steps to ensure that personal HKID Card numbers and copies are protected against unauthorised or accidental access, processing, erasure and loss so as to minimise the possibility of identity fraud.