An Industry Perspective on the Children's code (Wave 3)

Research commissioned from IFF Research

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1 Executive summary

Background

1.1 Following a two-wave project to measure initial awareness and impact among businesses and industry bodies of the Information Commissioner's Office's (ICO) introduction of the Children's code in September 2020, IFF were commissioned to undertake a third wave in 2022 with two primary objectives:

- To develop a quantitative evidence-base around Information Society Services' (ISS) awareness and understanding of the code, and their views on its high-level business impacts, at a set point in time (September-October 2022).
- To identify case studies that demonstrate the impact of the code on how ISS services are designed and on user experience of these services.

1.2 A mixed methodology was adopted, with a quantitative online survey and telephone interviews followed by qualitative in-depth interviews. The quantitative research was completed between 31 August 2022 and 5 October 2022 (407 interviews: 305 online, 102 telephone).

1.3 The qualitative interviews took place between 11 October and 9 November. Five of these interviews were recruited through businesses that agreed to partake in follow-up research from the telephone strand. There were challenges in recruiting this audience and the sample was therefore boosted through a free find approach that resulted in a further 4 interviews.

Awareness and Understanding

1.4 Familiarity with the ICO is broadly the same (69% in 2022 compared to 73% in 2021). However, a smaller proportion are very familiar (25%) in 2022 compared to 2021 (38%).

1.5 More businesses had some awareness of the code in 2022 than 2021 (68% compared to 59%) This was driven by increases in awareness among micro (1-9 employees) and small (10-49 employees) businesses. However, more in-depth knowledge of the Children's code has not increased and businesses often see it as part of general GDPR compliance. Given the small level of change in awareness since 2021, where the introduction of the code was more recent, this suggests a 'levelling off' effect now it's been two years since its introduction.

1.6 Despite in-depth knowledge not increasing, overall awareness of features of the code improved although only two businesses (<1%) gave all the correct answers and no incorrect answers when asked to identify features of the code. There are still many misconceptions about features not covered by the code.

1.7 Businesses are less likely to have learned about the code from the ICO website than in 2021 (a drop of 12 percentage points), but more likely to have learned about it from a child advocacy group (an increase of 4 percentage points). The lower levels of engagement with the ICO website could also point towards issues relating to the Children's code specifically not being as 'top of mind' as previously.

1.8 Larger businesses were generally more likely to find out about the code from the ICO website or direct communications while smaller businesses were more likely to hear about it from social media, the news or their training providers.

Assessment of delivery

1.9 As in autumn 2021, businesses were more likely to think that they were in scope prior to hearing a definition of the code, something that was consistent in 2022. Although fewer businesses thought they were in scope in 2022 than in 2021 (81% vs 84%) and slightly more thought they were after the definition (73% vs 68%) these differences were fairly minor.

1.10 Between 2021 and 2022 there was no significant change in the proportion of businesses that consider themselves fully conformant with the code: 44% of businesses reported this in 2021 and 46% in 2022.

1.11 Ease of being conformant remains consistent with 2021, with just over a fifth (21%) of businesses finding it difficult to be conformant with the code, but micro business were far less likely to find this (9%) and medium sized businesses were more likely to find it difficult (42% reported this).

1.12 Fewer businesses had recently made changes to their practices relating to their uses of children's data in 2022 than in 2021. Just over a quarter of businesses (27%) reported this in 2022 compared with 41% in 2021. Again lending itself to slowed momentum of the influence of the code over time.

1.13 Businesses were generally more likely to have made these changes regardless of the code. For example, 52% made changes in designing and implementing changes to aspects of the service's user experience independently of the code compared with 35% who made the change as a direct result of the code.

Impact of the Children's code

1.14 When asked if the code would provide opportunities to their business, fewer businesses thought it would in 2022 than in 2021 (27% compared with 42%).

1.15 Overall, businesses felt the overall impact of the code would be positive for wider stakeholders, with figures very similar to those in 2021. Around three quarters (77%) of businesses thought there would be a positive impact on parents/guardians and 71% thought it would be beneficial for children. Two thirds (66%) thought it would be positive for their organisation and 63% felt it would have a positive impact on their sector (there was no notable difference in this figure across sectors).

1.16 Qualitatively, respondents reported anecdotally that one of the main positive impacts would be peace of mind being given to parents. It can be hard to monitor children's online access and so knowing that the Children's code was in place would give them reassurance.

1.17 One of the areas of concern for two of the qualitative respondents was around the area of fraud, and while they spoke specifically about credit card fraud which may not apply to children, there was wider concern about personal data being stolen. One respondent in particular felt that this risk was greatest when staff are complicit with other criminals, and they collude to defraud the company. They have moved to mitigate this by having tighter control over who has access to data, making it strictly need to know rather than offering wider access to all staff.

1.18 Large and medium businesses were more likely to make changes to their practices because of the news articles they had seen (74% and 63%) relative to micro and small businesses (17% and 33%) although this was not something that was evident with the qualitative respondents.

Conversely, micro and small businesses were more likely to make changes to business practices based on their experiences of their own children or those of friends and family (66% and 73%).

1.19 Fewer businesses reported that they incurred costs because of the Children's code in 2022 than in 2021 (29% compared with 35%). As in previous years, smaller companies were less likely to have incurred costs from the code (6% sole trader, 14% micro, 19% small, 45% medium, 33% large), which was driven by a lower proportion thinking that they are in scope.

1.20 The proportion of businesses that recently incurred costs has also fallen because changes had already been made as businesses move towards conformance over time.

Conclusions

1.21 Most of the differences by type of business observed in this data are driven by business size, and there were very few differences by sector and other demographic groupings. This suggests future guidance and communications should be targeted primarily by size of business.

1.22 Overall, it appears that the momentum perhaps seen in 2021 regarding the Children's code has levelled off in 2022. There have been some, but only small, changes in awareness of the code and not a great deal of change in terms of actions and costs relating to the code.

1.23 Many businesses perceive the code as something which has now passed, which may explain the levelling off of awareness and limited changes made as a result of the code. There was a wider sense that the code is something that has been subsumed into wider GDPR compliance.

1.24 Although most businesses do not necessarily perceive the code to offer commercial opportunities for their business, there is a general consensus that the impact of the code will be beneficial for wider stakeholders, in particular parents, guardians and ultimately children themselves. The code was seen to offer reassurance to parents/guardians who are likely to find it increasingly difficult to monitor children's online activity.

1.25 More businesses now felt that enforcement or penalties were the best way to encourage compliance, again suggesting a plateauing of awareness and that hearing about action being taken may be the best way to impress urgency.

1.26 Very few businesses find it difficult to conform with the code, it tends to be perceived as integrated into the general conformance of the business. Challenges were more often faced by smaller businesses than large businesses.

1.27 While more businesses reported incurring costs in the highest bracket compared to 2021, only a minority stated the costs were directly related to the code. In general, the number of businesses experiencing costs had fallen, showing no detrimental impact to businesses.

Caveats and limitations

1.28 There are some limitations and caveats associated with this research:

- There is no definitive data source or way of defining the population likely to be in scope of the code and the sample composition might not reflect the population of all businesses in scope of the code.

- A mixed method approach to sampling and interviewing was required (drawing on free find telephone interviews and online panel sample).

  To address these potential limitations the data in 2021 and 2022 were weighted by business size and survey mode to ensure a 'like for like' comparison could be made.

- While base sizes are robust at an overall level, when data is broken down by size and sector, some bases are lower than 100, meaning the confidence intervals are higher and fewer differences can be marked as statistically significant despite relatively large changes between waves.

All charts showing significant differences are labelled. Any commentary that references differences between years or type of business is statistically significant at 95% level using t-tests.

2 Background and method

Background

2.1 The Age Appropriate Design Code or 'the Children's code' is a statutory code of practice that mandates organisations make changes to online products and services to include enhanced privacy protections for children. It came into force in September 2020 and businesses were provided 12 months to conform with the code in their products and services.

2.2 The code applies to businesses that are deemed 'Information Society Services' (ISS) that are likely to be accessed by children in the UK. For the purposes of the code, a child is defined as a person under 18. If the service is designed for and aimed specifically at under-18s then the code applies, however, the provision is wider than this. It also applies to services that are not specifically aimed or targeted at children but are nonetheless 'likely' to be used by under-18s. This is intentionally broad so as to not exclude services that children are using in reality.

2.3 Fifteen standards of age-appropriate design are set out within the code, focusing on the provision of default settings which ensure children have the best possible access to online services whilst protecting their personal data, such as through minimising data collection and use.

2.4 Following a two-wave research project undertaken between 2020 and 2021 to measure awareness and impact of the code at the point of introduction and through the 12-month grace period for conformance, IFF Research were commissioned to undertake a third wave of research in 2022 with the following aims:

- To develop a quantitative evidence-base around ISS' awareness and understanding of the code, and their views on its high-level business impacts, at a set point in time (September-October 2022).
- To identify case studies that demonstrate the impact of the code on how ISS services are designed and on user experience of these services.

Methodology

2.5 A mixed methodology was adopted, with quantitative research comprising of online surveys and telephone interviews, and qualitative research using in-depth interviews.

2.6 A total of 407 quantitative interviews were completed between 31 August 2022 and 5 October 2022 (305 online, 102 telephone).

2.7 A breakdown of the completed interviews by mode and size of business is shown in table 2.1 below. Further breakdown of the sample by online products and services provided can be found in the appendix.

2.8 As the population was difficult to reach, the sample needed to be split between online and telephone completes in favour of online completes. Weighting was applied to ensure that comparisons between 2022 results and those from the last wave in 2021 were comparable with the baseline wave in early 2021. To do this the sample was weighted by size and survey method.

Table 2.1 Unweighted achieved interviews profile

	Jan/Feb 2021		Aug/Sep 2021		2022	
	(n)	%	(n)	%	(n)	%
TOTAL	**511**	**100%**	**432**	**100%**	**407**	**100%**
Telephone	161	32%	205	47%	102	25%
Online	350	68%	227	53%	305	75%
Sole Trader	50	10%	70	16%	63	16%
Micro (1-9)	124	24%	141	33%	70	17%
Small (10-49)	66	13%	45	10%	53	13%
Medium (50-249)	167	33%	103	24%	92	23%
Large 250+	99	19%	73	17%	105	26%
Don't Know[1]	0	0%	0	0%	24	6%

2.9 The online quantitative surveys were taken from panel provider completions from three different panels. Sample for the telephone interviews was purchased from a provider and interviews were conducted in-house by IFF's telephone interviewing team.

2.10 To qualify for the survey all businesses were screened to ensure they:

- provided an online or internet enabled service;
- generated revenue from the delivery of online, or internet-enabled, products/services; and
- their products/services were aimed at under 18s, or it was deemed possible that under 18s could access or be attracted by their products/ services.

2.11 A total of nine follow-up qualitative interviews were undertaken to get a more detailed view on how ISS services are designed and on user experience of these services.

2.12 The qualitative interviews took place between 11 October and 9 November. Five of these interviews were recruited through quantitative telephone survey businesses who agreed to partake in this research. There were challenges in recruiting this audience and the sample was therefore boosted through a free find approach that resulted in a further four interviews.

[1] Don't know was an option in all three years but wasn't selected in early or late 2021

2.13 Copies of both the quantitative survey and qualitative discussion guide can be found in the appendix.

Limitations and caveats

2.14 There are some limitations and caveats associated with this research:

- There is no definitive data source / or way of defining the population likely to be in scope of the code. Therefore, results have not been weighted to a specific business population and the sample composition might not reflect the population of all businesses in scope of the code. In order to achieve a robust sample overall no quotas were set by size or sector at any of the three waves.

- As there is not a definitive data source, a mixed method approach to sampling and interviewing was required (drawing on free find telephone interviews and online panel sample). While steps were taken to ensure the online survey was comparable to the telephone survey (i.e. reading out answer codes to mirror reading online) there will always be some mode effect in survey response.

  To address these potential limitations the data was weighted by business size and survey mode to ensure a 'like for like' comparison could be made between each wave of the survey.

- While base sizes are robust at an overall level, when data is broken down by size and sector, some bases are lower than 100, meaning the confidence intervals are higher and fewer differences can be marked as statistically significant despite relatively large changes between years.

  Only statistically significant findings are included in the commentary.

- The screening process involved businesses self-determining whether it was unlikely their product or service appeals to children under the age of 18 (if so, they screened out). Given the lack of clarity from some over whether they were in scope for the code, it is possible that some businesses would screen out mistakenly.

Note on an analysis

2.15 Figures in tables and charts may not add to a total of 100% where businesses were allowed to select more than one answer to a question or, due to rounding of values.

2.16 Significance testing to a 95% confidence level was carried out on the survey data. This is in order to establish whether differences between sub-groups are statistically significant or not. In other words, whether we can be 95% certain that a difference is sufficiently large to be considered a genuine difference and not just due to chance. Where findings are on the cusp of being significant and highlight a 'direction of travel', these have been reported but clearly caveated they are not significant.

2.17 Where there is a significant increase between years, this is denoted by these arrows:

Statistically higher than previous wave

Statistically lower than previous wave

2.18 The same arrows are used to denoted significant differences between subgroups and the total.

2.19 Comparative data with the September 2021 wave is shown where appropriate. While not charted, any notable differences from the January 2021 baseline or where a significant longer term trend occurs, this is mentioned in the commentary.

2.20 Business sizes are defined as having the following number of employees:

- Sole trader: 0
- Micro business: 1-9
- Small business: 10-49
- Medium business: 50-249
- Large business: 250+

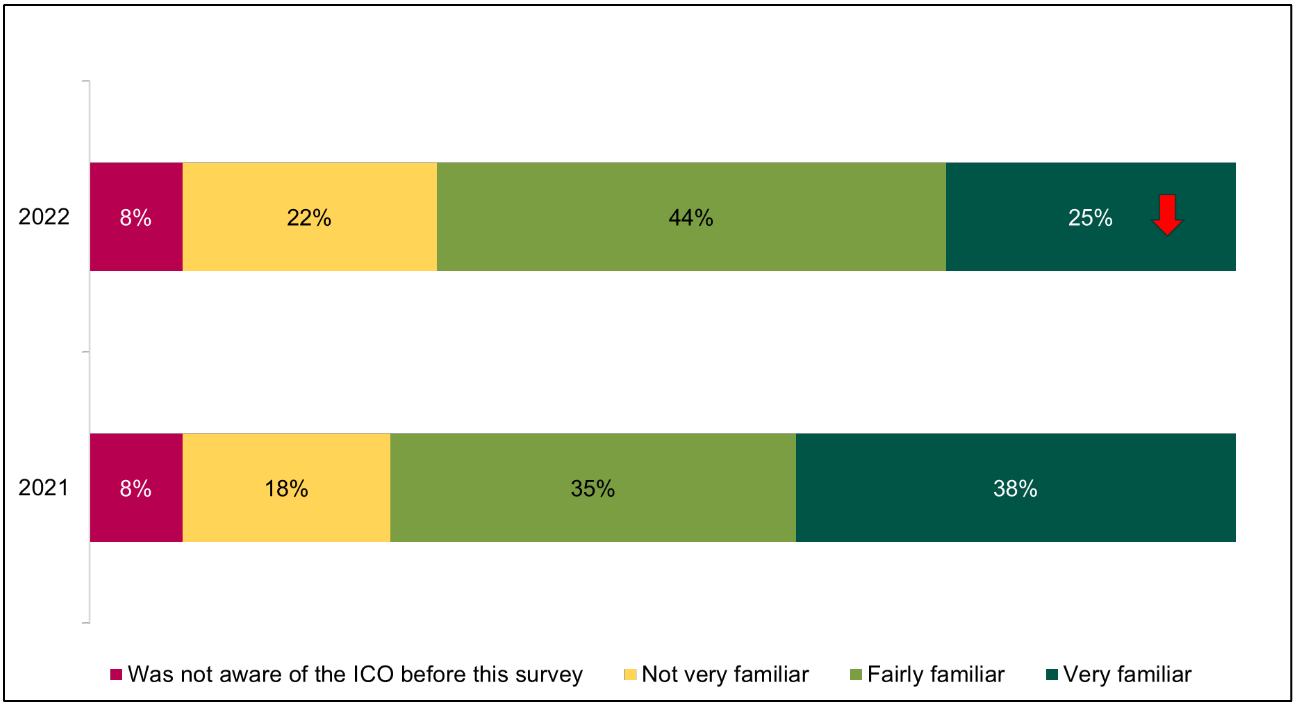
3 Awareness and Understanding

Chapter 3 looks at awareness levels of the ICO and the Children's code and the sources from which businesses learned about the code. It also examines how well businesses understand the code and its main principles.

Awareness and familiarity with the ICO

3.1 There was no large change in overall awareness of the ICO between this year and last year with at least some form of familiarity in 2021 (73%) and in 2022 (69%). However, there has been a decrease in the proportion of businesses being very familiar with the ICO (25% in 2022 vs. 38% in 2021), as shown in figure 3.1. This suggests that familiarity with the ICO spiked when the code launched initially but has now sunk back to previous levels now the code is in place.

Figure 3.1 Awareness of the ICO



QA1 How familiar are you with the Information Commissioners Office, also known as the ICO? Base: 2021 (n=432), 2022 (n=407)

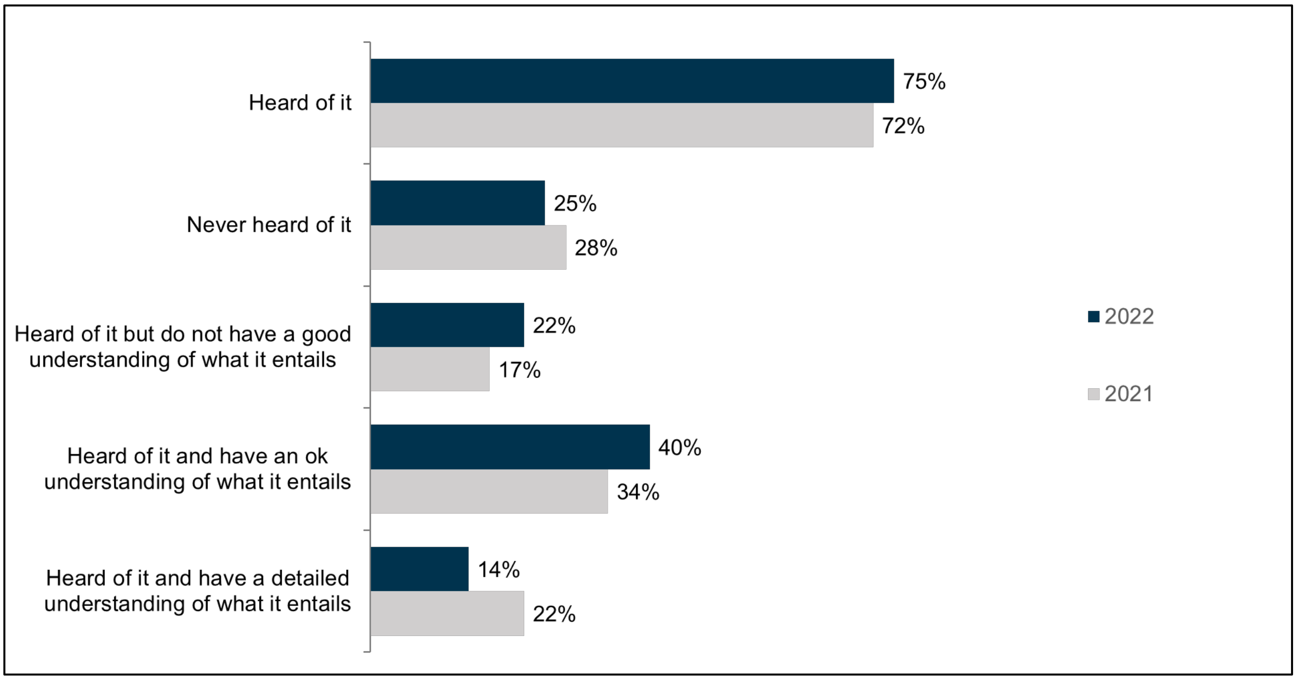
3.2 Familiarity with the ICO was greater among medium sized businesses than both smaller and larger businesses. In 2022, the rates of familiarity were: 41% for sole traders, 66% for micro businesses, 70% for small, 87% for medium and 63% for large businesses. This trend was consistent across early 2021 and autumn 2021, however familiarity among micro businesses has increased from 56% in 2021 to 66% in 2022.

