
University Fundraising in the Headlines: a briefing in response to The Daily Mail front page

The Daily Mail has published an “exposé” concerning university fundraising; drawing parallels with the revelations it made in 2015 which led to 13 charities being fined by the Information Commissioner. It says it has reported at least 24 universities to the Information Commissioner. Their alleged “offences” centre mostly on commissioning third party companies to assess people’s assumed capacity or likelihood of giving, either in their lifetime or in a will.

Behind the hubris lies a series of lawful business processes whose purpose is to ensure that resources are directed appropriately, that fundraising is cost-effective and, most importantly, that universities continue to make a contribution to society by educating people and carrying out research which saves lives, makes the world a better place to live in and contributes to human wellbeing.

What has the Mail revealed?

Short answer: not a lot. Everything the universities obtained was in the public domain anyway.

- Q. Is this the same as the stuff the Mail revealed about charities?
- A. No, because it doesn’t involve any swapping of donor data with other charities, or the loss of control of any alumni data to any third-party organisation.
- Q. Why have universities have been trying to work out how rich someone is and how likely they are to give?
- A. Because they believe that efficient fundraising should draw on the intelligent use of available information. We know that donors think it’s important that charities keep the cost of fundraising down. And when planning a fundraising appeal, asking those more likely to give, and more likely to have the means to give, is more efficient and effective than making an undifferentiated approach to everyone.
- Q. How important are these large gifts made by wealthy people?
- A. Very large gifts to universities are supporting ground breaking research in everything from cancer research to astrophysics. And gifts have funded large numbers of student scholarships and capital facilities. British universities are amongst the best in the world and philanthropy is part of the reason why.

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What is “wealth screening” and why do universities do it?

Short answer: it’s about making fundraising more efficient and effective.

Q. How do universities work out how wealthy someone is?

A. Using publicly available data and information from the person themselves. Lots of people have told their university what they do for a living. Many have told the university their income or salary range. And if you Google your own name the chances are lots of information will come up. If you have a LinkedIn profile and have connected to your university then you’ve allowed the university to see and use that information. Corporate information which is in the public domain contains data on who owns which companies. The Land Registry publishes house prices every month under a scheme encouraged by the government. It’s this kind of information which is used to work out how wealthy someone might be. Usually the results of such work are stored in a series of very broad bands since anything more specific is likely to be inaccurate.

Q. So, what’s wealth screening?

A. As noted on BBC News on the 19th November, it’s possible for anyone to access the kind of information referred to above using Google or other online sources, and universities find this information using their own staff. But each university typically has between 50,000 and 350,000 records on their database and researching everyone would be very inefficient. There are companies which have drawn together publicly information on the wealthiest 0.5% of the population and can append this to a charity’s own record if someone is in the wealthiest 0.5%. It’s an efficient way of buying in information which could have been found in-house but far less efficiently. No data belonging to the university is retained by the company.

Q. How do universities work out how likely someone is to give?

A. The primary indicator of whether someone will give is if they’ve done it before. But beyond that, it’s possible to look at a database of donors and potential donors and find, for example, that those who live in a certain postcode, or graduated in a certain subject, or who left more than a certain number of years ago are more likely to have given than other people. If the numbers are statistically significant then it’s possible to know that people who have those characteristics appear more likely to give than some others. Of course, you don’t only ever ask those people and neglect everyone else, because, as Benjamin Franklin said, “*in respect of some of them you will be mistaken.*” Statistics can only tell you so much.

But weren’t universities asking an agency to assess whether or not alumni would be generous in the future?

Short Answer: No.

Q. Did a company try to assess who would be generous in future?

A. No one can predict whether or not someone will be generous in future! The company mentioned is a direct marketing agency. Such a company offers a range of services which may include the design of their materials, working out compelling ways of communicating their messages and providing help to interpret the data their clients already have in order to work out who to send the mailings to. For example, if you know that you get lots of legacies from people who studied a particular subject and very few from those studied a different one, then you might concentrate your legacy communications on those who read the first subject. But does that predict that on

particular individual will do so? No. It simply says that there is a statistical likelihood that Person A may be more likely to give than Person B.

But haven't the universities illegally passed data to lots of third party organisations?

Short Answer: No.

Q. The Mail said that data had been passed to wealth screening organisations. Isn't that the same as sharing of data?

A. No, because in this case universities paid a third party to do some specific things with their own data, which was then returned. That's what happens when they send data to a mailing house to sort and print labels and it's what happens when they ask a third party to do some donor research or modelling or wealth screening. That's very different from passing data to another organisation which keeps the data and uses it for its own purposes.

Have universities broken the law?

Short Answer: It isn't against the law so long as it's done right.

Q. Does wealth screening need the consent of the person being screened?

A. No. Data Protection law allows all sorts of the uses of personal data without the need to obtain consent if it is in the legitimate interest of the organisation. Broadly speaking, the test for doing this is a business need, that the organisation has told the person about the data processing and that it doesn't infringe the person's "rights and freedoms."

Q. Did the universities tell people they were doing this?

A. It's inconceivable that a university actively engaged in fundraising did not have the word "fundraising" or something similar in their privacy statements. In 2000 when the current Data Protection Act came into effect the university's professional body, CASE, was recommending a form of words agreed with the then Data Protection Registrar which explicitly included the word "fundraising."

