Office of the Information and Privacy Commissioner of Alberta

PERSONAL INFORMATION PROTECTION ACT
Breach Notification Decision

Organization providing notice under section 34.1 of PIPA	Royal Mutual Funds Inc. (Organization)
Decision number (file number)	P2015-ND-67 (File #000954)
Date notice received by OIPC	June 3, 2015
Date Organization last provided information	August 4, 2015
Date of decision	November 2, 2015
Summary of decision	There is a real risk of significant harm to the individuals affected by this incident. The Organization is required to notify those individuals pursuant to section 37.1 of the *Personal Information Protection Act* (PIPA).
JURISDICTION	
Section 1(1)(i) of PIPA "organization"	The Organization is federally incorporated and is an indirect wholly-owned subsidiary of Royal Bank of Canada. It qualifies as an "organization" as defined in section 1(1)(i)(i) of PIPA.
Section 1(1)(k) of PIPA "personal information"	The following information may be involved in this incident: • name, • address, • date of birth, • Social Insurance Number, • telephone number, and • account number. This information is about identifiable individuals and qualifies as "personal information" as defined in section 1(1)(k) of PIPA. The Organization reported the information may have been collected for the purpose of selling mutual funds. It may also have been collected by Royal Bank of Canada for the purpose of banking, and "[c]lient information may be collected, used and shared by and between Royal Bank" and the Organization.

DESCRIPTION OF INCIDENT	
❑ loss ☒ unauthorized access ❑ unauthorized disclosure	
Description of incident	• During the course of employment with Royal Bank of Canada, an individual accessed client profiles as part of his mandated employment duties, including "[c]lient information [that] may be collected, used and shared by and between Royal Bank" and the Organization. • During this legitimate access to client profiles for the period of November 2013 to April 6, 2015, it appears the individual copied some client information. Some of the information was used for unauthorized transactions on client accounts. • In two cases, the client information of Alberta residents was disclosed to third parties. The third parties used the information to open bank accounts, redeem funds from investment accounts, and attempt withdrawals (in one case, the attempt was successful). • The employee resigned on April 6, 2015.
Affected individuals	The Organization reported a total of 75 affected individuals across Canada, including up to 26 affected individuals who are residents of Alberta.
Steps taken to reduce risk of harm to individuals	• Reported the incident to the federal and Alberta privacy commissioners. • Reviewed internal policies and procedures. Implemented quarterly reminders pertaining to client confidentiality as well as use of personal devices. • Extended Team Leader coverage outside of normal work hours to monitor accordingly. • All impacted client profiles flagged for fraud monitoring. • The Alberta resident who suffered harm as a result of an unauthorized withdrawal was made whole and offered credit alert monitoring.
Steps taken to notify individuals of the incident	• Some of the affected individuals were notified by telephone between May 26 and 29. Where individuals could not be reached, the Organization made additional attempts in June. • Affected individuals were notified by letters issued June 9 to 12.

REAL RISK OF SIGNIFICANT HARM ANALYSIS	
Harm Some damage or detriment or injury that could be caused to affected individuals as a result of the incident. The harm must also be "significant." It must be important, meaningful, and with non-trivial consequences or effects.	The Organization reported the potential risk of harm may include use of the information for account takeovers at Royal Bank and/or the Organization, and identity theft which could result in fraud. I agree with this assessment. The personal information involved includes sensitive identity and financial information that could be used to cause the harms of financial loss, fraud and identity theft. These are significant harms.
Real Risk The likelihood that the significant harm will result must be more than mere speculation or conjecture. There must be a cause and effect relationship between the incident and the possible harm.	The Organization reported that the information at issue was used for unauthorized transactions on client accounts. In Alberta, client information was disclosed to third parties and used to open bank accounts, redeem funds from investment accounts, and attempt withdrawals (in one case, the attempt was successful). The above information reported by the Organization reinforces the real possibility of harm resulting from this incident. In particular, the incident resulted from malicious intent and client information was disclosed to third parties and used to cause harm.

DECISION UNDER SECTION 37.1(1) OF PIPA

Based on the information provided by the Organization and given the circumstances of the incident, I have decided that there is a real risk of significant harm to the affected individuals. The personal information involved includes sensitive identity and financial information that could be used to cause the significant harms of financial loss, fraud and identity theft. The incident resulted from malicious intent and client information was disclosed to third parties and used to cause harm.

I require the Organization to notify the affected individuals in accordance with section 19.1 of the *Personal Information Protection Act Regulation* (Regulation).

I understand the Organization notified the affected individuals by telephone in May and June, 2015, and that letters were issued June 9 to 12 in accordance with the Regulation. The Organization is, therefore, not required to notify the affected individuals again.

Jill Clayton
Information and Privacy Commissioner