Awareness of the Code

3.3 In terms of business's awareness of the ICO having recently launched a new Children's code, this showed an increase between 2021 and 2022 with 59% reporting some awareness in 2021 and 68% in 2022.

3.4 Further to this, in terms of businesses having heard of the Children's code, this showed no notable change between 2021 and 2022 with 72% reporting having heard of the code in 2021 and 75% in 2022. Levels of awareness differed by business size with the larger organisations being more likely to be aware.

Figure 3.2 Awareness of the Children's code

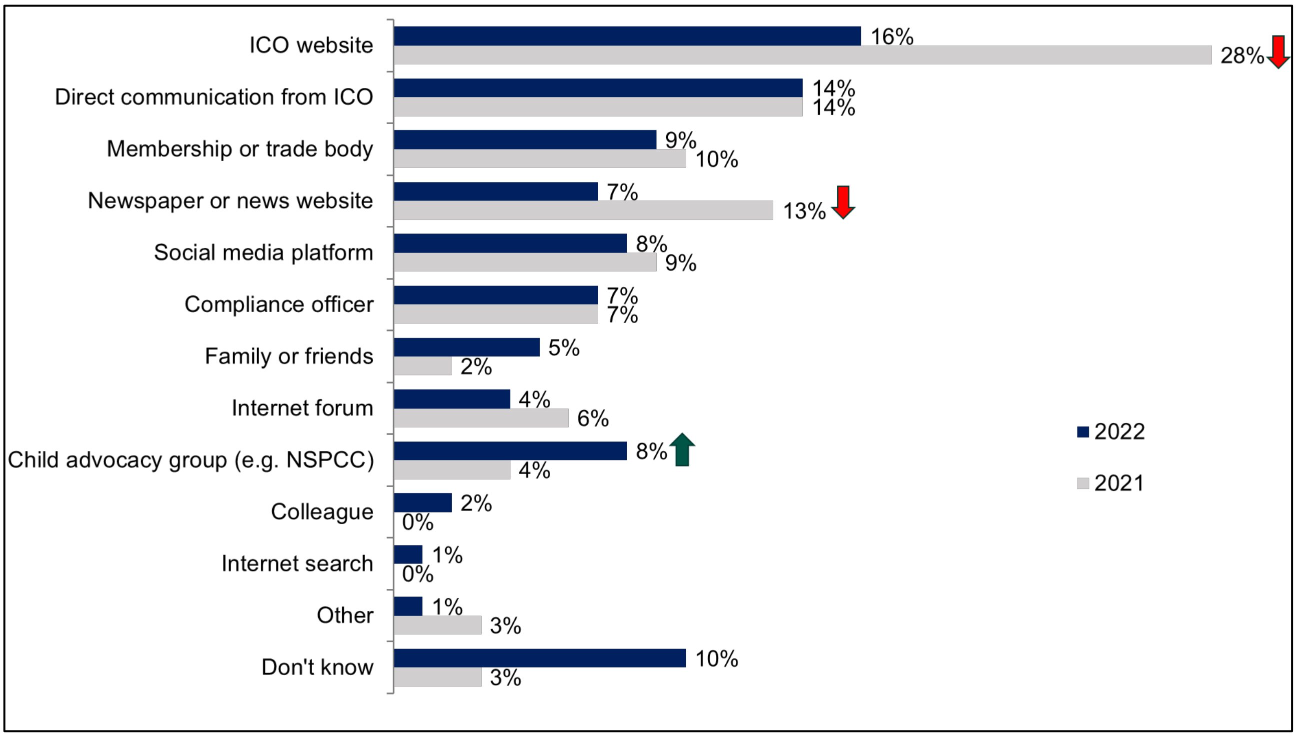


QA3 Have you heard of the Children's code? Base: 2021 (n=432), 2022 (n= 407)

3.5 As in 2021, awareness levels were higher among medium and large sized businesses which is potentially due to an increased capacity to be able to monitor policy changes such as this, while smaller businesses have less resource available for such strategic and forward planning work. However, there were increases in awareness for both micro businesses and small businesses from 2021 to 2022; with a 20 percentage point increase for micro businesses and a 12 percentage point increase for small businesses. This is likely to be due to improved messaging to these groups from the ICO, and also because there has been more time for businesses to familiarise themselves. Without specialised officers, smaller businesses have found it hard to make the time to learn about the code, but two years hence have been able to catch up.

3.6 Figure 3.3 shows where businesses who had heard about the code learned about it. As per the previous wave, the ICO website was the most common place businesses learned about the code, however the use of the ICO website as a source of information saw a sizeable decrease from 28% in 2021 to 16% in 2022. Additionally, a decrease was seen in the proportion of businesses learning about the code from newspapers or news websites (13% in 2021 to 7% in 2022) and a small increase for those who heard about the code from child advocacy groups such as the NSPCC (4% in 2021 to 8% in 2022).

Figure 3.3 Information source for learning about the code



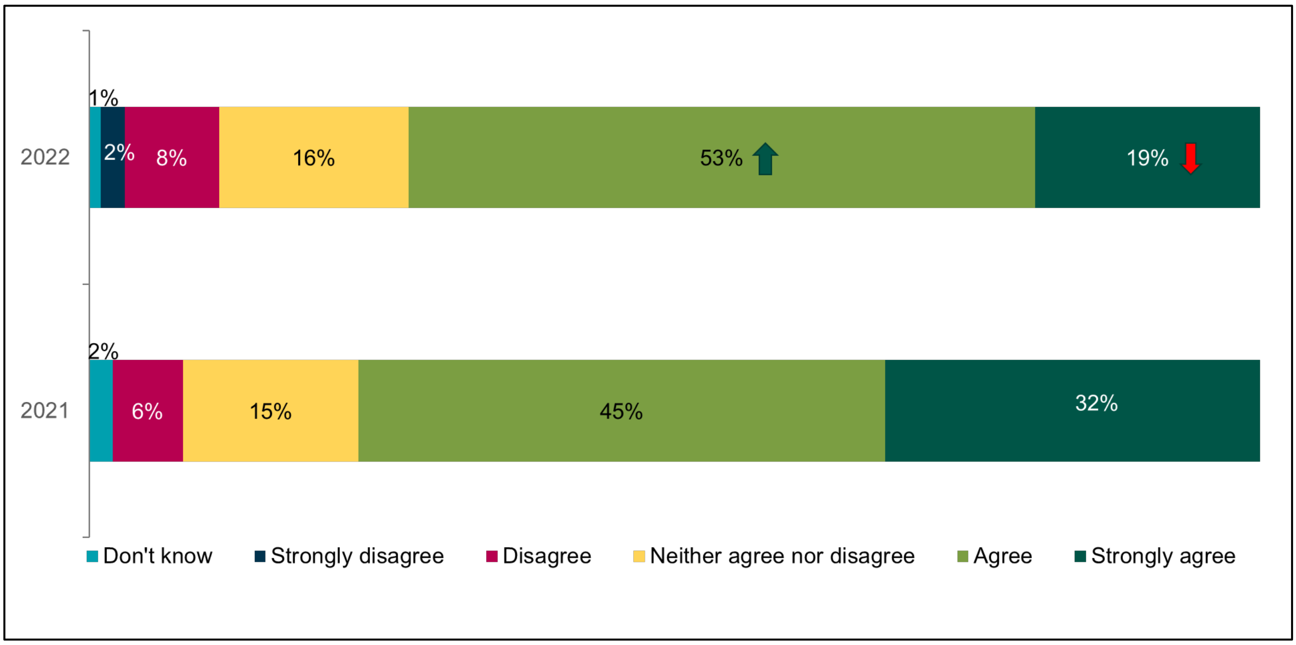
QA4 Where did you first hear about the Children's code?. Base: 2021 (n=288), 2022 (n=336)

3.7 Larger businesses were more likely to find out about the code from the ICO website or direct communications while smaller businesses were more likely to hear about it from the social media, the news or their training providers.

Theory of the Code and required actions

3.8 As shown in figure 3.4, among businesses aware of the code, there has been no large changes in the proportion of businesses that agree or strongly agree they have a good understanding of the theory within the Children's code (77% vs. 73%) in 2021 and 2022. However, there was a decrease in the number of businesses who strongly agree they have a good understanding, with less than a fifth (19%) reporting this in 2022 compared with 32% in 2021.

Figure 3.4 Understanding of the theory within the Children's code

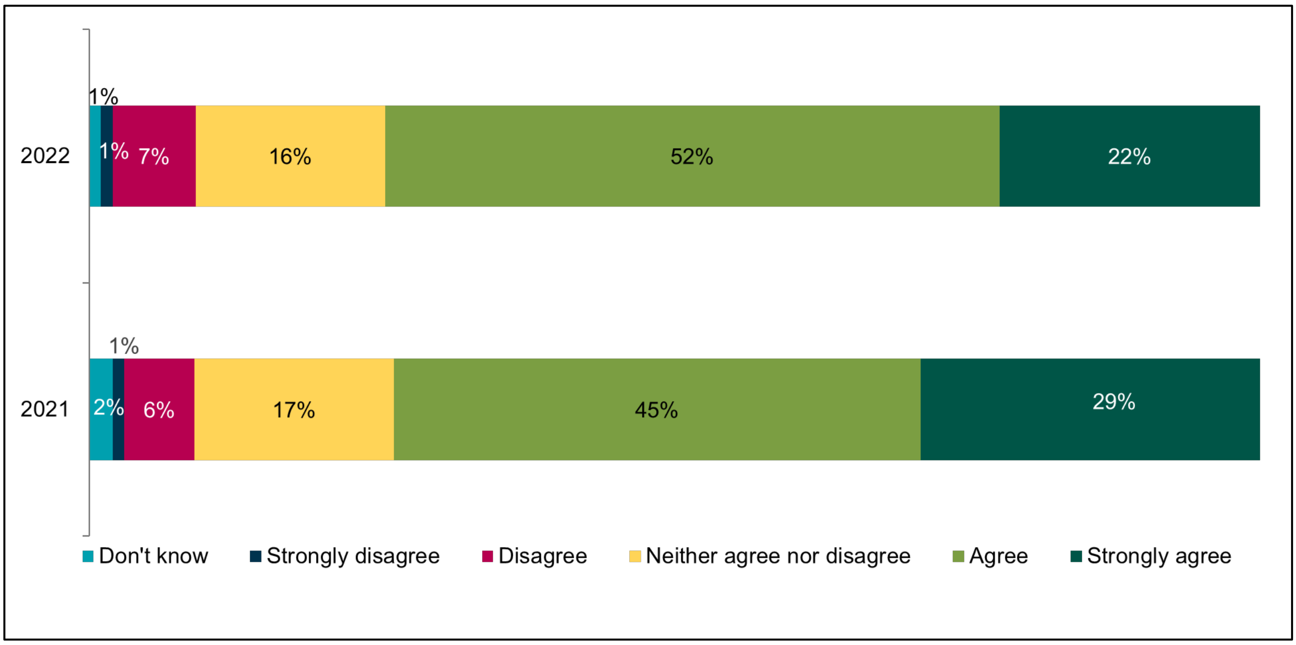


QA6 Agree/Disagree that ... I have a good understanding of the theory within the Children's code/I have a good understanding of the actions needed to comply with the Children's code. Base: 2021 (n=288), 2022 (n=336).

3.9 Showing a similar trend to overall awareness of the code, larger and medium sized businesses were more likely to agree that they have a good understanding of the theory of the Children's code than smaller businesses. The other notable subgroup difference was that businesses that provide both products and services (83%) were more likely to agree with this statement than businesses that only provided products (63%).

3.10 Similarly, there were large changes in the proportion of businesses aware of the code, that agreed or strongly agreed that they had a good understanding of the actions needed to comply with the code between 2021 and 2022 (74% agreeing in both 2021 and 2022).

Figure 3.5 Have a good understanding of the actions required to be conformant with the code



QA6 Agree/Disagree that ... I have a good understanding of the theory within the Children's code/I have a good understanding of the actions needed to comply with the Children's code. Base: 2021 (n=288), 2022 (n=336).

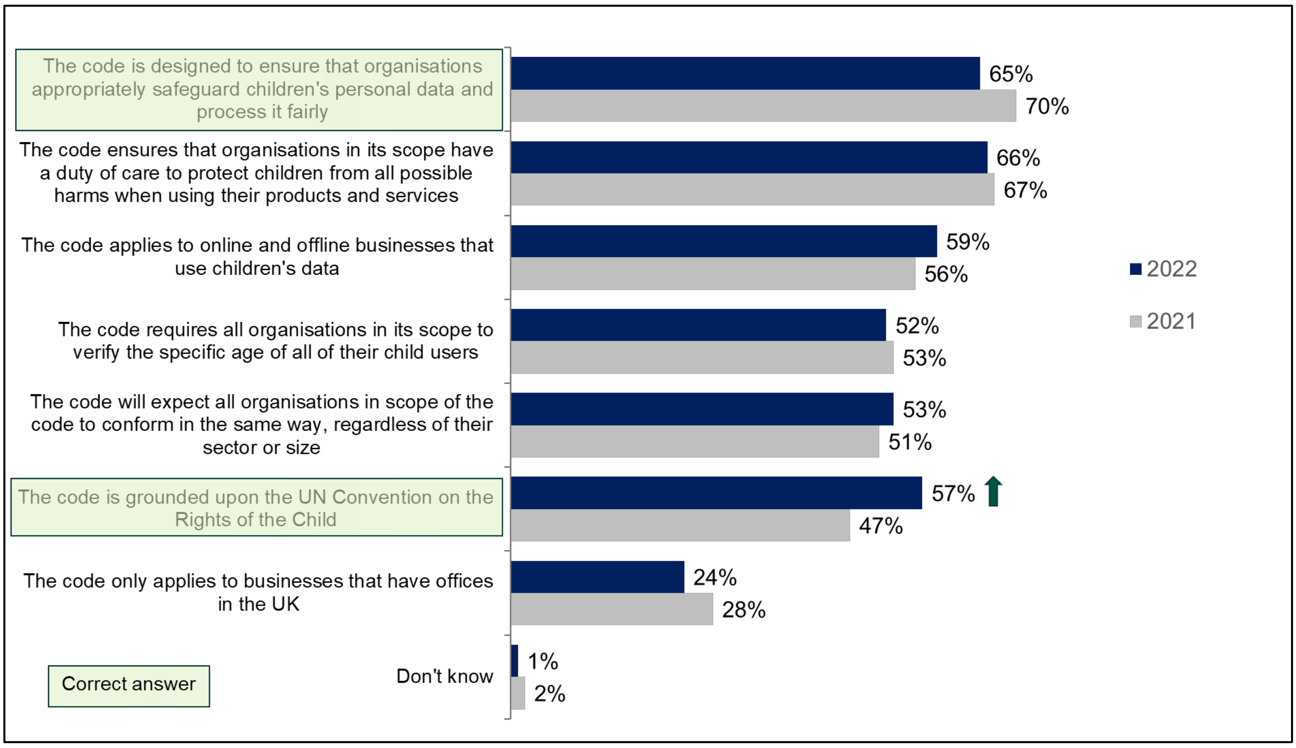
3.11 Following the trend of understanding, larger and medium sized businesses were more likely to agree to having a good understanding of the actions required to be conformant with the code than micro businesses or sole traders (large 76%, medium 84%, small 84%, micro 59%, sole trader 43%).

Features of the code awareness

3.12 Businesses aware of the code were asked to identify correct statements regarding the code as shown in figure 3.6. 'Perfect' answers in which businesses identified the two correct statements and did not identify any of the incorrect ones were still rare with <1% of businesses getting this in all waves. There was also an increase in the proportion of businesses that gave only incorrect answers in 2022 (18%) compared with 14% in 2021. This means that fewer businesses selected one correct answer.

3.13 Additionally, another positive shift seen in 2022 is that there has been an increase in the proportion of businesses aware that the code is grounded upon the UN Convention on the Rights of the Child from 47% of businesses agreeing in 2021 compared with 57% in 2022.

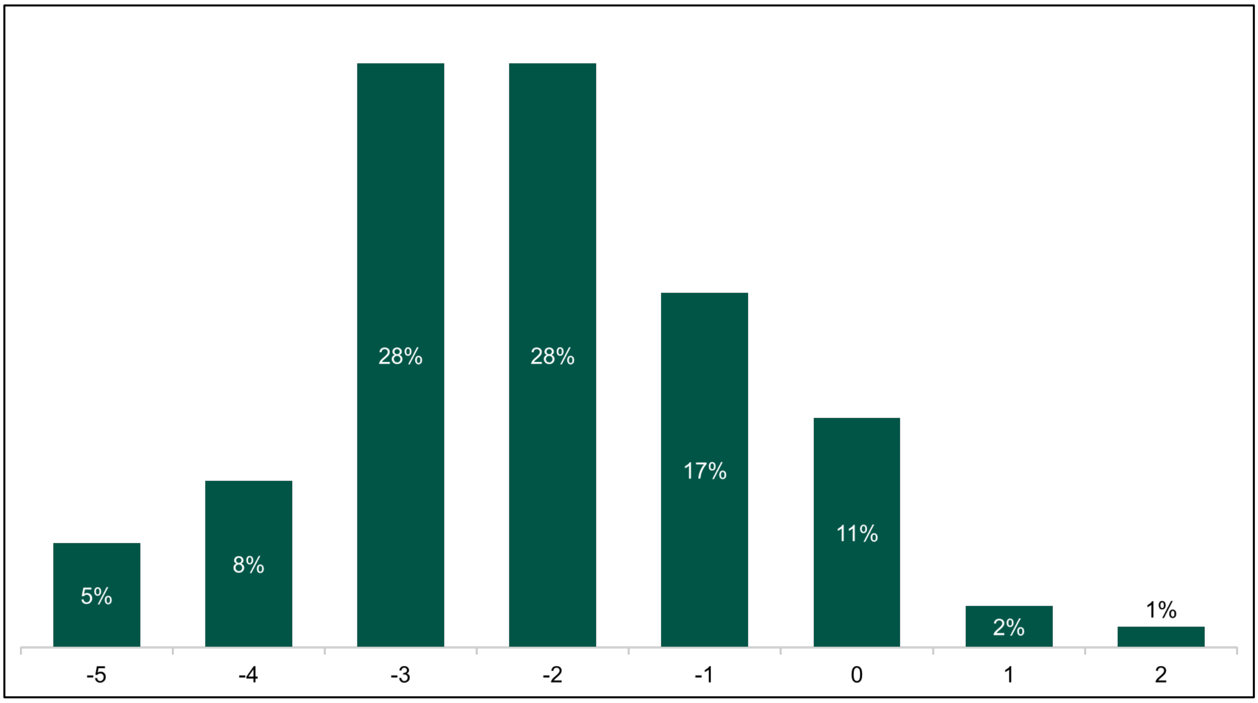
Figure 3.6 Awareness of features of the Children's code



QA7 Which of the following do you think are features of the Children's code? Base: 2021 (n=288), 2022 (n=336)

3.14 Figure 3.7 shows aggregated scores of answers given. The two correct responses gave a score of 1 each while not selecting these options gave a score of -1 as did selecting any of the incorrect answers. 2 businesses gave perfect answers and ended up with 2 points while 86% of businesses ended up with a net negative score

Figure 3.7 Net scores of awareness of features of the Children's code



QA7 Which of the following do you think are features of the Children's code? Base: 2021 (n=288), 2022 (n=336)

3.15 Businesses were also asked for unprompted responses asking what they felt were key standards of the code and these were consistent across 2021 and 2022. The three most common responses were: compliance with data protection laws (20%), maintaining children's privacy/ safeguarding / maintaining children's safety online (14%), and ensuring content or products are suitable and appropriately marketed (11%).

