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More Than Half of UK Businesses Aren't Prepared to Pay GDPR Fines if Breached

Research shows only five per cent of IT decision makers have all the necessary data governance strategies in place to be compliant ahead of 25th May 2018 deadline

LONDON, Dec. 05, 2017 (GLOBE NEWSWIRE) -- Research from [Proofpoint](#), Inc. (NASDAQ:PFPT), a leading cybersecurity and compliance company, reveals that whilst the majority (54%) of UK businesses expect a data breach in the next 12 months, only 48 per cent of respondents agree that their business is financially prepared to cover the [European Union General Data Protection Regulation](#) (EU GDPR) fines when the deadline arrives on 25th May 2018.

The [GDPR study](#), carried out amongst 1,500 IT decision makers across businesses in the UK, France, and Germany, highlights a disconnect between perception and reality when it comes to GDPR readiness. Whilst most UK businesses (77%) believe they will be fully compliant by May 2018, only five per cent have all the necessary data governance strategies in place to be compliant.

"It's clear that when it comes to GDPR readiness, there is a disconnect. While the majority of UK businesses are bullish about their ability to meet the compliance deadline, our research shows that for many, the basic requirements are not met," says Adenike Cosgrove, EMEA Cybersecurity Strategist, Proofpoint. "With data breaches becoming the new normal and the deadline to comply now less than six months away, the time is now to identify and protect all personal EU data. Failure to do so could lead to financially-significant fines, broken customer trust and in turn, potentially crippling disruption to the business."

Data breaches are the new normal

Along with high-profile global cyberattacks, the [research](#) highlights that data breaches are significantly on the rise. More than a third (36%) of UK businesses suffered a data breach in the last two years and nearly a quarter (23%) suffered a data breach multiple times in the past 24 months.

Looking ahead, France seems to have a heightened awareness of this new paradigm compared to its European counterparts. Seventy-eight per cent of French IT decision makers think their business is likely to suffer a data breach, with German respondents (46%) believing that they are the least likely to experience an EU personal data breach.

GDPR is driving IT investments

Interestingly, 65 percent of IT decision makers in the UK are seeing increased IT security investments to help bolster their cyber defences and comply with GDPR ahead of the deadline.

Additionally, almost a quarter (24%) have even purchased cyber insurance, implying that whilst reactive measures are in place, these organisations fear current strategies are not sufficient enough to comply with GDPR in time. Cyber insurance can help cushion the cost of a breach, however many insurance policies will not cover fines for non-compliance.

GDPR preparations are underway

Proofpoint research also found a disparity around which methods are being prioritised to ensure GDPR deadline compliance. More than half (56%) of respondents have a user awareness programme on data protection, 46 per cent have encryption for all personal EU data, and 49 per cent have implemented advanced security solutions to prevent data breaches.

However, according to the findings, only half of respondents (50%) know (and have documented) what personal EU data their organisations currently hold. This demonstrates that whilst some businesses are implementing strategies and recognise the importance of GDPR compliance, they are still at a significant risk of non-compliance to the regulation because they cannot discover where EU personal data sits.

"Despite having two years to comply, UK businesses are still at a critical risk of exposing data and facing potentially colossal fines as a result," concludes Cosgrove. "Over the next six months, organisations must invest in solutions that will enable them to have clearer visibility over EU personal data, solutions that prevent breaches of identified data, as well as implement

solutions that enable them to monitor, detect, and respond to any regulatory violations."

The European Union General Data Protection Regulation (EU GDPR) will come into effect on 25th May 2018, replacing the 22-year old EU Data Protection Directive. Failure to comply with the new rules could lead to unprecedented fines of up to four per cent of annual global revenue or €20,000,000.

To download the full 'The Great GDPR Disconnect' report, visit: <https://www.proofpoint.com/uk/resources/white-papers/gdpr-readiness>

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