

1st statement
Exhibit AP1
9 December 2011

IN THE LEVESON INQUIRY

WITNESS STATEMENT OF ANDY PICKFORD

I, Andy Pickford, Head of Regional Fraud Risk Europe, at HSBC Bank plc, Security & Fraud Risk Europe ("HSBC"), Level 4, 62-76 Park Street, London SE1 9DZ, do say as follows:

Introduction

1. I make this statement in response to a request from the Leveson Inquiry to assist in its investigation into the culture, practices and ethics of the press, which request was received by me by email on 18 November 2011 (and clarified by email to CMS Cameron McKenna LLP on 5 December 2011) (**AP1**).
2. The facts and matters herein stated are, except where it expressly appears otherwise, within my own knowledge and from other people involved in the business with which this matter is concerned. My knowledge is derived from a combination of my personal involvement in, and familiarity with, the subject matter of the Inquiry's request and also from the documentation which I have seen and to which I refer in this statement.

Responses to questions raised by Leveson Inquiry

"Who you are and a brief summary of your career history."

3. I have been employed by HSBC for 32 years, and have undertaken a wide variety of roles in the UK during that time. Since 2007, my role at HSBC has been the 'Head of Regional Fraud Risk Europe', which involves all aspects of fraud prevention, investigation, on-line fraud monitoring, as well as the analytical and technical response to all emerging threats. I am also a member of the Cabinet Office Counter Fraud Task Force and the Tactical Virtual Task Force.

4. Prior to being appointed in my current role, I worked in the HSBC branch network, and have undertaken various project management roles. I was subsequently the Regional Operations Manager for the south-east covering all aspects of operational integrity.

“Whether your financial institution is or has been targeted by persons seeking to “blag” confidential data from your organisation? For the purposes of this request please go back at least 10 years.”

5. Having made enquiries internally in order to inform my response to this question, I am not aware of any instances whereby HSBC has been targeted by, or been subject to, any attempts by journalists, media source or any other press institution to “blag” confidential data from it. It is possible that such situations have occurred without my or HSBC’s knowledge, however, my understanding is that the purpose of a journalist attempting to blag information would generally be to obtain information, rather than to seek monetary gain. As such, in my opinion, in the event that such a blag occurred, it is less likely that such an event would become apparent to either the subject of the blag or to HSBC, and therefore it is less likely for a consumer complaint to be made and/or an investigation to be triggered as a result.
6. Notwithstanding the above, all of our staff are subject to strict duties of confidentiality, and are regularly trained on data protection, confidentiality and information security risk awareness. HSBC does have general security procedures and measures in place to mitigate, as far as possible, the risk that anyone, including from the press or media, could unlawfully obtain information relating to third parties by blagging. I refer to my paragraphs 8-12 below for a more detailed explanation in this regard.

“If so, please give an indication of the scale of the problem, the types and sophistication of “blagging” attempts that are made, the types of data that are sought, who by, who for and any other particulars that will assist the inquiry to assess the nature and scale of the problem.”

7. Please see my paragraphs 5-6 above – this question is not applicable.

“What measures does your organisation presently take in order to prevent “bloggers” from obtaining confidential data?”

8. HSBC does not implement any measures which are aimed specifically at preventing or dealing with “blogging” from journalists, the media or other press institutions. However, HSBC does implement measures to mitigate, as far as possible, this type of event occurring generally.
9. All of HSBC’s employees are under a strict duty of confidentiality with regards to all confidential information held by HSBC, which is imposed on them by, amongst other things, their employment contracts. HSBC’s employees also receive regular mandatory training on Data Protection, Confidentiality, and Information Security Risk Awareness.
10. Further, the HSBC Staff Employee Handbook (relevant extracts at AP2) contains a wealth of information relating to the confidentiality obligations imposed on HSBC’s employees, as well as information regarding security and fraud prevention measures. The handbook also refers to employees’ obligations in respect of third parties, and in particular any media source, seeking information having identified themselves as a non-customer or journalist (at page 20):

“If a third party, in particular any media source, asks you to comment on or provide information, under no circumstances should you respond without having sought permission and guidance from your line manager. Where necessary, your line manager will seek permission and guidance from Group Corporate Affairs.”

11. Confidential data is only released by HSBC in accordance with its customers’ instructions or when it is obliged to do so by law. To ensure that it properly identifies its customers, HSBC has comprehensive and frequently reviewed security procedures that apply whether a customer is seeking information from the relevant branch, over the telephone or online.

“Have any of your staff (i.e. your staff whether casual or permanent) in the last 10 years been caught and/or disciplined for disclosing confidential data to third parties? If so, please provide particulars. This request is particularly directed at third

parties who directly, or indirectly, have sought to corrupt your staff in order to obtain confidential data for any manifestation of the media."

12. Having made enquiries internally in order to inform my response to this question, I am not aware of any employee of HSBC having been caught and/or disciplined for disclosing confidential customer data to any journalist, media source or press institution.

"The documents you provide to the Inquiry Panel should relate to the following matters:

- (a) Any document concerning attempts (whether or not successful) to blag information from your organisation in the last 10 years.*
- (b) Any document setting out your organisation's present measures to prevent "bloggers" from obtaining unauthorised access to confidential data.*
- (c) Any document relevant to the uncovering of, investigation of, or disciplining of staff for unauthorised disclosure of confidential data to third parties."*

13. With respect to the requests contained in (a) and (c), I have no information to provide in respect of these requests – I refer to paragraph 12 of this statement in this regard. With respect to the request contained in (b), the attached extracts of our Staff Employee Handbook set out HSBC's general policy in respect of employees' obligations of confidentiality, standards of integrity, data protection, security and fraud prevention measures and dealing with the media.

14. I believe that the facts stated in this witness statement are true.

Signed ...



Andy Pickford