Awareness of related legislation

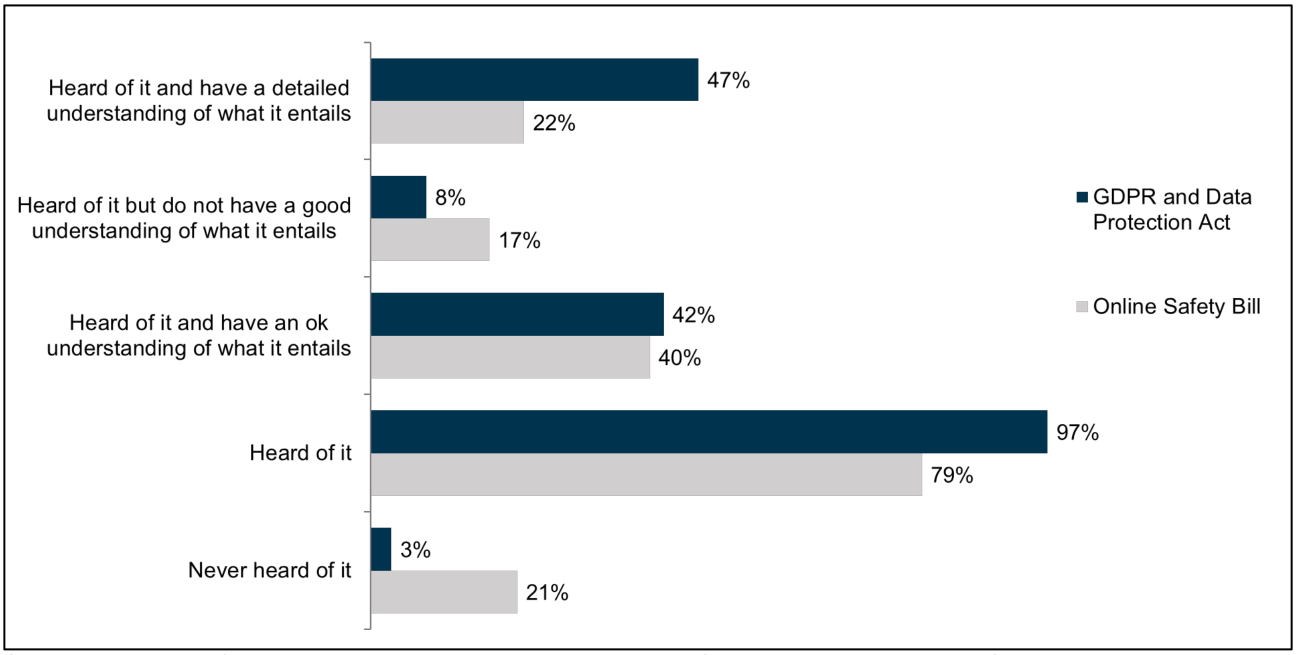
3.16 As shown in figure 3.8 businesses had a very high awareness of the GDPR and/or Data Protection Act 2018. 97% were aware of it, 42% felt they had an ok understanding and 47% felt they had a detailed understanding, all of which are not very different to the autumn 2021 wave results.

3.17 Awareness of the Online Safety Bill was lower where 72% of businesses had heard of it and only 22% felt they had a detailed understanding of it. Larger and medium sized businesses were more likely to be aware and have a detailed understanding of both the act and the bill.

3.18 For the GDPR and/or Data Protection Act 2018, 47% of large businesses had detailed awareness, 57% of medium companies, 46% of small companies, 45% of micro companies and 26% of sole traders reported the same – a notable difference between medium businesses and sole traders. Sole traders again reported not having enough time to develop this awareness given their holistic responsibilities over the business

3.19 For the Online Safety Bill, 25% of large businesses, 33% of medium businesses, 24% of small businesses, 10% of micro businesses and 12% of sole traders had detailed understanding following the same trend as highlighted above.

Figure 3.8 Awareness of the GDPR and Data Protection act and the Online Safety Bill

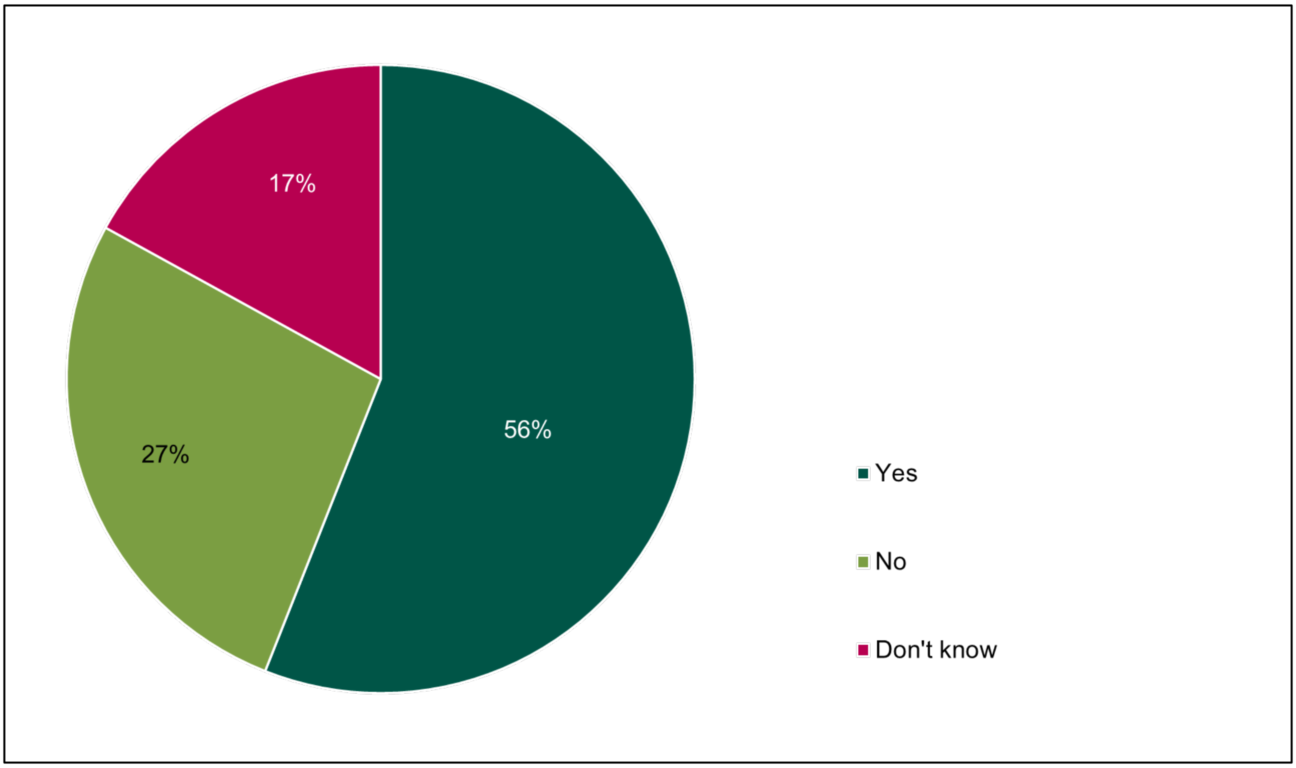


QE7 Have you heard of the data protection laws that apply in the UK: the GDPR and Data Protection Act? Base: 2022 (n=407)
QE7a Have you heard of the online safety bill? Base: 2022 (n=407)

3.20 56% of businesses were paid data protection fees[2]. 31% of sole traders did so, which was lower than the average. 65% of micro businesses were registered as were 58% of small businesses, 59% of medium businesses and 51% of large businesses,

3.21 Those that did pay data protection fees were more likely to be aware of the Children's code than those who didn't (59% vs 26%)

Figure 3.9 Registration with ICO or payment of protection fees[3].



QE8 Are you registered with the ICO or do you pay data protection fee? Base: 2022 (n=407)

[2] This was previously known as registering with the ICO under the Data Protection Act 1998.
[3] Question not asked in 2021

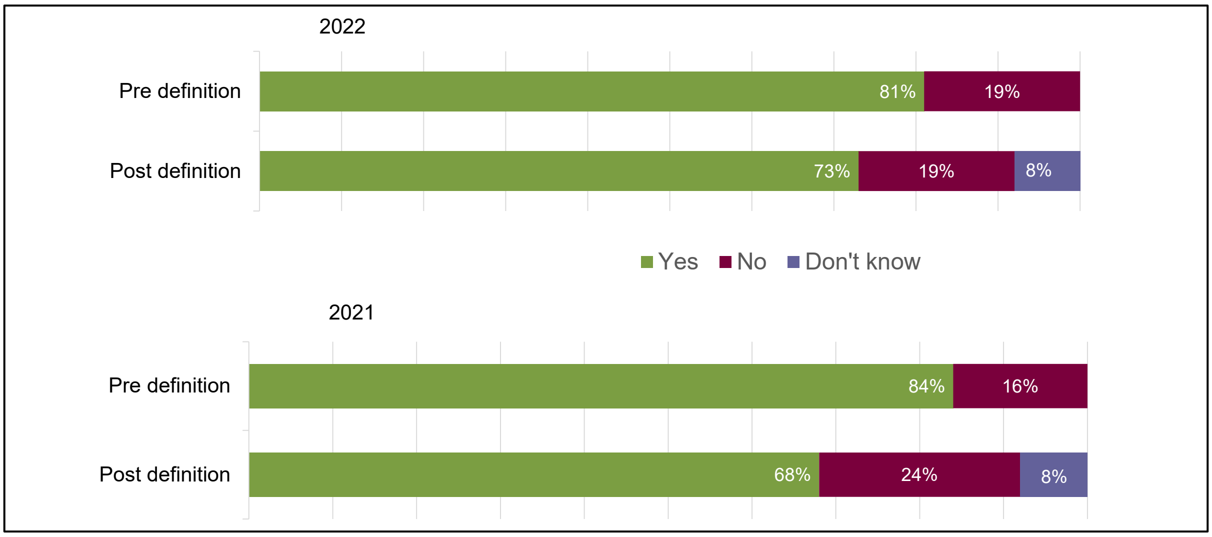
4 Assessment of Delivery

Chapter 4 examines businesses' responses to the code looking at whether they feel they are in scope of the code, what changes they have made in relation to the code, any challenges in doing so and which methods of support they have used.

Perceptions of whether in scope

4.1 Businesses that were aware of the code indicated whether they felt that they were in its scope before being shown a full definition and again after being prompted with a definition of the code. The data is summarised in figure 4.1 below

Figure 4.1 Self-identification of whether in scope of the code



QA5 Do you think that your organisation will have to conform with the Children's code? Base: 2021 (n=288), 2022 (336)
QA10 Based on what you have just read, do you think your organisation will need to conform with the Children's code> Base: 2021 (n=432), 2022 (n=407)

4.2 As in 2021, businesses were more likely to think that they were in scope prior to hearing a definition of the code, something that was consistent in 2022. Slightly fewer businesses thought they were in scope in 2022 than in 2021 before the definition (81% vs 84%) and slightly more thought they were after the definition (73% vs 68%). The 19% who answered no were the same businesses both pre and post definition with very minor exceptions moving from yes to no or vice versa.

4.3 Larger businesses were generally more likely to consider themselves in scope of the code before a definition as was the case in previous years. In 2022, 60% of sole traders and 63% of micro businesses thought they were in scope compared with 89% of medium companies and 87% of large businesses before hearing a definition. The same trend occurred following the definition. There were no noticeable subgroup differences among sectors that differed with the overall trends.

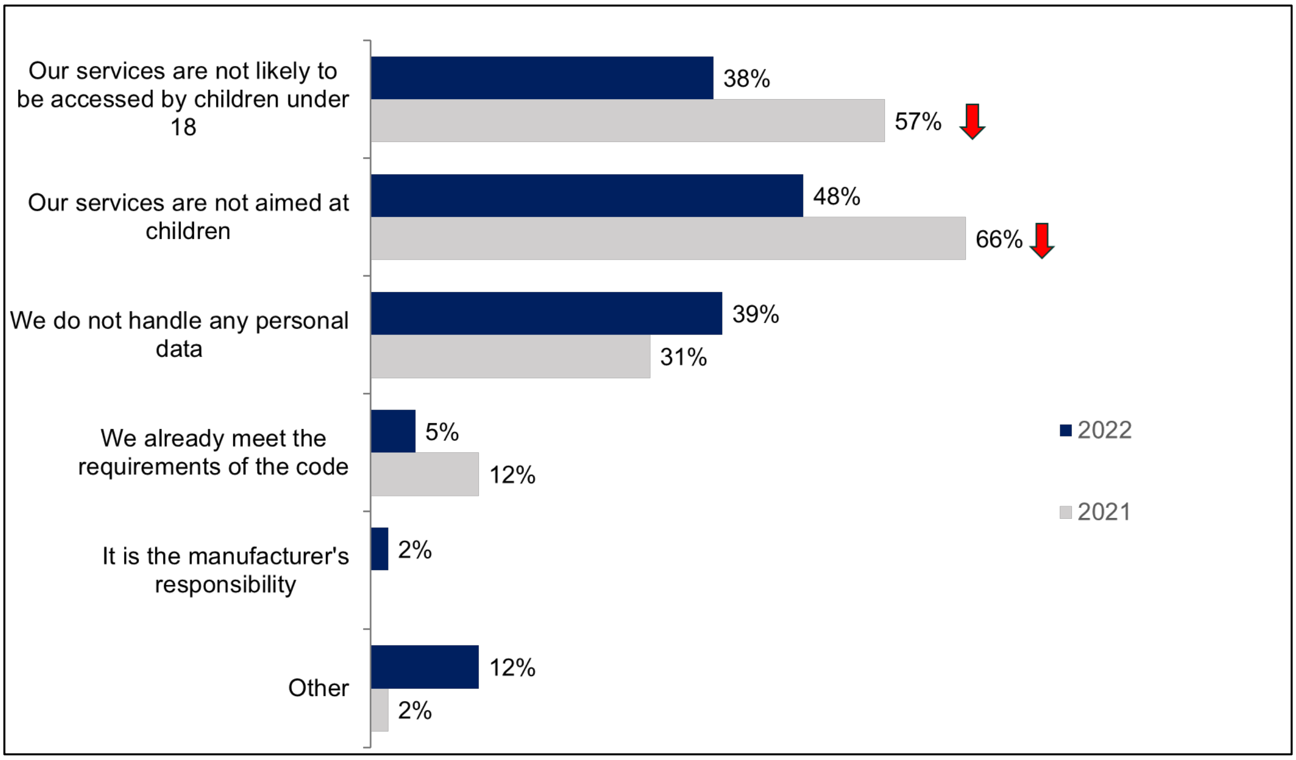
4.4 Companies with a detailed understanding of the Online Safety Bill were more likely to think they were in scope compared with those who had never heard of it (89% vs 74%). They were also more likely to have detailed understanding of the code, suggesting that businesses with better understanding of the code were more likely to find the ways in which it related to them.

4.5 Figure 4.2 shows that after being given a definition of the code, the most common reasons for not being in scope were businesses thinking their services were not likely to be accessed by children under 18 or because they are not aimed at them. Fewer businesses reported both of these reasons in 2022 than in 2021 with 38% (compared with 57%) and 48% (compared with 66%) stating these reasons. There were no notable deviations to the above results when analysing by subgroups such as sector.

4.6 Businesses that had low awareness of the code were more likely to think that their services would not be accessed by children than those with good awareness (58% compared with 26%) or that they didn't handle any personal data, but these figures come from small bases.

4.7 The ability of businesses to correctly identify features of the Children's code showed no clear bearing on whether or not they considered themselves in scope or the reasons why.

Figure 4.2 Reasons for not being in scope.

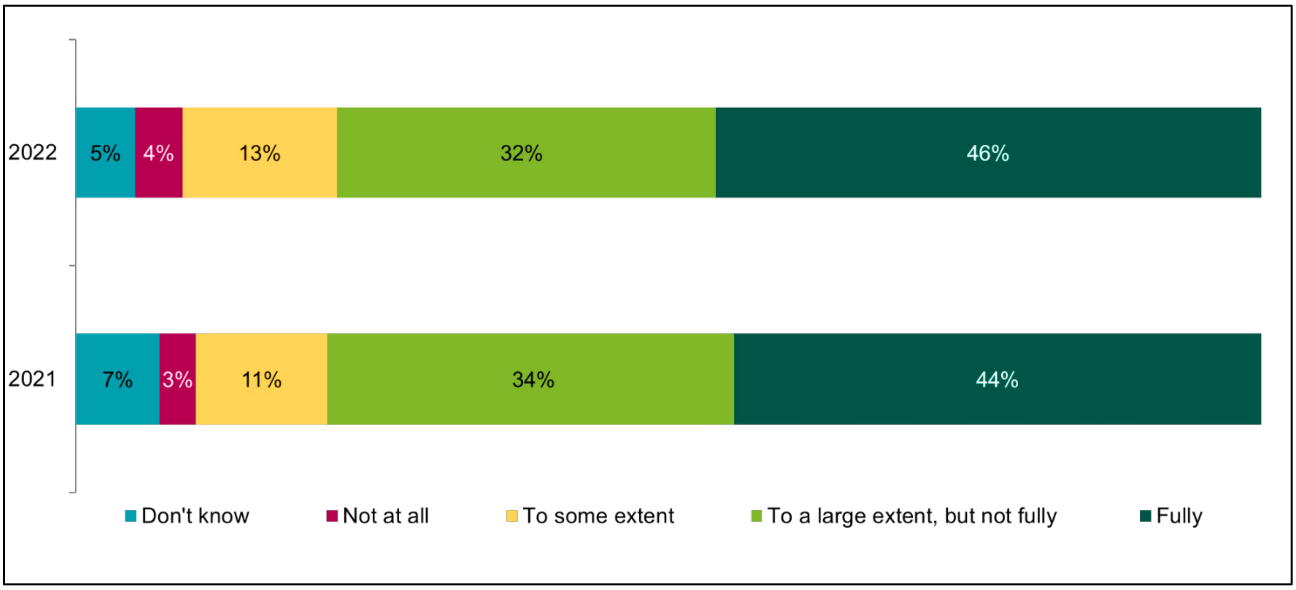


QA11 Why do you think that your organisation will not need to conform with the code? Base: 2021 (n=130), 2022 (n=77)

Conformance with the code

4.8 Between 2021 and 2022 there was no large change in the proportion of businesses that consider themselves fully conformant with the code as 46% of businesses reported this in 2021 and 44% in 2022. This similarity extended to all businesses that felt they were at least partially conformant and those who thought they weren't conformant at all. The latter was a very small percentage of just 3% in 2021 and 4% this year. This can be seen in figure 4.3.

