Opinion Piece

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The impact of direct marketing to the dearly departed – Understanding cause and consequences

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Abstract

According to the Direct Marketing Association, twenty-two million pieces of direct mail are delivered to the addresses of dead people every year in the UK, costing businesses a staggering £30m in wasted marketing expenditure. This paper explains why the economic impact is merely the tip of the iceberg. It considers the damage of unwanted mailings on customer relations and business reputations, and highlights how they are adding to the increasing problem of impersonation fraud.

Introduction

An unwritten rule of civilised societies is that those who have suffered the death of a close relative are treated with respect and dignity. Anyone who chooses to ignore this convention by word or deed runs the risk of permanently alienating those in mourning.

The same rule applies in business.

Reputation management

Offending and alienating customers — past or potential — is the exact obverse of positive marketing. Those who accept ‘deceased mailings’ as a precondition of precision marketing, like ‘gone aways’, ‘not knowns’ or ‘misaddressed mail’, risk the reputation of their business.

At best mailing the deceased is a defunct and wasteful practice, at worst it can cause upset and the rapid erosion of public goodwill towards a company or organisation. Businesses competing in consumer-driven markets live or die by reputation, and public opinion is critical.

Consumers are unforgiving and, empowered by the media, have become increasingly vocal in their criticism of inappropriate or unsatisfactory business activity. A common and dangerous mistake is thus to disregard the small percentage of direct mailings that go astray as inevitable wastage.

Fuel for fraud

Mailing personalised information to someone who has died carries security risks and provides fodder for criminals who steal the identities of

Reputation at risk

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Identity theft

individuals. Deceased impersonation or concealment fraud has become one of Britain's fastest-growing crimes, with over 80,000 recorded cases in 2005 according to CIFAS, the UK's Fraud Prevention Service.¹ Robbing the dead of their identities now accounts for over a third of all identity fraud cases nationwide and one in seven of all people who die have their identity stolen.²

Fraudsters are not only motivated by financial gains — some need a new identity to commit bigamy, drive without insurance, work with children or hide from the police, the immigration services or the taxman.

Direct mail can carry all the details a fraudster needs to assume the identity of an individual, making it rich pickings for opportunists and organised gangs on the look-out for personal information. Their increasingly cunning and ruthless tactics include combing through discarded documents in rubbish bins and even making appointments through estate agents to view deceased pensioners' homes with the intention of stealing unopened post.

A recent survey of residents in Wandsworth, south London, found that 77 per cent of householders had put out rubbish useful to thieves. The problem is exacerbated by the widespread introduction of domestic paper recycling schemes, which provide criminals with ready-made bundles or bags of swag to collect.

Seemingly innocuous mailers can cause problems. A Christmas gift guide sent to the address of a deceased mail-order subscription holder can be all an identity criminal needs to commit fraud, especially if customer verification checks are not stringent enough. Armed with the account holder's full name and address, there is nothing to stop a fraudster posing as the account holder and asking to check bank account details held by the company. This seems far-fetched, but it is happening all over the UK.

Tools of the trade

According to the Data Protection Registrar, each year the largest number of complaints about direct marketing relate to mailings and telephone calls to the homes of recently bereaved older people. Most companies recognise their duty to ensure customer information is always correct, but with around 50,000 deaths each month in the UK, this is a continuous task.

The effectiveness of data screening and suppression methods varies widely across the direct marketing industry. Latest research by the Direct Marketing Association shows over a quarter (27 per cent) of businesses marketing directly to the public still choose not to use any form of suppression of prospects known to have gone away or died, using either mail returns or third-party suppression files. Businesses using mail returns to update customer records are relying on information which is incomplete, sporadic and sometimes even years out of date.

Data protection

Data protection laws dictate that private businesses cannot be privy to government-compiled records of dead citizens, and, astonishingly, there is

Variable effectiveness of data screening and suppression methods

Pressure to act on the problem of unwanted mail is growing

currently no centrally managed public database containing the records of deceased people in the UK.

The shortage of reliable, centrally maintained and distributed information has created a gap in the market for independent screening databases, such as Mortascreen, which is built by capturing and cross-checking information from several different sources within days of a person's death. These include official government-issued death certificates, burial or cremation records, data exchange with major UK insurers and registrations via The Deceased Preference Service.

Over half of businesses involved in direct marketing activity now use third-party screening files to identify and suppress deceased records, but this still leaves a huge number that rely on haphazard forms of database management or no management at all.

Conclusion

Direct marketers face increasing public and political pressure to curtail the problem of unwanted mail, especially in light of heightened awareness of the fast-growing menace of identity crime.

The financial and moral advantages of monitoring customer data to identify and manage deceased records are now too huge to ignore. Unsolicited trampling on the feelings and sensibilities of the bereaved causes unnecessary distress to grieving families and is not tolerated in civilised societies.

The positive economic impact of a precisely targeted campaign for an effective product far outweighs the cost and time spent identifying and suppressing dormant records. It is time the direct marketing industry took its fair share of responsibility for protecting the data in its control, to help prevent the harmful repercussions of direct marketing to the deceased.

References

1. See www.cifas.org.uk
2. *Ibid.*