

PUBLIC CONSULTATION FOR
PROPOSED ADVISORY GUIDELINES ON THE PERSONAL DATA PROTECTION ACT
FOR NRIC NUMBERS

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Overview:

Rental Companies in Singapore have been collecting NRIC details of their customers as a form of security to protect their assets. This has always allowed the organization to track and trace their customers should there be a need.

The advisory guidelines proposed suggested to collect other forms of collateral in exchange for the inventory for rent. However, the classification of rental company is vague and will result in many problems which the PDPC may have unforeseen. In our comments we will elaborate on the nature and risk of the rental business, explain why it may be necessary to further classify the rental industry for the purpose of NRIC collection. This takes into consideration that actual cost of item for rental can range from just over hundred dollars, to tens of thousands of dollars.

We then establish the importance and necessity for rental companies to acquire the individual's full NRIC details. We have included a few included case studies where the collection of NRIC details has helped us to successfully identify potential scammers, and keeping us out of harm's way, and at the same time, thwart their further efforts to scam other rental businesses. The collection of NRIC details has in these cases, help us safeguard ourselves, and our industries.

Qn 1: What are your views on the proposed criteria for limiting the collection, use of disclosure of individuals' NRIC numbers or copies of the NRIC to instances where:

- (a) It is required under the law; and
- (b) It is necessary to accurately establish and verify the identity of the individual?

Comments:

1(a): We do not have any comments in this aspect.

1(b): We think point 1.5(b) is vaguely elaborated in advisory guidelines points 1.12 to 1.15.

We would like to address a particular industry in this scenario – the camera equipment renting industry. Collecting of IC details is necessary in the business to establish and verify the identity of the individual, especially to prevent fraudulent cases. Any rental business is a high-risk business, ranging from equipment damage and misuse to misplace of equipment. In the recent years, there is an increase in scamming and fraud cases where these “customers” rent and run away with the item, rendering uncontactable. As such, it is deemed necessary for us to identify the individual to a high degree of fidelity as stated in point 1.12. However, in point 1.23, renting of bicycles is similar to our industry. Hence, this point is made vague by the comparison to rental businesses in general.

The next point that requires clarification is point 1.13. It mentions the necessity to verify the identity of individuals to prevent a risk of significant harm or impact to the individual and/or the organization. In our industry, we rent cameras or gears that can amount to more than \$10,000. In what circumstance do we consider a high value contract? As mentioned in the paragraph above, the rental industry's main agenda is to guard ourselves against scamming and fraud. In fact, because of the collection of NRIC details, we are able to assist the police in apprehending the scammers by disclosing the NRIC number to the Investigating Officer. (Refer to Annex.)

We would like to recommend that point 1.12 and point 1.13 be further elaborated in order to include rental businesses in the collection of NRIC details because our business require us to accurately establish and verify the identity of individuals, and if circumstances arises, disclose the information to the police.

Qn 2: What are your views on the proposed criteria for limiting the retention of individuals' physical NRIC to instances where:

- (a) It is required under the law; and
- (b) It is necessary to accurately establish and verify the identity of the individual?

Comments:

2(a): We do not have any comments in this aspect.

2(b): We would like to seek clarification on point 1.22 with regards to retaining a copy of the NRIC. In the examples provided (point 1.23 – 1.24), it does not mention the retaining of a copy of the NRIC. The main purpose for the temporary retention of a copy of the NRIC is for the sole agenda of protecting the business against scamming and fraud cases. While we do not face the problem of misplacing a customer's physical NRIC, a monetary deposit as a

collateral is insufficient as we are unable to provide sufficient information to the police in case of a scamming or fraud case.

In Singapore, the law does not properly protect the rental industry. In a case of a scam, i.e. rent and run away, the police will first classify this under a “Breach of Agreement”. Hence, as this is not a criminal offence, the police will not take any further action. However, in the case where the scammer tries to sell the item, this is when the police deem as having evidence of a scam. (Refer to Annex) It is because of the repetition of Name, mobile number and IC number provided to the police that they are able to establish a case. If the retention of the NRIC copy is rendered unnecessary, a phone number or an email address will not be sufficient for the police.

Qn 3: Are there common scenarios or additional issues (e.g. updating of information systems) that these advisory guidelines should address?

Comments:

We are happy that our society has seen a need to protect the privacy of the citizens. In fact, it is important and necessary that your committee is refining the regulations so that our NRIC is not abused.

I believe our agenda is in line with yours – the increased risks of identity theft and fraud. We believe that any regulations should and must work in favor for both the consumers as well as the merchants.

Currently, the NRIC is the only identifiable document that every Singaporean or foreigner (employment pass or similar) has. We will be more than happy to explore other measures and methods that our industry can practice without compromising the security of the business. In a high-risk business model, alternatives as suggested by your committee is insufficient. Hence, we would like to recommend that rental business should continue to be allowed to collect and temporarily retain NRIC details.

While we work towards the encouragement of the “Kampung spirit” of sharing – bike sharing, car rentals, equipment rentals etc, we hope that any change in regulations will continue to protect these industries.

Qn 4: What are your views on the proposed provision of up to one year from the issuance of the advisory guidelines for organizations to review and implement changes to their practices and processes involving the collection, use or disclosure of NRIC numbers or copies of the NRIC, or the retention of physical NRIC?

Comments:

Given that some businesses and organizations are relatively small-scaled, “up to one year” is insufficient for them to implement replacement system/process effectively.

Firstly, the shifting to a new system will be time consuming, given that there is a need to convert existing customers to the new system. As such, it is a lengthy process to contact customers to comply with the new system. Also, there is a need to do in-house testing to

ensure that the system is suitable for the business, in circumstance such as prevention of fraud. This is also another time-consuming process.

Secondly, cost is a big factor for smaller companies and organizations. Shifting from one system to another is not a cheap move. For example, a system for a business needs to be built specifically. To change the system to suit to the new regulations, this is not going to be a simple tweak in programming, but a complete shift. Smaller businesses do not have the ability to handle to cost of having to buy a new system or to rebuild a system that has been working for them.

The last concern would be compliance and cooperation of existing customers. While most customers are fuss-free, there is a small percentage of customers that will hinder the process.

We would suggest and recommend that the committee recommend and provide adequate assistance to businesses and organizations in order to ensure a smooth and fuss-free transition.

Conclusion:

The move to/regulation to restrict the use of NRIC is a commendable effort from the authorities to curb the rampage misuse of personal information by organizations. However, as we have pointed out in our comments, there is a need to clearly distinguish between the various types of rental operations out there in the market.

This will provide a clear picture to the rental industry as to which category of rental companies are allowed to collect NRIC details, and which is not. It will be an undesirable situation should guidelines be given. Customers will use this as a weapon against rental operators to refuse the operators' request for their personal particulars.

While we agree that personal information such as NRIC details are important and should be protected, it is also paramount that organizations are able to protect themselves and their rights to appropriately identify and trace their stakeholders should the need or requirement arise.

Annex 1: Scamming case in 2017

Case Summary:

[Redacted]

Annex 2: Scamming Case in 2015

Case summary:

[Redacted]