Figure 4.3 Conformance with the code



QA12 Based on what you now know about the Children's code, to what extent do you think your organisation currently conforms with the standards in the code? Base:, 2021 (n=432), 2022 (n=407)

4.9 The levels of conformance were broadly similar across business size with around two fifths being conformant as was the case in 2021The notable differences between business size was that 61% of small sized businesses reported that they were fully conformant compared to 34% of sole traders There were no notable differences by sector.

4.10 In the qualitative interviews, sole traders and micro businesses differed from larger businesses in how they dealt with the Children's code. For example, one two-person business owned a franchise and was dependent on the mother company for making sure they were conformant as shown in case study #1 below.

Case Study #1	**Private Tutor**
Context	Joe is the co-director of a small tutoring company. As well as running the company, he tutors online and in person, storing information about his pupils. He works through a franchise and is reliant on their website and GDPR processes. *"They control everything and manage what happens on the website. They told us about all the GDPR stuff and what they do, so thankfully I don't need to."*
Awareness	Joe has reasonable awareness of the code. He has received training from the mother company that controls his franchise and this covered a lot of aspects. He has heard of the Children's code and knows that it is designed to keep children's data safe but isn't aware of the specifics.

Actions taken	The company is quite new and he has inherited the website and processes from the mother company. He is trusting that they have done their due diligence when it comes to being compliant but also is trying to understand the various policies himself. *"I'm confident we're doing everything we're meant to but I want to go away and know all of this stuff for myself."*
Impact	The training has been time consuming and there is a lot to understand. Joe finds it difficult to differentiate between different aspects of data compliance, and while he has heard of the Children's code, he is unable to differentiate between that and wider GDPR and safeguarding policy that he is still getting to grips with. *"There's so much to do, GDPR, health and safety, finance stuff. I'm trying to understand it all and it takes time but sometimes I don't know where one thing ends and another starts."* He finds it hard to talk in detail about costs and effects of the Children's code and compliance. He has paid fees to buy the franchise and that covers everything. He's also not aware of any changes in traffic or reputation but feels that users like the convenience of online and thinks that they trust the security of the digital data rather than hard copies of information like he had used in the past. So far Joe has been reliant on the mother company but wants to have a handle on all of these issues himself. He likes the ICO website and tools and intends to use these so that he can have autonomy over his compliance, even though it is handled centrally.

4.11 In contrast, larger companies had dedicated compliant officers who made sure everything was up to date.

"It's literally their job so we would have been on top of all of this ahead of time"

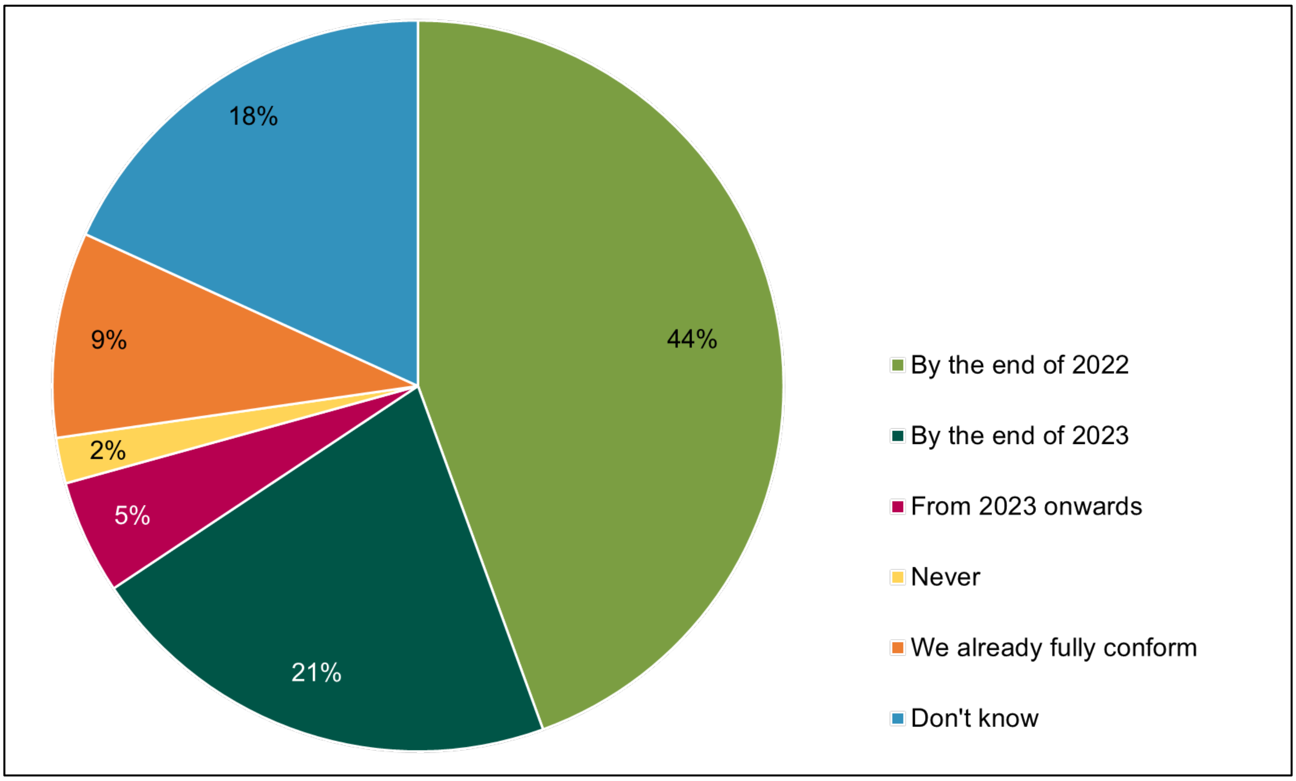
Large online retailer

4.12 While there had been an increase in the number of businesses that felt they would need to make changes to become conformant between the first and second waves in 2021 (from 53% to 58%), this dropped back to 52% in 2022, although these were small shifts.

4.13 Business that were not fully conformant indicated when they expected they were going to make changes and the most common answer was by the end of 2022 (44%) as shown in figure 4.4. The timeframes were different from when this question was asked in previous years but the percentage that said they would never be conformant was very similar (2% in 2022 and 1% in 2021). There were however more businesses who said that they didn't know in 2022 (18% compared with 9%).

4.14 Businesses that don't intend to be conformant by the end of 2022 suggested a lack of urgency. There were no plans for specific actions from those in interviews who were not yet compliant suggesting they were happy to defer these responsibilities, perhaps with a sense that two years into the launch of the code, they have seen no ill-effects of their lack of conformance so far.

Figure 4.4.4 Plans for being conformant

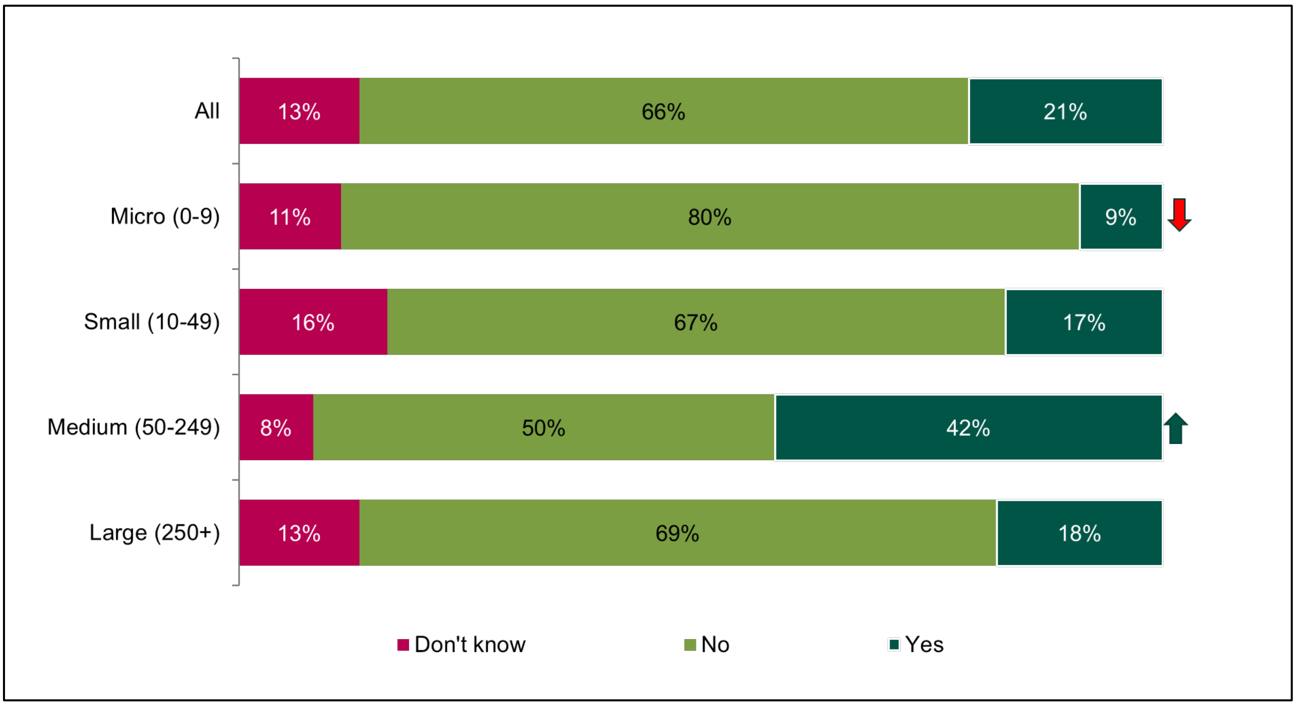


QB9 When do you anticipate that your organisation will have made the changes necessary to fully conform with the Children's code? Base: All those who don't fully conform with the code and those expecting to make changes (n=155)

4.15 Businesses that said they didn't intend to become conformant most commonly said they would prefer not to say why but they tended not to pay DP fees. Answers that were given from this small base included the time and work that would be required and a lack of information or guidance and suggested they felt no urgency.

4.16 How difficult businesses found the code to understand and conform to was a new question in 2022. Just over a fifth (21%) of businesses found this to be difficult, but micro business were far less likely to find this (9%) and medium sized businesses were more likely to find it difficult (42% reported this). A full breakdown of this can be seen in figure 4.5. There were no notable trends by subgroups other than business size.

Figure 4.5 Ease of understanding and complying with the code



QA1a: Are there any standards or areas of the code you find particularly hard to understand? Base 2022 (n=401)

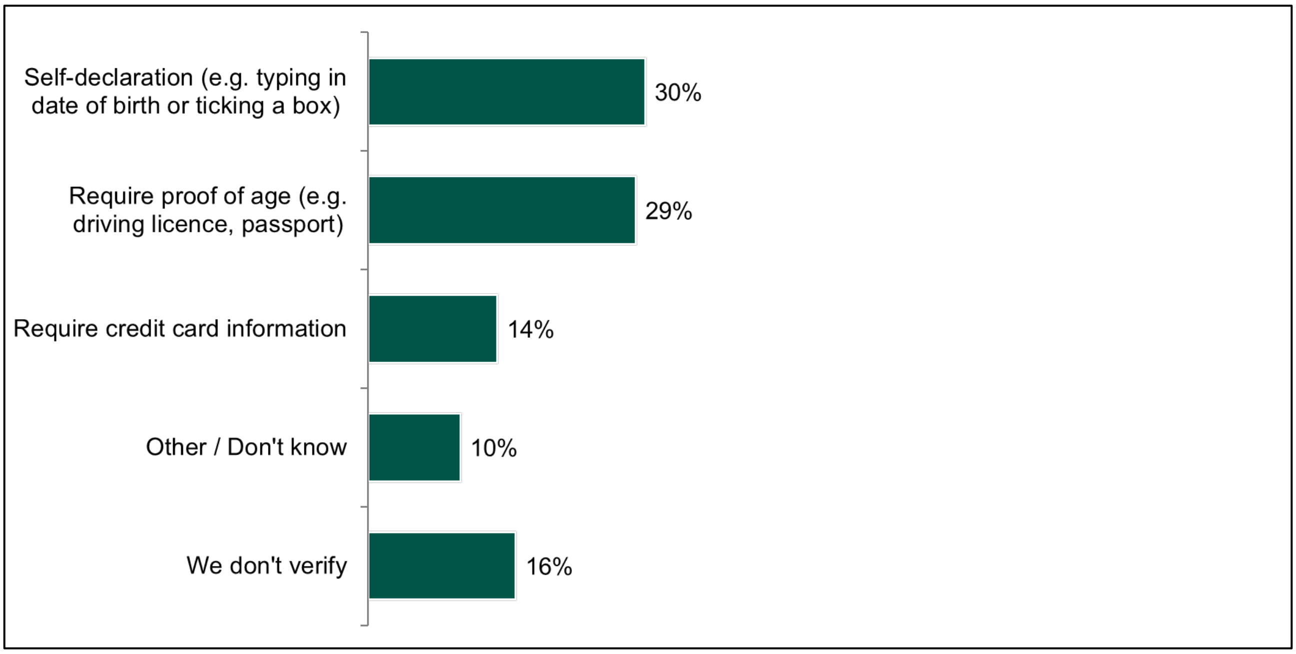
4.17 When asked (unprompted) for reasons why the code can be difficult to understand or comply with, 54% answered that they didn't know. The most common responses were that it was too complicated (11%), was unclear or hard to implement (12%), hard to keep up with (3%), or hard to remember (2%).

Activities undertaken to be conformant with the code

4.18 As shown in figure 4.6, self-declarations (such as entering a date of birth) were the most common form of age verifications that businesses used. Three in ten (30%) of all businesses reported doing this, with large businesses (42%) the most likely and micro businesses (22%) the least. Smaller businesses were more likely to not have some form of age verification; 31% of micro businesses and 22% of small businesses stated this compared with 2% of medium businesses and 1% of large.

4.19 Self-declarations were most likely to be used by health and fitness services (49%), Online marketplace for third party goods or services (44%) and online gaming or streaming sites (44%). Proof of age was most common among music and video streaming (54%) Phones and communication devices (46%) and online messaging or voice telephony service (45%)

Figure 4.6 Age verification methods used



S7c What steps do you take to verify the age of your users? Base: all (n=407)

4.20 These results were broadly reflected in the qualitative interviews, although a couple reported that they had different rules for different parts of their site. For example, a box office or shop aspect might require an account linked to a credit card to access, or a resource-based members area might require an account, although this was open to all ages.

4.21 One theatre-based company reported that they had no verification and were reliant on users not accessing potentially inappropriate pages.

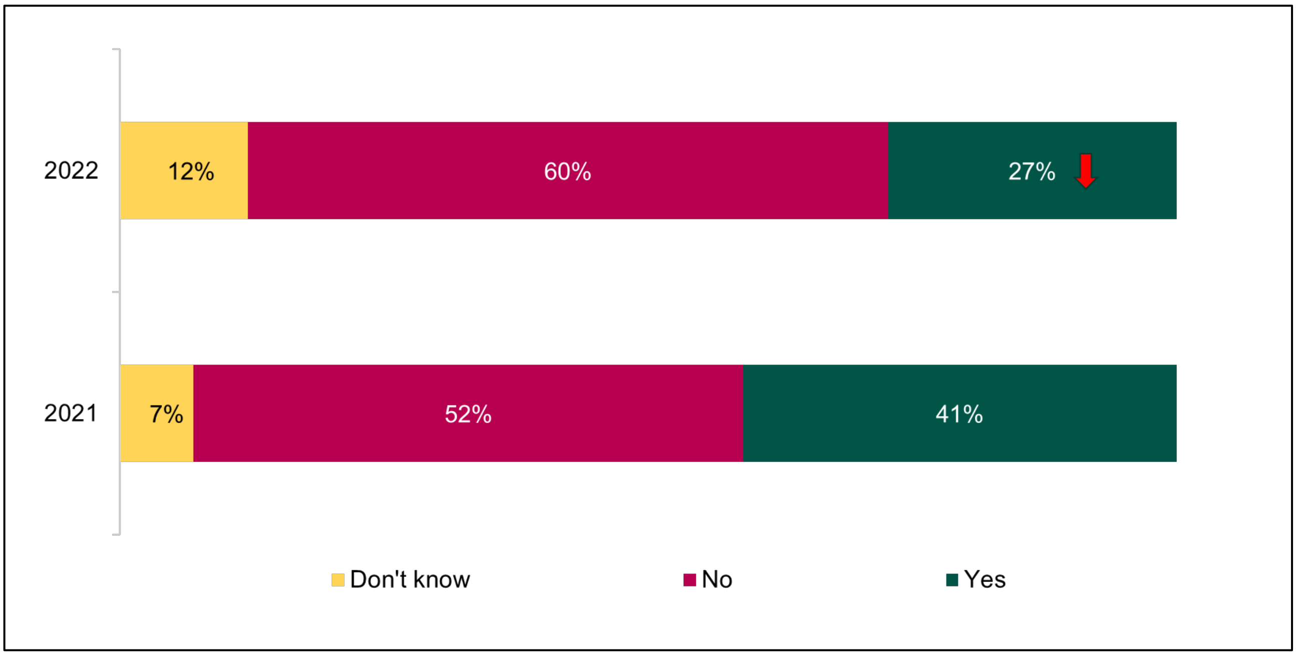
> *"We don't have anything stopping people use that bit of the site but it's shows and art and I suppose some of the titles and things might not be suitable for children"*
>
> Medium arts company

Case Study #2	**Arts and Education Organisation**
Context	Rachel works as a project manager for an arts organisation that stages shows and also has an education wing. The business therefore has an online box office function and also a members area for resources. Rachel works regularly with the head of safeguarding and attends regular training around safeguarding, compliance and other regulatory responsibilities such as health and safety etc.
Awareness	Rachel is familiar with the Children's code but remembers it as something she received training on a couple of years ago. She attends regular training and receives updates from the head of safeguarding (also responsible for wider data compliance). She considers the contents of the code to be integral to the work that they do.

	"I've heard of the Children's code but to be honest we're always reviewing and checking safeguarding and data security anyway."
Actions taken	Rachel feels like they have become compliant with the code independently as part of their ongoing practice and regular reviews. They have somebody in charge of safeguarding and data who provides regular updates and runs training so it feels like an ongoing evolution. There have been changes as a result of this, but she attributes them to wider compliance rather than the Children's code. In the past year, they have moved to a different database system to provide improved security for the data that they hold on members (many of which are children). The system they were using allowed universal access to all data stored, so they moved to a new piece of software that could restrict access to only those who needed it. It also included an added level of encryption to the data. *"We obviously want to keep everyone's data safe and things like making the language suitable for children. It's for them so we obviously do that and are always looking to improve."*
Impact	It's hard for them to measure the impact of the Children's code and compliance more widely because they have a specified safeguarding role and it's inbuilt into their work systems. They don't measure the cost of changes such as this, and because it's part of full time role, the changes have been absorbed as part of that. *"Our safeguarding officer will have looked at the code to check but she's doing this stuff every day so it doesn't feel like an additional cost."*

4.22 Fewer businesses had recently made changes in 2022 than in 2021. Figure 4.7 shows that 27% reported this in 2022 compared with 41% last year. This appeared to be a mixture of businesses having already made changes, and those who hadn't made changes not feeling a sense of urgency. Particularly among those businesses (typically smaller) that relied on third parties to ensure they are conformant or tell them which actions they need to take, they were happy to wait until told explicitly what to do. With no penalisations so far, some businesses may not feel that all changes are urgent or necessary.

