

Notice: This document is an unofficial translation of the Swedish Authority for Privacy Protection's decision. Only the Swedish version is authentic.

Swedish ref.:
DI-2021-10188

German SA ref.:
LSA-1085.1-58/20-F

IMI case register:
164557

Date of draft decision:
2022-12-15

Date of translation:
2025-06-17

Final decision pursuant to investigation under the General Data Protection Regulation – Klarna Bank AB

Decision of the Swedish Authority for Privacy Protection

The Swedish Authority for Privacy Protection (IMY) finds that Klarna Bank AB has processed personal data in breach of articles 12(3) and 17 GDPR¹ by not initiating and complying without undue delay with the complainant's request for erasure made on 29 November 2019.

IMY finds that the investigation has not shown that Klarna Bank AB has processed the complainant's personal data in breach of Article 21(1) of the GDPR.

IMY issues Klarna Bank AB a reprimand in accordance with Article 58(2)(b) of the GDPR for violation of Articles 12(3) and 17 of the GDPR.

Presentation of the supervisory case

IMY has initiated supervision regarding Klarna Bank AB (Klarna or the company) due to a complaint. The complaint has been submitted to IMY, as competent supervisory authority for the company's operations pursuant to Article 56 of the General Data Protection Regulation (GDPR). The handover has been made from the supervisory authority of the country where the complainant filed their complaint (the data protection authority in Bavaria, Germany).

IMY has handled the complaint as the lead supervisory authority, based on the location of the company's main establishment (in Stockholm, Sweden) in accordance with Article 56 of the GDPR. Because of the cross-border nature of the data processing that is subject to the complaint, the case has been handled according to the provisions on cooperation and consistency in Chapter VII of the GDPR. The concerned supervisory

Postal address:
Box 8114
104 20 Stockholm

Website:
www.imy.se

E-mail:
imy@imy.se

Phone:
08-657 61 00

¹ Regulation (EU) 2016/679 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

Date:2022-12-15

authorities have been the data protection authorities in Germany, Denmark, Austria, Italy, Poland and Finland.

The investigation has been carried out through a written procedure.

In the light of the assessments made in the case, in accordance with Article 60(9) of the GDPR, IMY shall adopt parts of the decision and the supervisory authority of the complainant, i.e. the data protection authority of Bavaria, Germany, shall adopt the remaining parts. The facts and assessments in the case have therefore been and adopted in separate decisions.

What the complainant has stated

The complainant has stated that on 29 November 2019 he made a request for erasure of his personal data in accordance with Article 17 of the GDPR, without success. The request was preceded by Klarna providing information about the complainant to a debt collection company, to which the complainant had not given his consent. After the debt relationship was settled, the complainant did not receive any further information or confirmation from Klarna regarding his request.

The complainant has also requested information on recipients under Article 19.

Finally, the complainant has objected to the use of his personal data under Article 21 of the GDPR.

What Klarna has stated

Klarna has stated the following. Klarna is the data controller for the processing to which the complaint relates.

Klarna confirms that they have received the complainant's request for erasure under Article 17 of the GDPR, that the process of erasing his personal data began on 23 January 2020 and that the complainant was informed of the measures taken. However, the request for erasure has not been completed due to an individual mistake by an employee in violation of Klarna's routines. The employee has received additional education to ensure that the mistake is not repeated. The process has not been completed due to the fact that the complainant has continued to use Klarna's services beyond July 2020. Due to the existence of additional economical claims and open customer service cases between Klarna and the complainant, and the complainant's continued use of Klarna's service, his request for erasure has subsequently not been possible to comply with.

Finally, Klarna states that on 29 November 2019, the company has received the complainant's objection to the processing of personal data. The complainant had at that time a non-regulated debt due to Klarna. On account of the debt, Klarna handed the complainant's telephone number to a debt collection company in order to recover the debt. Klarna states that, at the time of the request, there was no reason to satisfy the complainant's objection to the processing of personal data in relation to the debt collection company. Klarna argues that the balancing of interests underlying the processing of personal data means that Klarna had legitimate interests to process the complainant's personal data until the debt has been settled.

Date:2022-12-15

Motivation for the decision

Applicable provisions, etc.

Pursuant to Article 12(3) of the GDPR, the controller shall upon request provide the data subject without undue delay and in any event no later than one month after receiving the request, with information on the measures taken pursuant to Articles 15 to 22. The period of one month may be extended by a further two months if the request is particularly complex or the number of requests received is high. If the deadline of one month is extended, the controller shall notify the individual of the extension. The extension of the time limit shall be notified within one month of receipt of the request. The controller shall also state the reasons for the delay.

Pursuant to Article 17(1), the data subject shall have the right to have his or her personal data erased from the controller without undue delay and the controller shall be obliged to erase personal data without undue delay where one of the conditions listed in that Article exists, for example where the data are no longer necessary for the purposes for which they have been collected or if consent for processing is withdrawn. Article 17(3) lists the exceptions to this right.