Q. But is it enough to say you do "fundraising" when you include wealth screening and predictive modelling?

A. Some in the privacy management world argue that this is not enough, since they argue it's intrusive or unexpected and needs pointing out explicitly. That was part of the reason ICO fined charities for wealth screening. But a number of lawyers have argued that this is not a safe conclusion and that the charities could have appealed the wealth screening aspect of the fines. But there were other matters in the charity cases which made the wisdom of an appeal doubtful.

A parallel exists with the banking industry. The banks take all sorts of security measures to make sure that our bank cards are not subjected to fraudulent transactions, and they say so in their terms and conditions. But they don't say that they score each and every transaction you make to see whether it looks statistically likely to be fraudulent, nor do they describe the algorithms they use to do so. They just say that they "take steps to ensure your card details remain secure." The question of how much detail is needed in a privacy notice to make it fair is still a judgement call the data controller needs to make.

In the light of the ICO fines on charities universities have been making their privacy notices fuller and more explicit to make sure people know. But guidance on making privacy notices as explicit as this was only published by ICO in October 2016.

Q. Do people expect universities to work out how wealthy they are?
A. Many Russell Group universities have been directly asking alumni how much they earn for years. And about their company directorships and who their friends are and so on. It's hard to argue this is really that surprising. And would graduates be horrified that universities might use statistics to help their marketing? It seems unlikely. This is a graduate audience after all.

Q. But isn't this really intrusive?
A. One Russell Group university has recently included a very detailed description of wealth screening and predictive modelling in its privacy notice which it has sent to all 320,000 alumni. Just 13 people have asked the university not to do it. It seems that most people don't regard it as important enough to ask their university not to do it. And one leading charity lawyer had gone so far as to say he thinks ICO's argument that this is intrusive reflects the personal opinions of the ICO staff and nothing more.

Did the Information Commissioner's Office know universities do this?

Short Answer: Yes

Q. How do you know that the Information Commissioner's Office knew universities did this?
A. Because I wrote a briefing paper in early 2016 prior to a meeting between CASE, Universities UK and the Russell Group which described details of the wealth screening which the Daily Mail has "revealed."

The Daily Mail refers to the people who've been wealth screened as victims. What harm has come to them? Is there any evidence?

Short Answer: None

Q. What harm is likely to have come to people who've been wealth screened?
A. It's hard to identify any harm. As the Daily Mail noticed, most people aren't wealthy enough to match a wealth screening exercise anyway. No harm whatsoever comes to those people, since although technically the fact that they didn't match a wealth screen is new information, in practice the charity will treat them identically to the way they were treated before the wealth screen. As far as those who do match are concerned, the Centre for Philanthropy at the University of Kent has found that one of the things major donors appreciate is fundraisers coming to them properly prepared.

And the leader author says he was sent an email about the idea of leaving a legacy and then another a whole year later. This is hardly intrusive, not least because the email will have contained the option to unsubscribe.

The Mail says that "when they asked me to leave a legacy, they knew I had the cash." Is this true?

Short Answer: No

Q. Did the university know the Investigations Editor "had the cash"?
A. Of course not. That kind of data is simply not available.

The Mail says ICO could impose huge fines and are investigating. Is this likely?

Short Answer: Fines appear unlikely.

Q. What might the universities be fined?

A. We've already argued it's unlikely the law has been broken, not least due to the lack of the likelihood of harm being caused.

But even supposed it had, ICO fines are supposed to be proportional to both the harm caused and to the number of people affected. University alumni populations are only a small fraction of the size of the databases belonging to the charities which were fined in the last twelve months. In addition, the charities were fined for swapping their data with other charities, something universities do not do.

Q. The Mail says the ICO has launched an investigation. Is this true?

A. The ICO has said it will "look carefully at the evidence provided by the Daily Mail to see if and where any rules have been broken." That doesn't sound like a formal investigation.

The Mail says universities have "information on the value of alumni's bequests, stocks, properties." Is this true?

Short Answer: Yes or No, depending on what the alumni have told the university

Q. Do universities have any of this information?

A. They will only have information on the value of someone's bequest if that person has told the university. There is no way to work out the value of gifts contained in someone's will before they die unless the person tells a university what their will says.

Universities may have information on people's shares or property if that information is in the public domain.

Did a university have details on someone's pension?

Short Answer: No.

Q. Why did the Mail refer to someone's pension situation?

A. The 'generous pensions' phrase is a direct quote by the Daily Mail of a part of an Experian MOSAIC classification description, and was not actually on a university database. It is part of a marketing archetype for people who live in particular postcodes. The archetype name was on the university database. Neither the archetype name or its description were intended to describe any one individual's pension arrangements, nor was the university concerned using it in that way.

The Mail says people were telephoned even though they are on the "official no-call list." Is that true?

Short Answer: It depends

Q. Can you call people who are on the Telephone Preference Service.

A. Yes, if you have their consent. Consent to call overrides the TPS. Providing your phone number to an organisation in a context which explains that if you provide your data it may be used for fundraising purposes could in many instances constitute consent.

Getting in touch

If you have any questions regarding this briefing, or if you would like specific advice on your own organisation's situation, please contact Adrian Beney on abeney@morepartnership.com