Figure 4.7 Recently made changes to practices relating the use of children's data



QB4 Has your organisation recently made any changes to their practices relating to the use of children's (under 18's) data?
Base: 2021 (n=171), 2022 (n=407)

4.23 Larger companies were more likely to have made changes than smaller ones as was the case in previous years, but the drop in the percentage that had done so in 2022 compared to 2021 was consistent across business sizes.

4.24 Businesses who had good awareness of the code in interviews felt that the Children's code was something from a couple of years ago. They said they were fully conformant and spoke about the code in the past tense, suggesting that maybe fewer businesses are making recent changes because they've already been made.

I remember it but it was something we had training on a while ago. We've been doing that stuff for years.

University

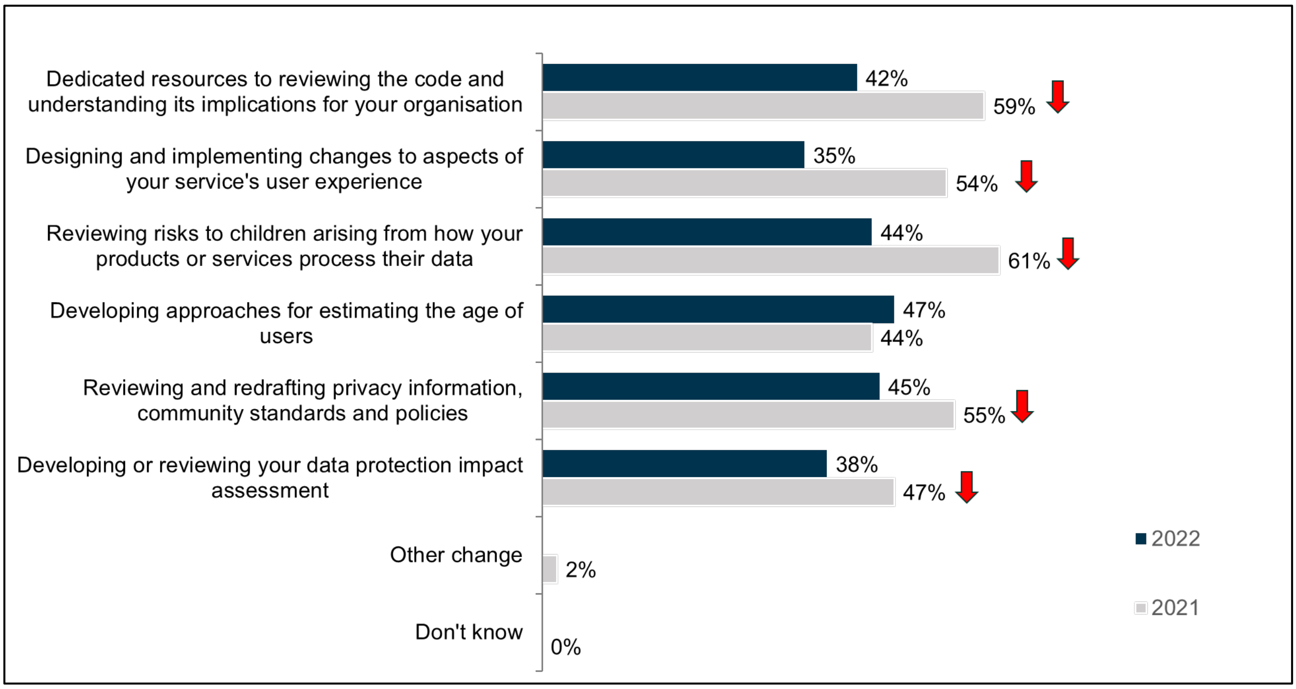
4.25 The changes that had been made are shown in figure 4.8. There was a decrease across all measures apart from 'developing approaches or estimating the age of users' since 2021.

4.26 In the qualitative interviews, those that had made changes in relation to the code spoke of them as a one-off past tense exercise. This was either because of a change to the software or processes that they use, that they considered to be conformant for the foreseeable future, or because they felt that the Children's code was something they had completed.

4.27 Businesses considered GDPR compliance to be important and something they would continue to keep abreast of, or trust agents to do on their behalf, but they didn't speak about the Children's code in the same way, feeding further into the idea that it was a subset of GDPR rather than its own ongoing piece of legislation.

4.28 One business reported that they assumed they were compliant because they hadn't heard anything otherwise.

Figure 4.8 Changes made in relation to children's data



QB7 What changes have you or your organisation made n relation to the use of children's (under 18s) data? Base: all who have made recent changes (n=112)

4.29 As shown in table 4.1, businesses were generally more likely to have made changes regardless of the code. For example 52% made changes in designing and implementing changes to aspects of the service's user experience independently of the code compared with 35% who did it as a direct result of the code.

Table 4.1 Changes made and reasons for doing so

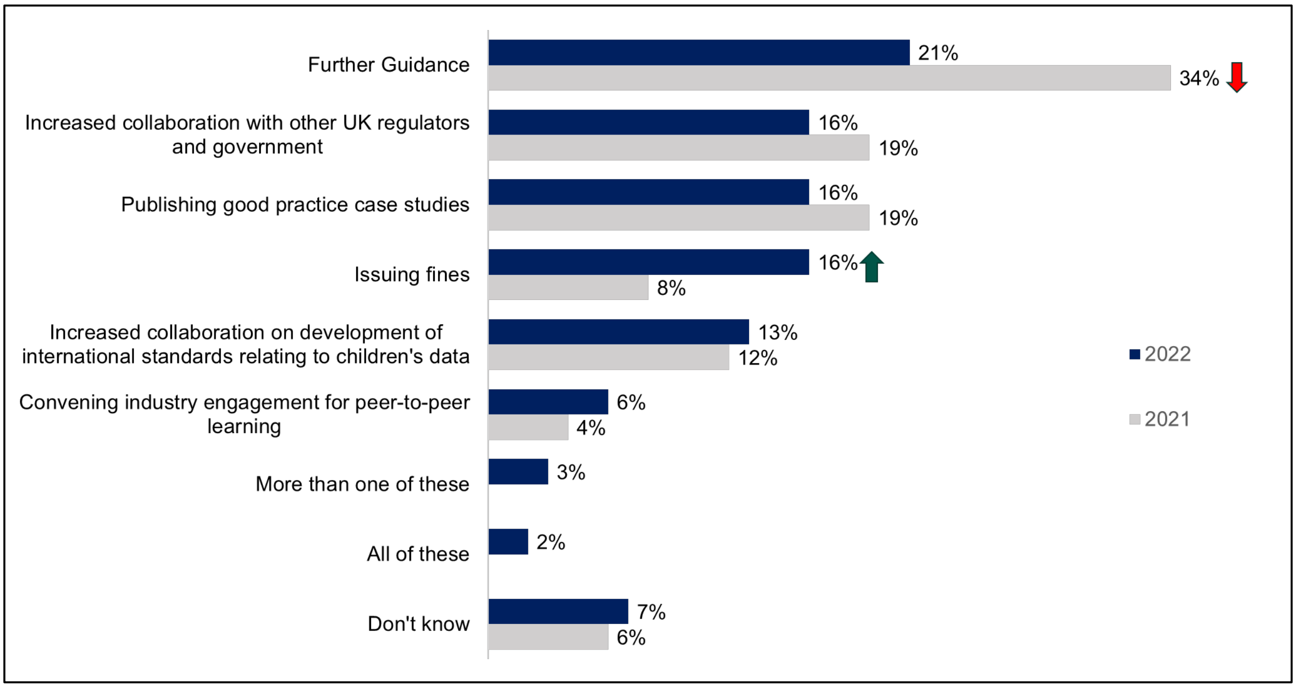
Change	**% changed because of the code**	**% changed independent of the code (base = those who made this change)**	**% not made that change**	% don't know
Dedicated resources to reviewing the code and understanding its implications for your organisation	42%	48%	4%	6%
Designing and implementing changes to aspects of your service's user experience	35%	52%	6%	7%
Developing approaches for estimating the age of users	47%	45%	3%	6%
Reviewing risks to children arising from how your products or services process their data	44%	51%	2%	3%
Reviewing and redrafting privacy information, community standards and policies	45%	46%	2%	7%

Developing or reviewing your data protection impact assessment	38%	48%	5%	9%
Researching whether children are likely to access your service/ how they use your service	43%	44%	8%	5%
Engaging with children, parents/guardians or schools	31%	37%	22%	15%

QB7 What changes have you or your organisation made in relation to use of children's (under 18) data Base n=111

4.30 Businesses were less likely to think that further guidance would be the most effective way to encourage compliance in 2022 than in 2021 (21% vs 31%) and were more likely to think fines would be effective (16% vs 8%). This perhaps suggests that two years on from the introduction of the code, enforcement rather than encouragement is a necessary course of action. This contributes to the idea that people have made changes already and see this as something from the past. If changes haven't already been made, then encouragement may not be sufficient.

Figure 4.9 Effective tools in encouraging compliance

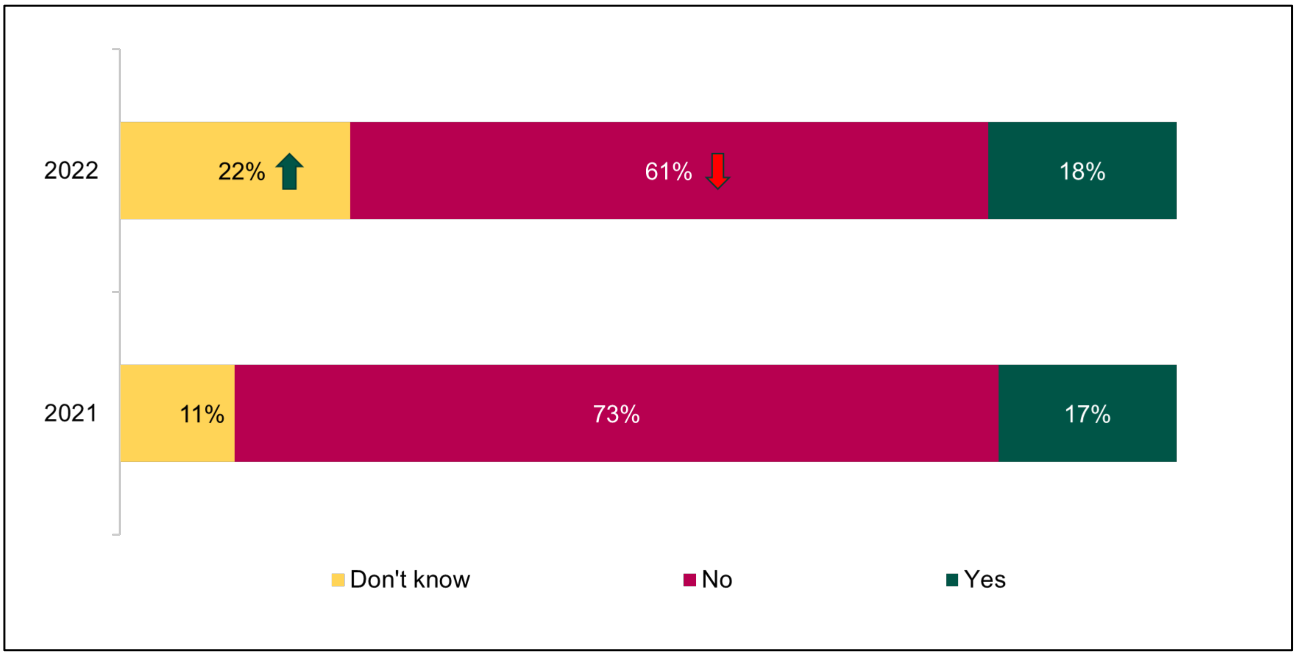


QB11 Which of the following do you think would be most effective in encouraging and supervising industry conformance with the code in your sector? Base (n=407)

Issues in the delivery of the code

4.31 Similar proportions of businesses anticipated future external barriers in conforming with the code in 2022 as in 2021 (18% and 17%). There was, however, an increase in the number that didn't know (22% vs 11%) and a decrease in those that didn't see any barriers (61% vs 73%). There were no major differences across businesses of different sizes in either year.

Figure 4.10 Anticipation of future external barriers to conformance



QC9a Do you foresee any external barriers relating to your organisation conforming with the Children's code? Base: All those who don't fully conform with the code and those expecting to make changes, (n=163).

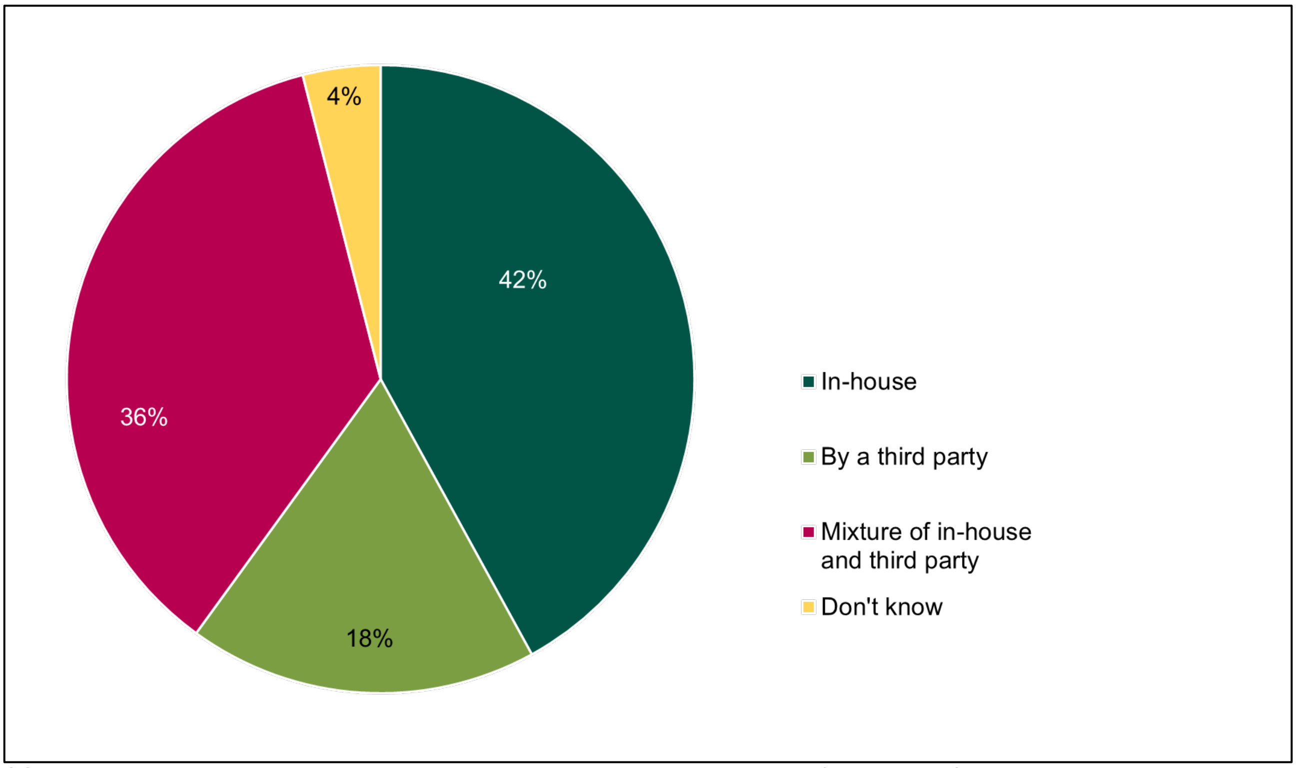
4.32 When asked (unprompted) for what these barriers might be, most businesses said they didn't know while a handful of others predicted difficulties in implementing or a lack of guidance. Some also mentioned time factors although these were all from small bases. In the qualitative interviews the smaller businesses that showed less knowledge about the code perceived it as being difficult and time consuming but when pressed could not give examples, suggesting the concept of the code as an unknown entity sounded more difficult to them than perhaps it is.

Assessment of Outcomes

4.33 Two fifths of businesses envisioned making changes in-house (42%), around a fifth would use a third party (18%) and a little over a third (36%) said a mix of the two. This shows an increase in the proportion using a third party since last year (10% in 2021) and decrease in those using a mixture (47% in 2021).

4.34 Small businesses were the most likely to expect to use a third party (46%) and micro businesses were the most likely to do this in-house (77%). The most common reason given for this in qualitative interviews was time constraints. Smaller businesses either did not have the time to engineer these changes or, more commonly, to spend the time acquiring the knowledge and skills to do so.

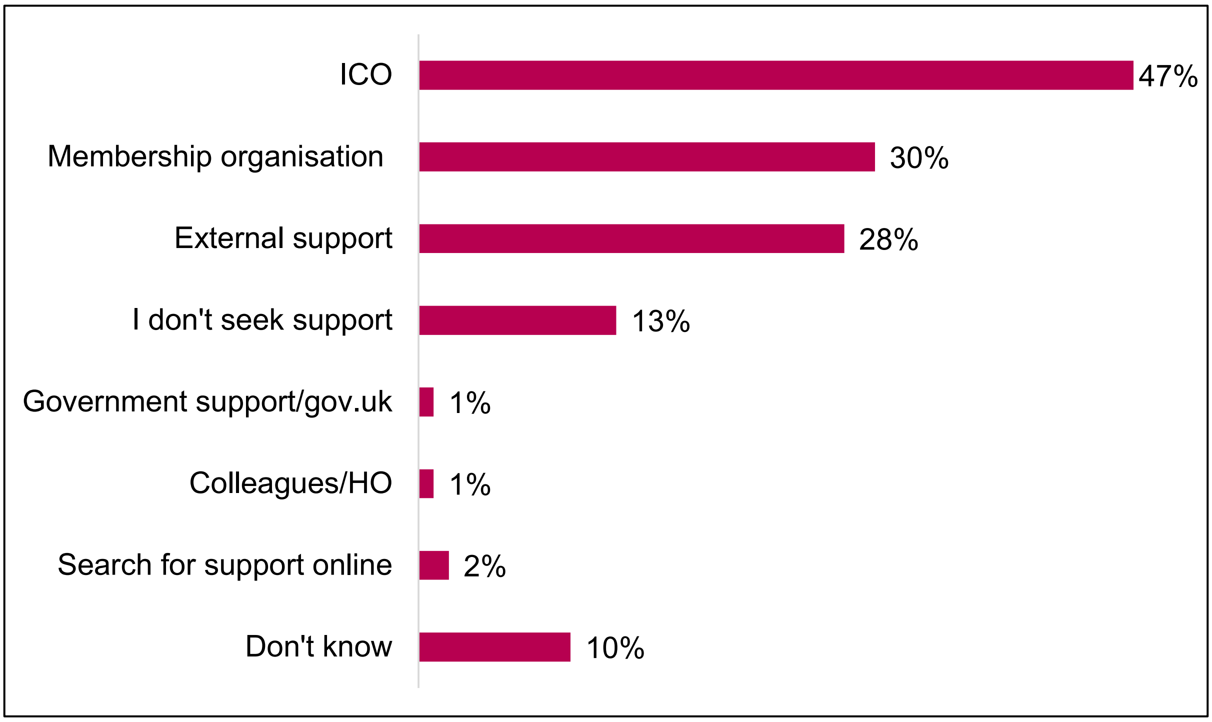
Figure 4.11 Who made the changes to be conformant



QC1 You mentioned earlier that your organisation would need to make changes to conform with the Children's code. Do you envisage the necessary changes will be done…? Base: Those who need to make changes (n=115)

4.35 The ICO was the most common source of support for businesses, accessed by just under half (47%) of people who sought help. This was followed by membership organisations (30%) and other forms of external support (28%). Smaller and micro businesses were in general less likely to use any form of support but those that did, were most likely to use the ICO.

