Britain's Data Breach Has Banks Alert for Signs of Fraud

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LONDON -- The British government's loss of sensitive information on about 40% of the population has left the country's banks searching for signs of fraud, but consumers appeared fairly sanguine so far.

The government has said two computer disks that went missing in an internal postal service contained details on the 7.25 million families in Britain claiming child benefit -- a tax-free monthly payment available to everyone with children.

The data on the disks included names, addresses, dates of birth, national insurance numbers, and bank-account numbers and codes that identify the branch where an account is held.

The incident is proving a major embarrassment for Prime Minister Gordon Brown. Rival Conservative Party politicians are presenting it as the latest in a string of problems in Mr. Brown's first six months in office, which have included a run on bank Northern Rock PLC.

Treasury chief Alistair Darling said this week that a "junior" member of staff mailed the disks and that the delivery wasn't being tracked and was missing for three weeks before any alarm was raised. The government has said that there is no evidence the lost data fell into the hands of criminals and that police are involved in looking for the missing disks.

The prime minister apologized Wednesday and announced an investigation. Paul Gray, chairman of the country's tax-collection agency, resigned.

Banks said they have seen a slight increase in call volumes from customers asking about the data breach and expressing concern. But there hasn't been a rush to change bank-account details or personal identification numbers.

The mood among depositors appears in sharp contrast to the mood in September when customers crowded Northern Rock, causing a run on the U.K. mortgage lender, after it said it had turned to the Bank of England for funding, and Mr. Brown's government stepped in to guarantee bank deposits.

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