According to article 19 the controller is required to inform each recipient to whom the personal data have been disclosed of any rectification or erasure of personal data or restriction of processing carried out in accordance with Articles 16, 17(1) and 18, unless this proves impossible or involves a disproportionate effort. The controller shall inform the data subject of these recipients at the request of the data subject.

Under Article 21(1), the individual shall have the right, on grounds relating to his or her specific situation, to object at any time to processing of personal data concerning him or her based on Article 6(1)(e) (information in the public interest or the exercise of official authority) or (f) (legitimate interest), including profiling based on those provisions. The controller shall no longer process the personal data unless they can demonstrate compelling legitimate interests for the processing which override the interests, rights and freedoms of the individual, or for the establishment, exercise or defence of legal claims.

IMY's assessment

IMY has initiated supervision in order to investigate whether Klarna has handled the complainant's requests for erasure of his personal data in accordance with the provisions of the GDPR.

Has there been a breach of Articles 12(3) and 17 of the GDPR?

IMY notes that Klarna received the complainant's erasure request on 29 November 2019. Klarna has stated that it did not initiate the deletion process until 23 January 2020, after which the request was not completed due to an individual mistake by an employee and in breach of Klarna's procedures. It is IMY's understanding that Klarna recognises that a deletion should have been done, but was not completed due to the employee's mistake. In light of the above, the complainant's request has neither been initiated nor completed without undue delay and within the stipulated time limit in Article 12(3). The complainant has also not been informed of the delay.

IMY has no reason to question Klarna's statement that, after having submitted a request for erasure, the complainant started using Klarna's services again as of June 2020 and thus provided Klarna with additional personal data. This processing of the complainant's

Date:2022-12-15

personal data, which took place when seven months had passed after his request for erasure, is in IMY's view not covered by the request for erasure made on 29 November 2019. IMY therefore does not consider that Klarna, by not erasing the complainant's personal data due to ongoing processing after July 2020, has failed to comply with the GDPR. However, as stated above, IMY notes that the complainant's request from 29 November 2019 to July 2020 has not been fulfilled without delay.

IMY finds that Klarna has processed the complainant's personal data in breach of Article 12(3) and 17 of the General Data Protection Regulation by not initiating and complying with the complainant's request for erasure made on 29 November 2020 without undue delay. No erasure of the complainant's personal data has taken place. Since Article 19 of the GDPR is aimed at when erasure has been completed, the article is not applicable in this case.

Has there been a breach of Article 21(1) GDPR?

As the complaint shows, the complainant was contacted by a debt collection company which had received the complainant's telephone number from Klarna. The complainant has objected to the processing of his personal data including profiling pursuant to Article 21(1) GDPR. The right to object relates to ongoing processing of personal data. IMY perceives that the complainant's objection relates to the processing of personal data carried out on an ongoing basis, through Klarna's transfer of the complainant's data to a debt collection company which was still ongoing at the time of the objection.

Klarna states that the complainant had a debt which had not been settled. The debt has thus been handed over to the debt collection company for continued management of the overdue debt. The information contained in the complaint does not contradict the existence of a debt relationship. Klarna has processed the complainant's personal data by handing over the complainant's telephone number to the debt collection company until the debt is settled. IMY considers that Klarna's interest in taking action to recover outstanding claims weighs heavily. In addition, IMY considers that the contact details of the debtor, such as telephone number or address, constitute information that is relevant and adequate to handle in the context of a recovery procedure, including, for the purpose of obtaining payment settlements. Overall, IMY assesses that Klarna, by submitting the data in question to the debt collection company for settlement of the debt, had compelling legitimate interests to process the complainant's personal data as referred to in Article 21(1) of the GDPR, which outweighs the complainant's right to object to the processing of personal data. Klarna was therefore entitled not to take into account the request for objection to the processing of personal data received.

Against this background, IMY notes that Klarna does not fail to comply with Article 21(1) GDPR.

Choice of corrective measure

According to Article 58(2)(i) and Article 83(2) of the GDPR, IMY has the power to impose administrative fines in accordance with Article 83. Depending on the circumstances of the case, administrative fines shall be imposed in addition to or in place of the other measures referred to in Article 58(2), such as injunctions and prohibitions. Furthermore, Article 83(2) provides which factors are to be taken into account when deciding on administrative fines and in determining the amount of the fine.

In the case of a minor infringement, as stated in recital 148, IMY may, instead of imposing a fine, issue a reprimand pursuant to Article 58(2)(b). Factors to consider is

Date:2022-12-15

the aggravating and mitigating circumstances of the case, such as the nature, gravity and duration of the infringement and past relevant infringements.

IMY notes that Klarna started the erasure and that it was not completed due to a mistake made by an individual employee in violation of the company's routines. The employee has been trained to ensure that this error is not repeated. It is a data subject and neither sensitive nor privacy-sensitive data in this case. Because of these circumstances, IMY considers that this is a minor infringement within the meaning of recital 148 and Klarna Bank AB should be given a reprimand under Article 58(2)(b) of the GDPR for the infringements found.

This decision has been approved by the specially appointed decision-maker [REDACTED] [REDACTED] after presentation by legal advisor [REDACTED].

Copy to

Data protection officer