Figure 4.12 Sources of Support

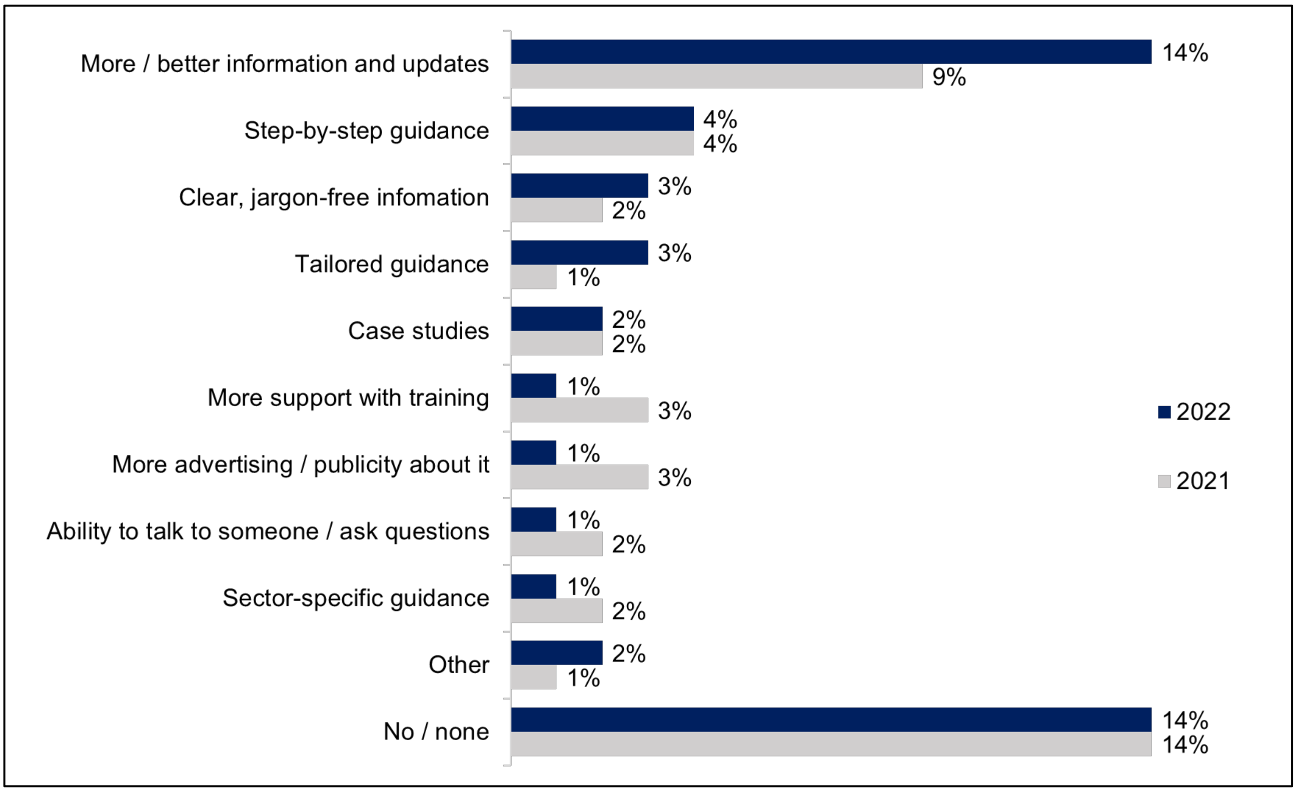


QD5 Where do you go for support in complying with, or more information about, the Children's code? Base: those aware of the code (n=330)

4.36 The majority (81%) of businesses that used ICO support were overall satisfied with it, a slight drop from 2021 (89%). The same proportion were fairly satisfied, with a drop in the proportion that were very satisfied (37% in 2022 compared with 45% in 2021).

4.37 Businesses indicated what further guidance or support they would like from the ICO, and the most common answer was none (14%, the same as in 2021), which is in line with the positive feedback as to the ICO's support: 81% of businesses that used it were satisfied. The same percentage would like more or better information and updates.

Figure 4.13 Desired future support



QD10 If there any further guidance / support you would want to see from the ICO what would it be? Base: 2021 (n=288) 2022 (n=320).

Case Study #3	**University**
Context	David works at a very large university with 40,000 students and 3,000 staff. They most commonly use children’s data when processing university applications from children as young as 16. Also their schools and outreach team does work with children under the age of 16.
Awareness	He has good knowledge of the Children’s code. They do horizon scanning of new legislation and changes to legislation so studied the code when it was first announced. Their main takeaway from this was that they were already doing the vast majority what the code sets out. They handle GDPR responsibilities through both external and internal audits and when they looked at the code, although it frequently referenced children, for example data minimization of children, it felt like it wasn’t something that they would have to make big changes around.

Actions taken	As head of governance for data protection, David chairs an information compliance group which has representatives from across university. This includes IT and other professional services from across the faculties. They are then nominated data champions for their business area, which they use to both disseminate information and how it applies to the organisation but also bring in any concerns. They reviewed their existing GDPR arrangements and concluded that the 15 standards were broadly met, i.e., is it clear for individuals to understand how their data is being used? Privacy notices were written in plain English, and it was also clear that there were mechanisms in place so young people could have their data removed from their system and also reviewed data retention periods. They conducted a full Data Protection Impact Assessment (DPIA), using the ICO tools, and brought in a new customer records management system as part of that and a wider aim of improving GDPR policies. *"These are things that we are doing anyways as part of our GDPR commitments, but clearly there was value in us doing this again for the Children's code."*
Impact	Although they have not made any changes specifically in relation to the code, this is because they had already conducted DPIAs and were in a strong position to meet the standards of the code when the time came. As a result of this approach, they haven't felt any additional costs. *"We would always as part of any project do DPIAs, reviewing our requirements with consultant specialists for any new software to ensure that it met the general requirements of any relevant legislation…so there haven't been any additional costs."*

sign

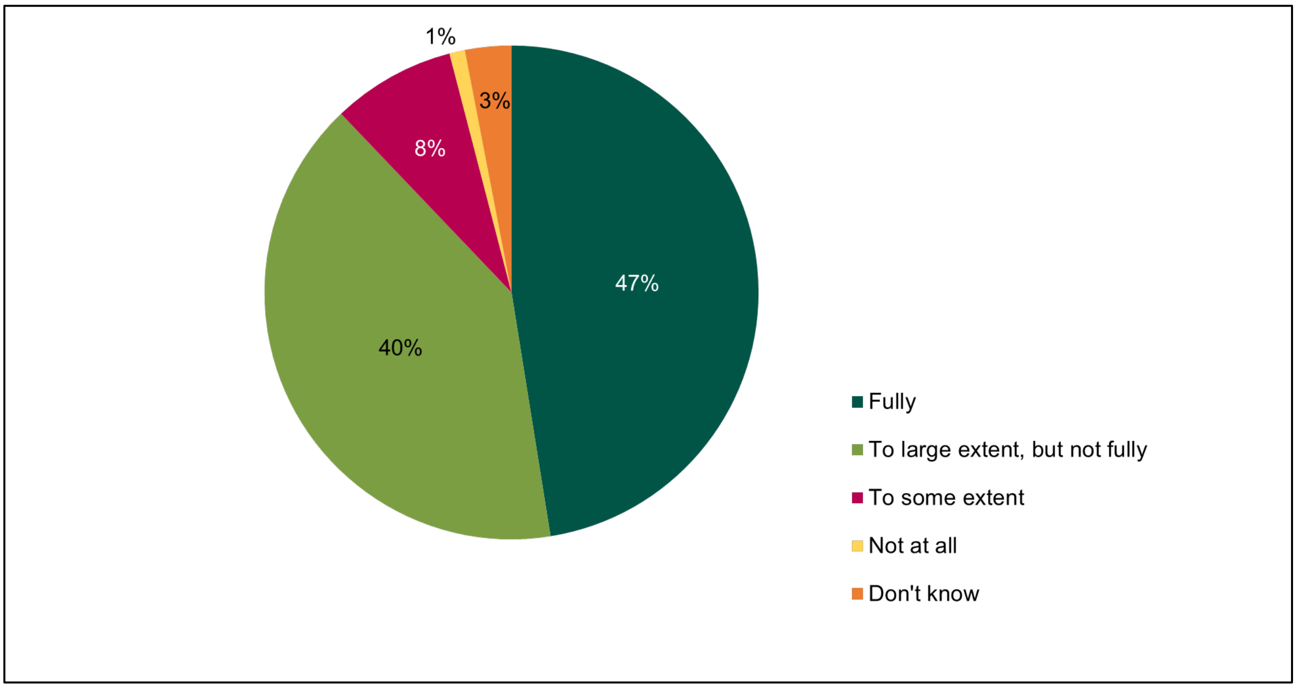
5 Impact of the Children's code

Chapter 5 explores what the impact of the Children's code has been on businesses, and the perceived effect it has on users and general risk in terms of data. It also assesses the financial costs incurred and any anticipated costs and any potential opportunities that it's created or may create for businesses.

Effect on data protection

5.1 In 2022, businesses indicated whether their work for the Children's code had improved data protection generally. The vast majority (87%) of businesses said that it had, 47% said it did so fully and 40% said to a large extent.

Figure 5.1 The extent that work towards Children' Code conformance has improved data protection compliance generally



B8a To what extent has the Children's code and your work to conform with it, enabled you to improve data protection compliance more generally?, Base: those who have made recent changes (n=111).

5.2 Some businesses recognise that ensuring their online provision follows GDPR leads to being conformant with the code. If business knew they had child users, making sure their online provision was suitable for them was a natural part of their business model and wider GDPR compliance.

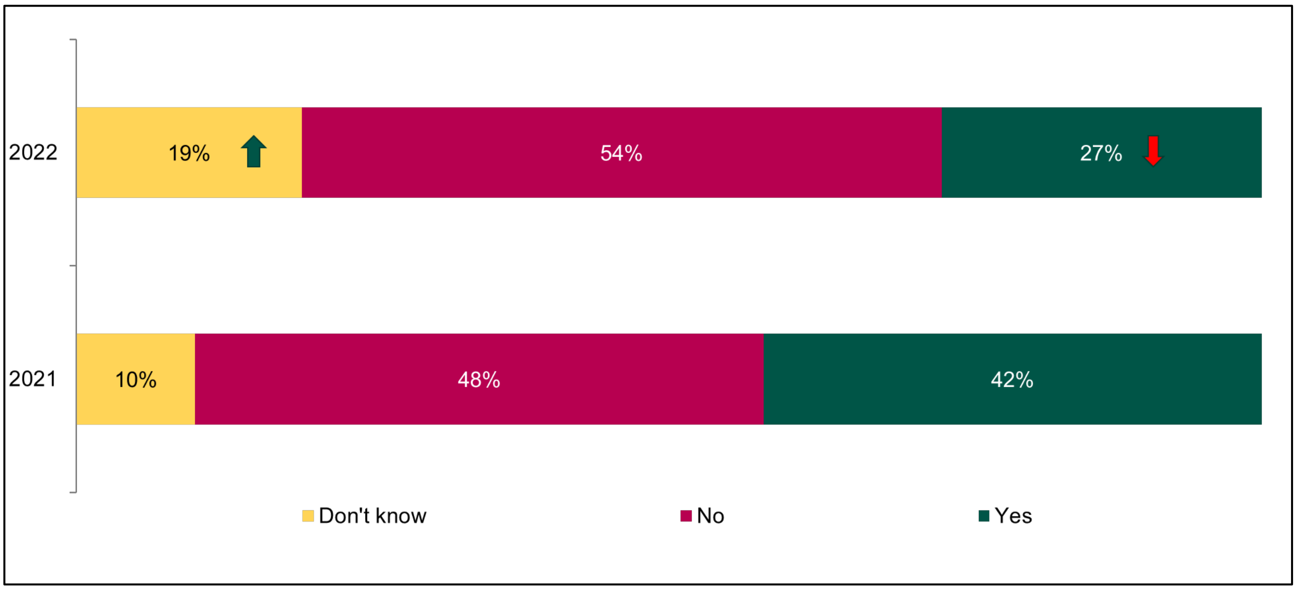
> *"We have a risk and governance team that looks at these issues holistically. With regards to risk around IT and data processing this would be handled by IT and the data protection officer."*
>
> Medium Online Retailer

> *"We got somebody to sort out our site. We know GDPR is super important and it's part of what we pay them for"*
>
> Small Online Retailer

Opportunities and non-financial impacts

5.3 When asked if the code would provide opportunities to their business, fewer businesses thought it would in 2022 than in 2021 (27% compared with 42%). When asked in interviews, businesses felt that if there were going to be opportunities they would have already materialised by now.

Figure 5.2 Opportunities arising from the code



Do you envisage any opportunity for your organisation as a result of implementing the Children's code? Base: All, 2022 (n=407), 2021 (n=432)

5.4 Figure 5.3, shows that the two main areas that businesses no longer felt were likely opportunities, were knowledge that they were providing a safe space (down to 10% from 13%) making money (1% compared with 11%) and better processes, policies and procedures (0% compared with 9%). As mentioned above this was likely to be because opportunities had not been realised yet.

5.5 In contrast, businesses in 2022 were more likely to think there would be more general opportunities (11% in 2022 compared with 1% in 2021) and opportunities to do with marketing and branding (10% compared with 7%).

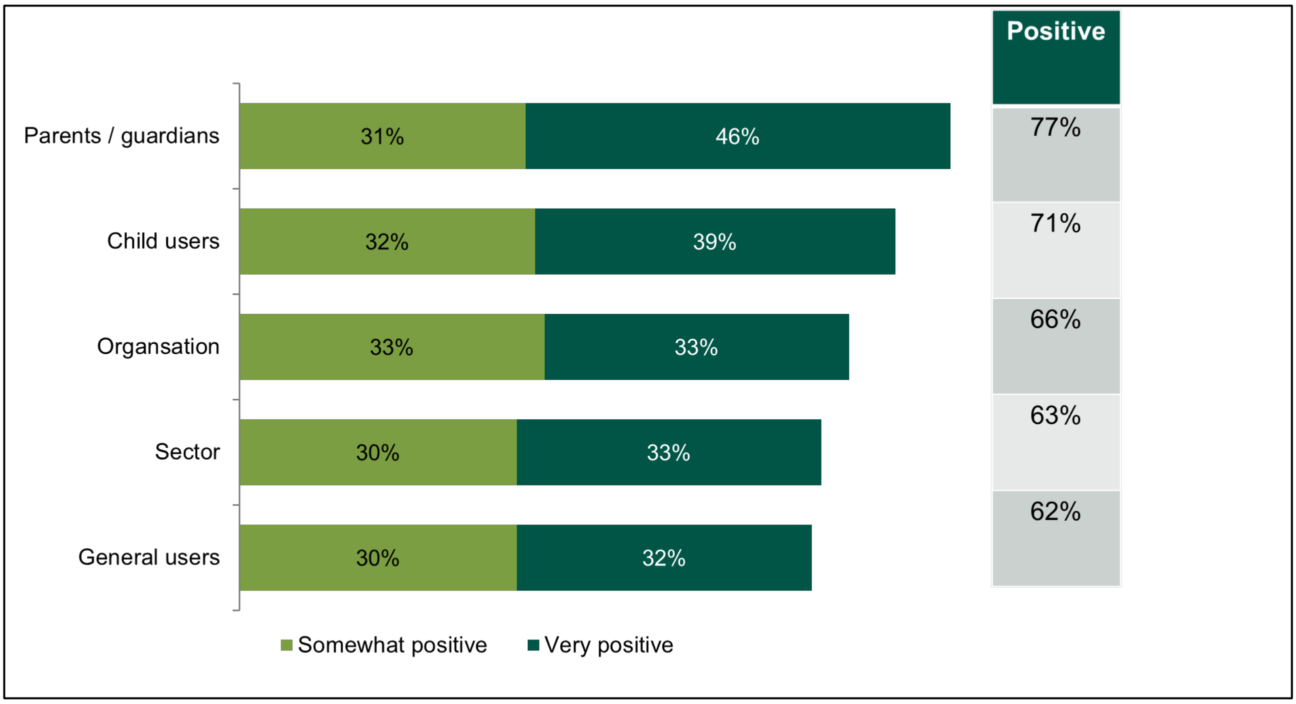
5.6 Those who understood the code better, targeted under 18s or who were largely compliant were more likely to see opportunities. The nature of envisaged opportunities varied and were most commonly thought to be general.

Figure 5.3 Opportunities envisioned from the code

QC13 What opportunities do you envisage? Answers given by less than 2% at 2022 and less than 4% in other waves not shown. Base: those who perceive opportunities, 2022 (100), 2021 (n=154).

5.7 Overall, businesses felt the overall impact of the code would be positive, with figures very similar to those in 2021. Around three quarters (77%) of businesses thought there would be a positive impact on parents/guardians and 71% thought it would be beneficial for children. Two thirds (66%) thought it would be positive for their organisation and 63% felt it would have a positive impact on their sector (there was no notable difference in this figure across sectors).

Figure 5.4 Impact of the code on different groups



QC14. Overall, what do you think the code's impact will be for the following groups? Base: all 2022 (n=407)

5.8 In general, larger and medium sized businesses were more likely to think that there would be a positive impact across all of these groups. For example, 40% of large businesses and 39% of medium businesses thought it would be very positive for their organisation compared with 11% of sole traders and 27% of micro businesses. With greater capacity, larger businesses seemed more inclined to think at a strategic level of these benefits while smaller companies perhaps see them more in light of their time and financial cost rather than the longer term benefits. 58% of larger businesses thought it would be very positive for parents/guardians as did 51% of medium sized businesses compared with 32% of sole traders, 44% of micro companies and 34% of small businesses.

5.9 In the qualitative interviews, businesses didn't report any noticeable changes to reputation or use of their services. They felt there was an assumption from users that the business would be compliant and protecting their data. This was seen as an expected baseline rather than something to add value or improve an opinion of a business.

Case Study #4	**Online Quiz Company**
Context	Louise is one of three people running a microbusiness creating quiz content for TV shows, corporate events, hosting online quiz events and games manufacturers. They also host events in schools and hold online quiz events plus an online subscription service for one of their quizzes, where children could potentially sign up to their service and they could unknowingly be storing e-mail addresses of children.
Awareness	She first became aware of the code when the school that was hosting online quiz events asked their company about their own privacy policy. At this point, the respondents did some research online via Google search and found out about the Children’s code. Louise commented that this was almost inadvertent and wasn’t sure how she would have known about the code if the school hadn’t asked. Policies like this are harder to keep track of in a smaller company. *“It is more likely that a business like mine would need that support in the form of a nice, easy to find, clear document because I would imagine a larger organisation would have somebody whose job this was.”*
Actions taken	They undertook their own risk assessment and found they didn’t need to take action but wanted to ensure that they had fully explored all of the safeguarding aspects of holding an event online. The greatest risks to children’s data was through partners (primarily the schools) so they met to make sure that together all parts of the 15 standards were covered. One thing that came to their attention that they hadn’t considered was children signing up to their online subscriptions. This led to a risk assessment and a review of the website and data storage processes but they were satisfied that no further changes were needed. Seeing as they work with schools, they felt there was an onus and expectation for them to be keeping children’s data safe already.
Impact	There were definitely time implications. Louise spends roughly 20% of her time on the administrative side of the business but that was increased over the course of a couple of weeks to research the Children’s code and have conversations with schools. There were no major changes needed though so she feels the incurred financial costs was minimal. Having spent time reading and researching the code, she was confident that it fitted within their existing work on GDPR and safeguarding. *“It’s just something that we know about [GDPR], we’ve taken steps so that we are confident that what we are doing is right…something that we’re mindful of so that if we do change our activities we can revisit and make sure we’re in line with.”*

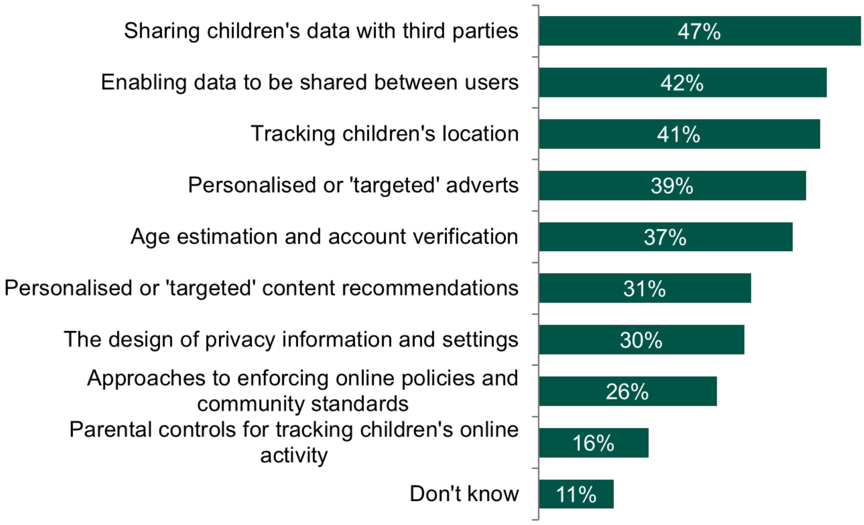
5.10 There were also no reported changes in website traffic or feedback from users about website functionality when considering the Children’s code. In most cases these were not things that were measured and there were no specific feedback activities undertaken as part of the changes. Compliance again was felt to be part of a natural evolution of the business model and there was therefore no reason to measure a before and after. There were also no reports of unprompted feedback from users, nor any real sense that change had occurred.

5.11 As shown in figure 5.5 businesses felt that the greatest risk to children in terms of their online data were sharing data with third parties (47%), sharing data between users (40%), and tracking children’s location (41%).

5.12 Smaller businesses (sole traders and micro) were more likely to think that there were risks to children in their sector. For example, 61% thought sharing data was a risk compared with 39% of small, medium or large businesses.

5.13 One measure had the opposite trend where small, medium and large businesses were more likely (42%) to consider age estimation and account verification to be a risk than sole traders or micro businesses (28%).

Figure 5.1 Perceived Risks to children



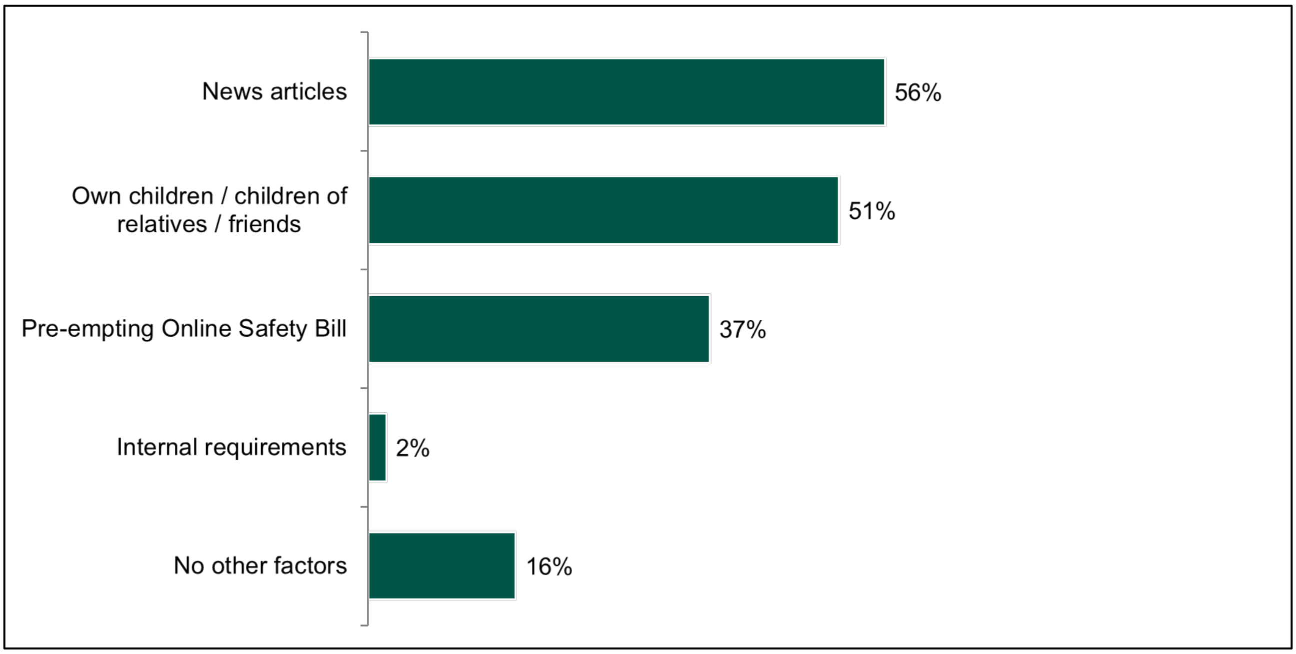
Sole trader/micro (0 to 9 employees	Small, medium, large (10+ employees)
61%*	39%
52%*	35%
57*	31%
50%*	32%
28%	42*
45%*	23%
38%*	26%
32%	24%
22%*	11%

QC15 Which of the following data-related activities do you think pose the greatest risks to children in your sector? Base: all 2022 (n=407)

5.14 As shown in figure 5.6, businesses were most likely to make changes in response to news articles (56%), followed by their own children (51%) and to pre-empt the online safety bill (37%).

5.15 Large and medium businesses were more likely to make changes because of news articles (74% and 63%) than micro and small businesses (17% and 33%). Conversely, micro and small businesses were more likely to make changes driven by their own children or those of friends and family (66% and 73%) than large and medium businesses (48% and 50%).[4]

Figure 5.2 Other factors driving change in practice



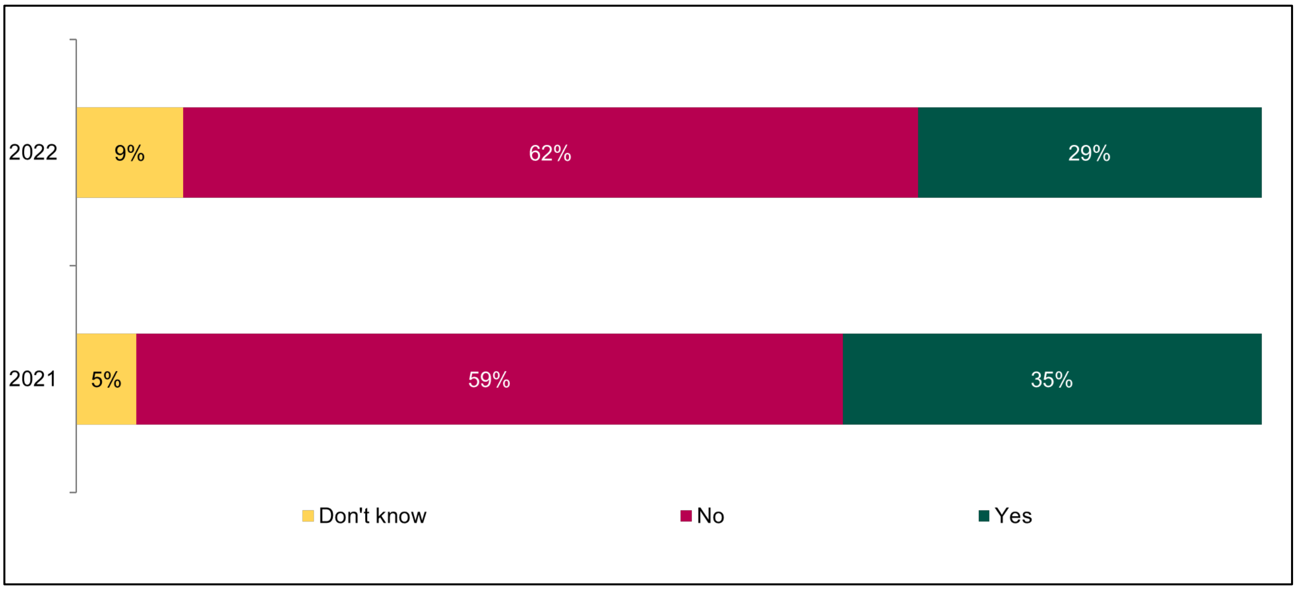
Are there any other factors that have led you to make changes to your practices relating to the use of children's data within the last year? Base: who made recent changes 2022 (n=111)

Financial Impact

5.16 Fewer businesses reported that they incurred costs because of the Children's code in 2022 than in 2021 (29% compared with 35%). As in previous years, smaller companies were less likely to have incurred costs from the code (6% sole trader, 14% micro, 19% small, 45% medium, 33% large).

[4] This is from a relatively small base so should be viewed indicatively.

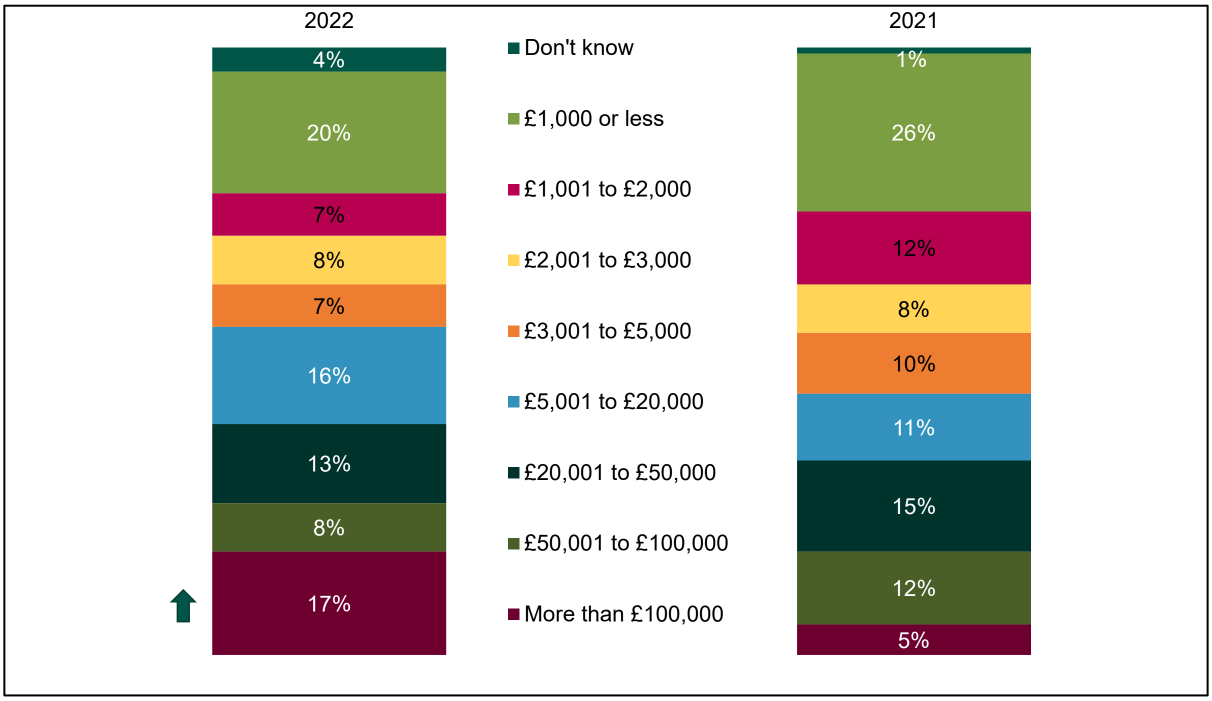
Figure 5.3 Incurring of costs because of the code



QC2 Has your organisation incurred any financial costs to date, as a result of the Children's code? Base: those aware of the code, 2022 (n= 330), 2021 (n=288).

5.17 Businesses shared how much their organisation has spent on making changes, and in 2022 the most common amount was £1000 or less, as in 2021. There was an increase in the number of businesses that reported spending more than £100,000, with 17% reporting this in 2022 compared with 5% in autumn 2021. That increase puts the figure more in line with the early 2021 wave where 14% reported as spending in that top bracket. Only large or medium businesses reported spending this amount both times. There were no trends in terms of the types of changes that businesses who spent more made. One potential inference was the costs were reflective of the larger scale, i.e. needing to make changes across difference subdivisions or branches of the business, and needing to train a greater number of staff.

Figure 5.4 Costs incurred from the Children's code



QC4/5 How much your organisation has spent on making changes? Base: those who incurred financial costs, 2021 (n=91), 2022 (n=92).

5.18 As may be expected, the larger the business, the larger the amount spent although this was mostly consistent across sectors. The qualitative interviews suggested that businesses tend not to measure these costs accurately. In the survey, few businesses were able to give an unprompted figure, instead making use of suggested bands.

5.19 Two main reasons arose in the interviews as to why they found it difficult to provide an accurate figure. One was that the sort of work required to be conformant was seen as an integral part of the business and was therefore not measured or considered a cost in reference to the Children's code. They instead counted only ad hoc costs. For example, one respondent was a compliance officer whose fulltime job was to monitor and enact requisite changes in these areas.

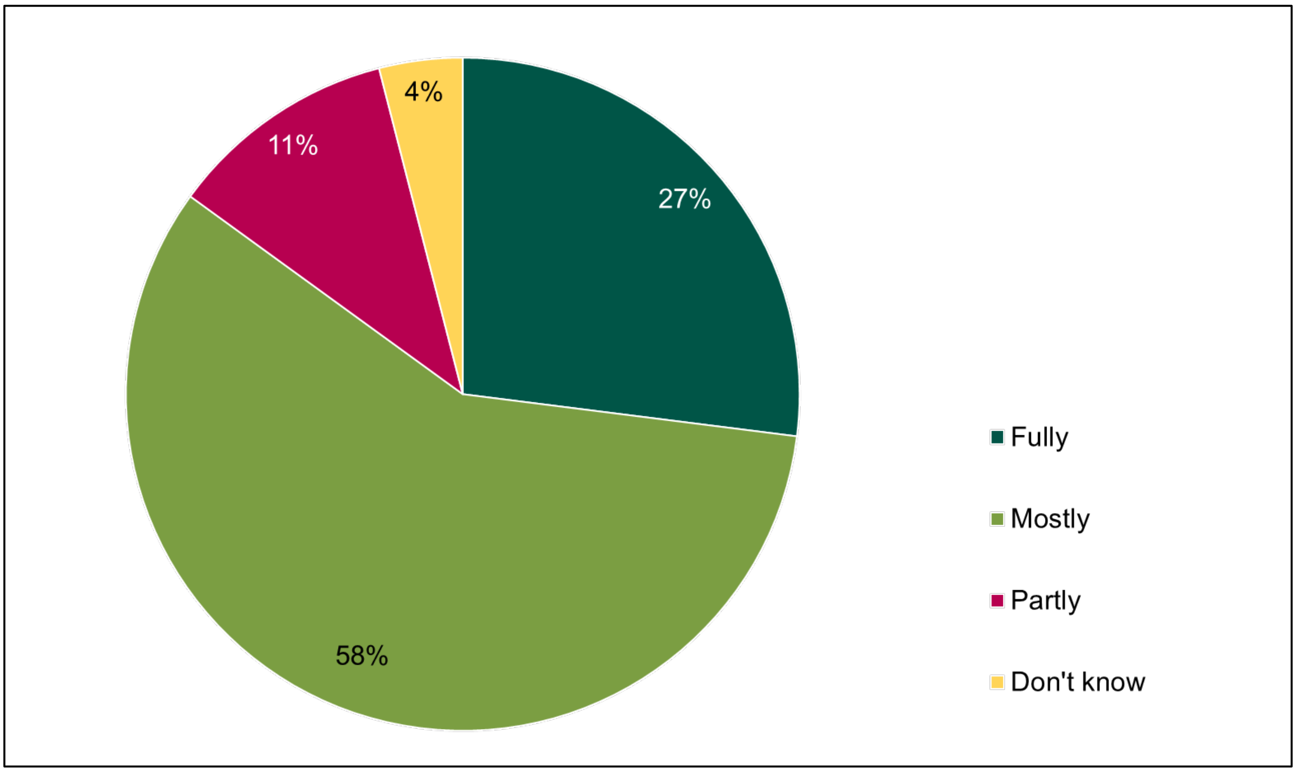
> *"Our head of safeguarding is always checking something or doing training. It will have been this for a while but if not then she'll just be working on something else.'*
>
> Medium Arts Company

5.20 Another reason was that it was difficult to unpack work done for the Children's code from other wider GDPR compliance. Businesses that employed web developers trusted them to make things compliant but were unable to attribute cost specifically to the aspects related to the code.

> '*We paid them to do everything so we pay for their time but I don't know how that breaks down.'*
>
> Small Games Company

5.21 In contrast, just over a quarter (27%) of businesses that responded to the survey felt that the costs incurred were fully attributed to the code and 58% felt that they were mostly because of the code, as shown in figure 5.9. There were small bases for sole trader, micro and small businesses so these numbers were driven by medium businesses where 40% reported their costs were fully attributable to the code and 50% felt they were mostly driven by it. For large companies, 14% reported fully and 75% said mostly.

Figure 5.5 Extent to which Children's code is driving these costs

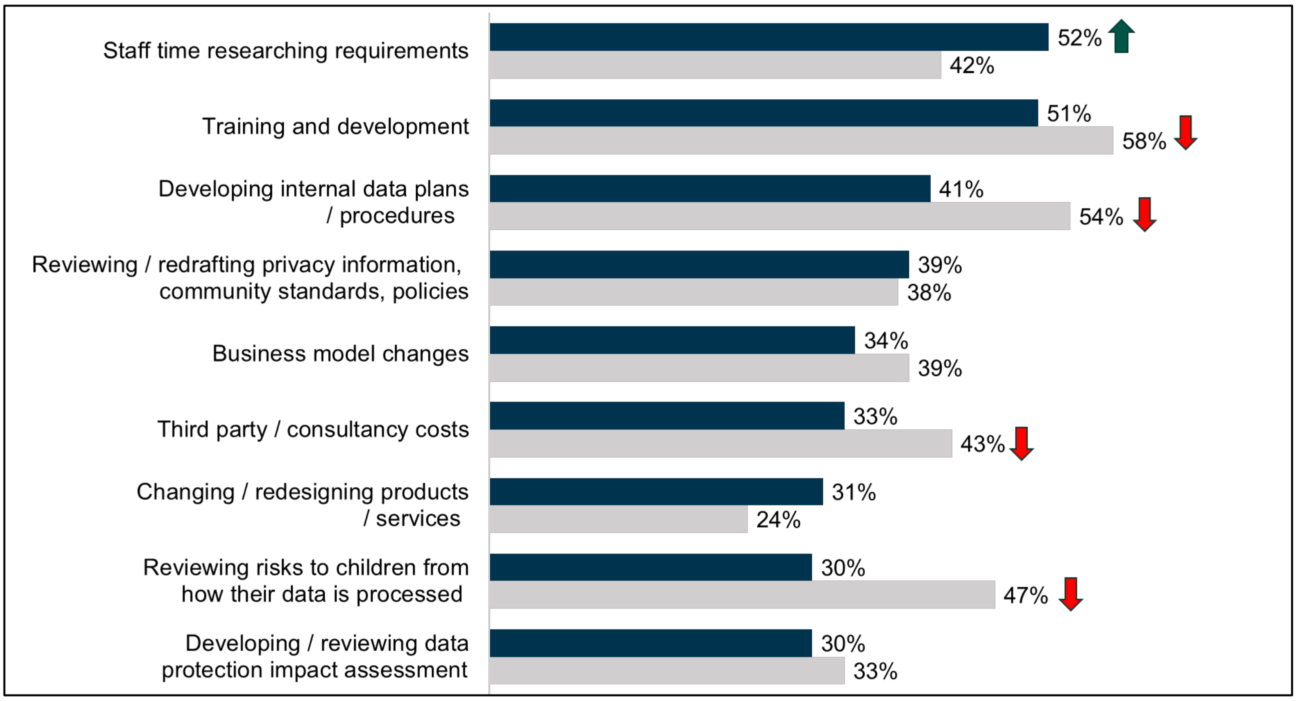


C2a. To what extent is the Children's code driving these costs? Base: those who envisage incurring financial costs in future, 2022 (n=129).

5.22 Across the prompted areas of what these costs were attributed to, responses were lower than in 2021 with fewer businesses choosing to answer. Fewer businesses reported incurring cost on training and development (51% compared with 58%), developing internal data plans/procedures (41% compared with 54%), third party/consultancy costs (33% compared with 43%) and reviewing risks to children from how their data is processed (30% compared with 47%). However, there was an increased incurred cost in 2022 regarding staff time researching requirement (52% compared with 42% in 2021)., suggesting reactive ad hoc work as opposed to knowledge building.

5.23 There were no notable trends among businesses of different sizes when it came to areas of incurred cost, nor their level of compliance nor when they've made changes.

Figure 5.6 Areas of incurred cost

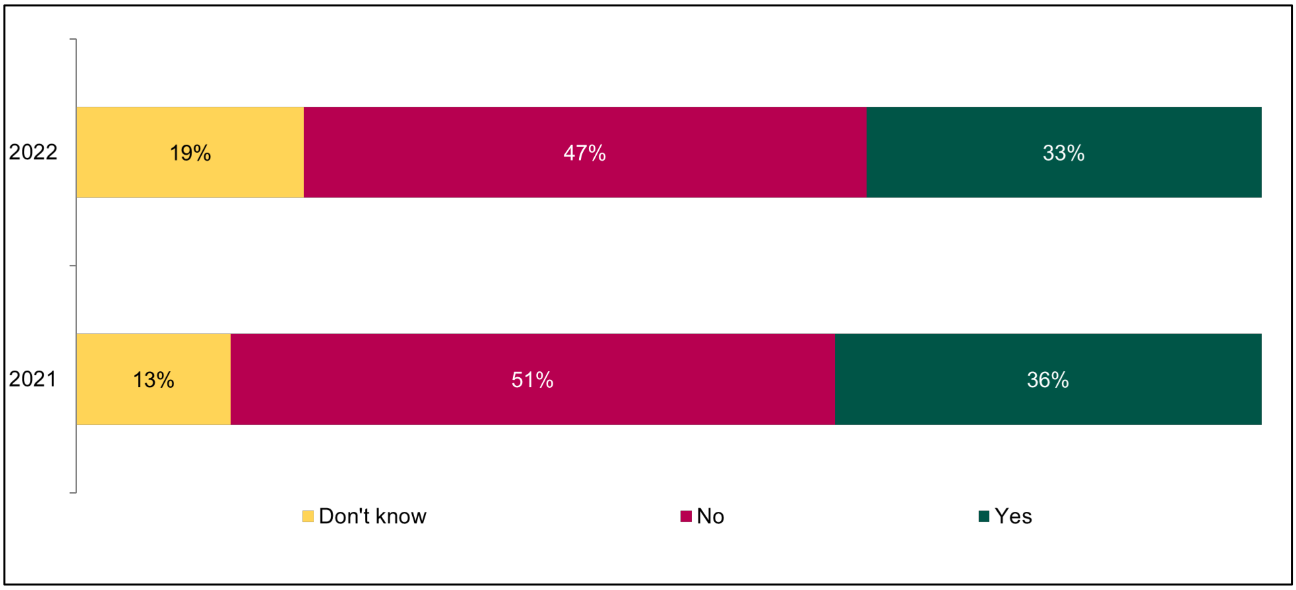


QC3.What have these costs related to? Base: those who incurred financial costs, 2022 (n=92), 2021 (n=91).

Anticipated financial impact

5.24 Slightly fewer businesses anticipated future costs than in 2021 and a greater proportion did not know. A third (33%) thought there would be costs to come while just under a half (47%) did not expect to incur any costs. Medium companies were most likely to anticipate costs moving forward (58%), and sole traders the least likely (11%).

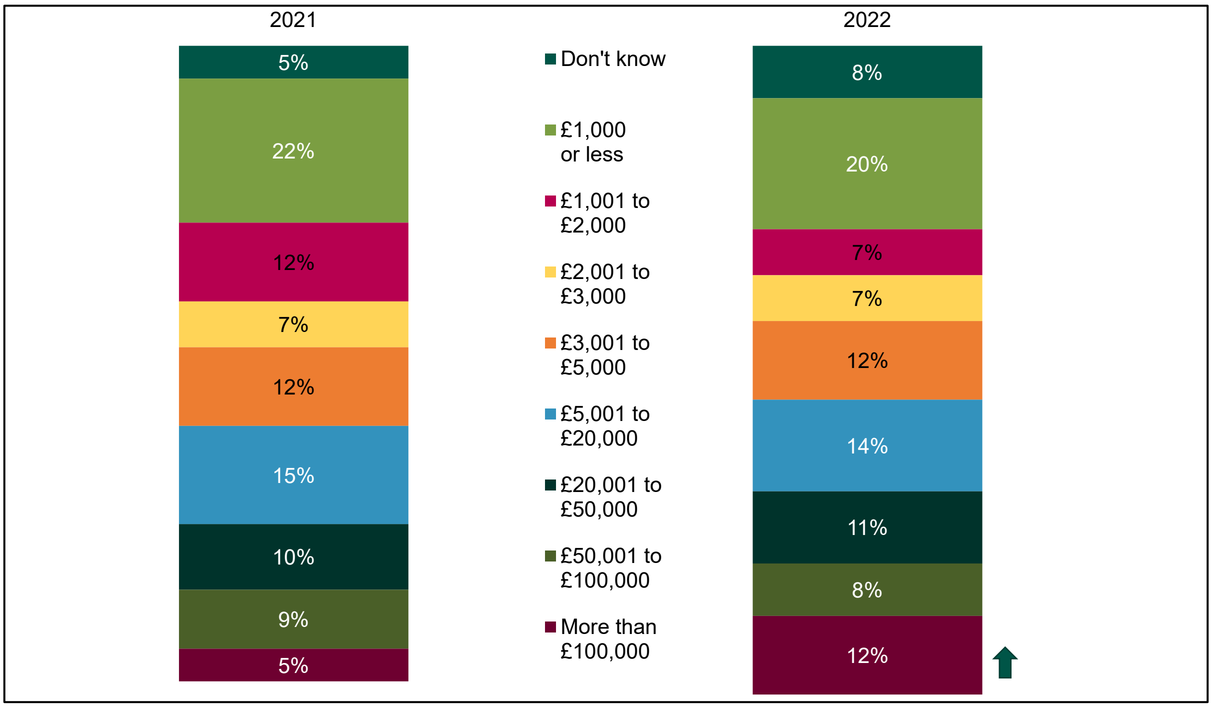
Figure 5.7 Expectations of future costs



QC6 Do you envisage that your organisation will incur costs in the future as a result of the Children's code? Base: all, 2022 (n=407), 2021 (n=432),

5.25 The amount of cost that businesses who either planned to be compliant by the end of 2022 or 2023 expected to incur were broadly similar to 2021 with the exception that more businesses (12%) anticipated spending over £100,000 in the same pattern as with incurred cost. This was again driven entirely by large businesses.

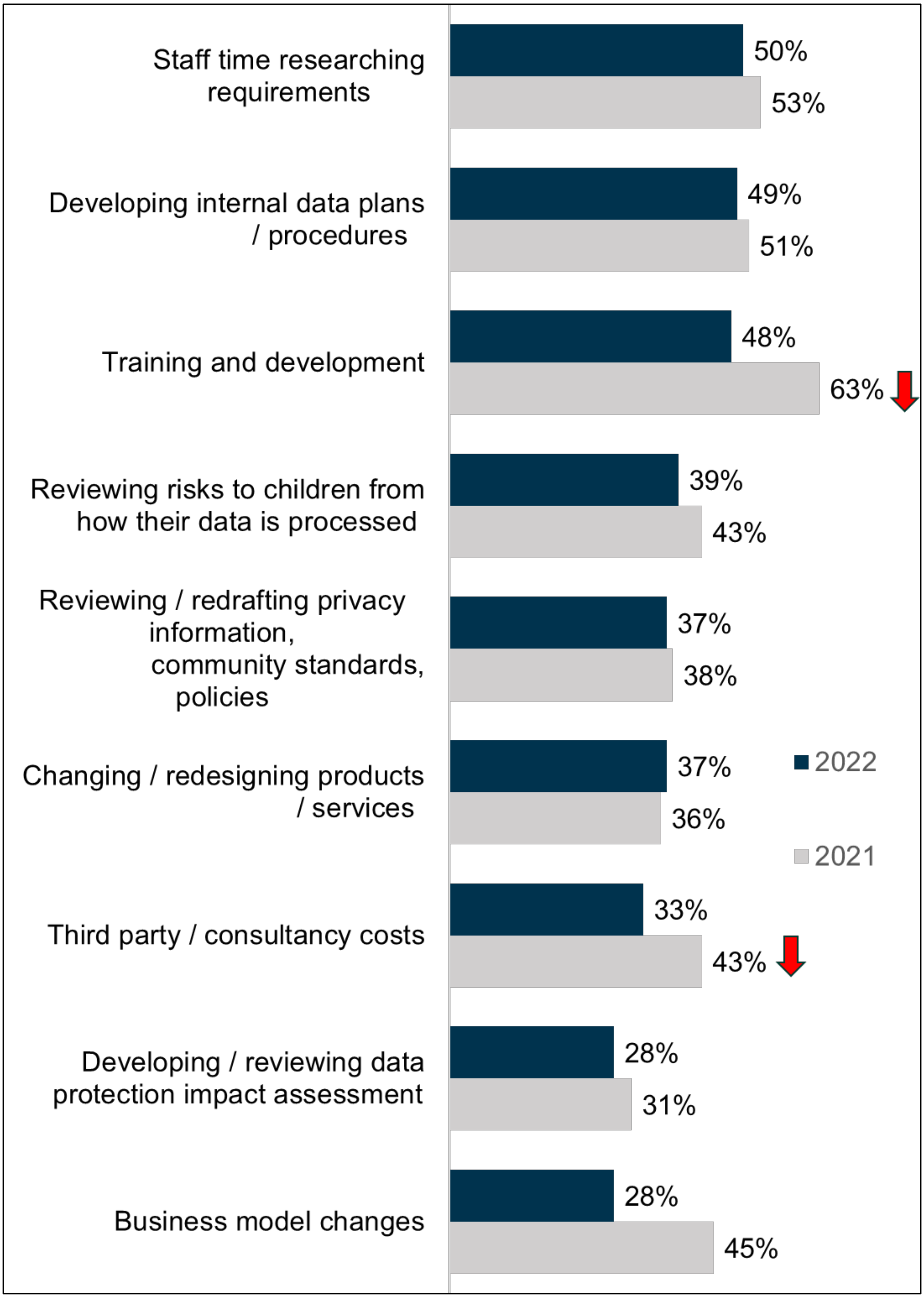
Figure 5.8 Amount of expected cost



QC8/9. How much your organisation envisages spending on making changes? Base: those who envisage incurring financial costs in future, 2022 (n=129) 2021 (n=134).

5.26 As with incurred costs, there were drops in the percentage of businesses who expected to incur cost on training and development (48% compared with 63%) and third party consultancy costs (33% compared to 43%). There were, however, no notable increases in areas of expected cost.

Figure 5.9 Expected areas of future cost



QC7 What do you envisage these costs will relate to? Base: those who envisage incurring financial costs in future, 2022 (n=129) 2021 (n=134).

6 Conclusions

6.1 Most of the differences by type of business observed in this data are driven by business size, and there were very few differences by sector and other demographic groupings. This shows future guidance and communications should be targeted primarily by size of business.

6.2 Awareness of the Children's code has increased overall, driven by increases in awareness among micro (1-9 employees) and small (10-49 employees) businesses. However, more in-depth knowledge of the Children's code has not increased and businesses often see it as part of general GDPR compliance.

6.3 Many businesses perceive the code as something which has now passed, which may explain the levelling off of awareness and changes made as a result of the code. There was a wider sense that the code is something that has been subsumed into wider GDPR compliance

6.4 Businesses did not give a sense that they consider the Children's code to be a current issue and assumed that their current practice must be in line with conformance or else they would have heard from the ICO.

6.5 More businesses now felt that enforcement or penalties were the best way to encourage compliance, again suggesting a plateauing of awareness and that hearing about action being taken may be the best way to impress urgency.

6.6 Businesses generally did not find the code difficult to understand or conform with, in many cases feeling that doing so was naturally part of their business model and approach. Among those that faced barriers, time was most often mentioned. While some businesses assume the code to be complex, this was more often the result of not fully engaging with the communications around it, rather than the code itself.

6.7 Larger or medium sized businesses that have compliance specialists tend to find that the code is straightforward. The smallest businesses can still find the code daunting as part of a wider world of compliance that can seem intimidating and hard to break down into relevant and pertinent sections.

6.8 Businesses did not report notable reputational changes or user changes as a result of the code and in general were unable to discern its impact or cost from wider GDPR compliance. It was also not something they measured regularly.

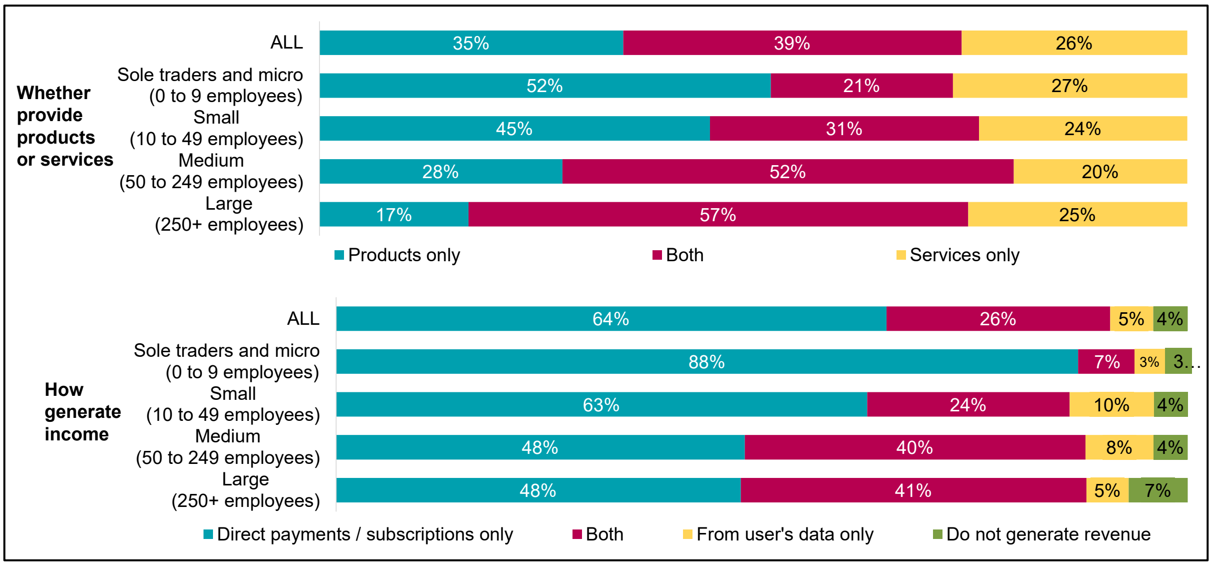
6.9 Although most businesses do not necessarily perceive the code to offer commercial opportunities for their business, there is a general consensus that the impact of the code will be beneficial for wider stakeholders, in particular parents, guardians and ultimately children themselves. The code was seen to offer reassurance to parents/guardians who are likely to find it increasingly difficult to monitor children's online activity.

6.10 While more businesses reported incurring costs in the highest bracket compared to 2021, only a minority stated the costs were directly related to the code. In general, the number of businesses experiencing costs had fallen.

7 Appendix

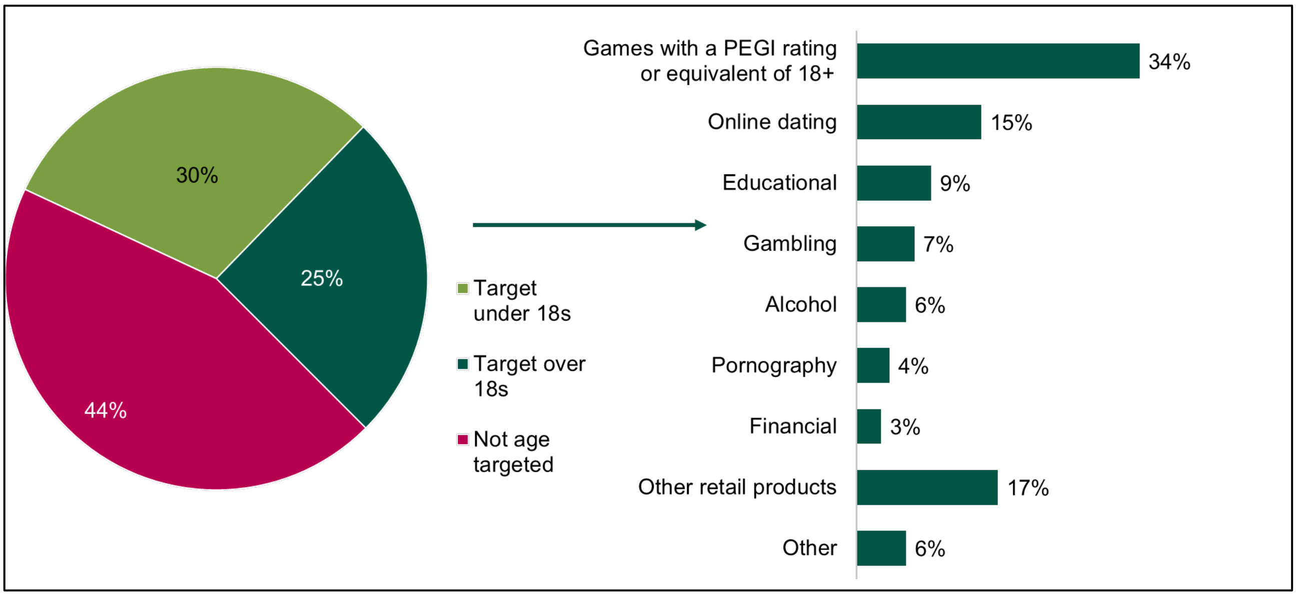
7.1 Business profiles

Figure 7.1 Business deliverables and sources of income by size



QS4. Does your organisation provide an online or internet enabled service? QS5. And is the revenue you generate from the delivery of online, or internet-enabled, products/services received through…? Base: All 2022 (n=407).

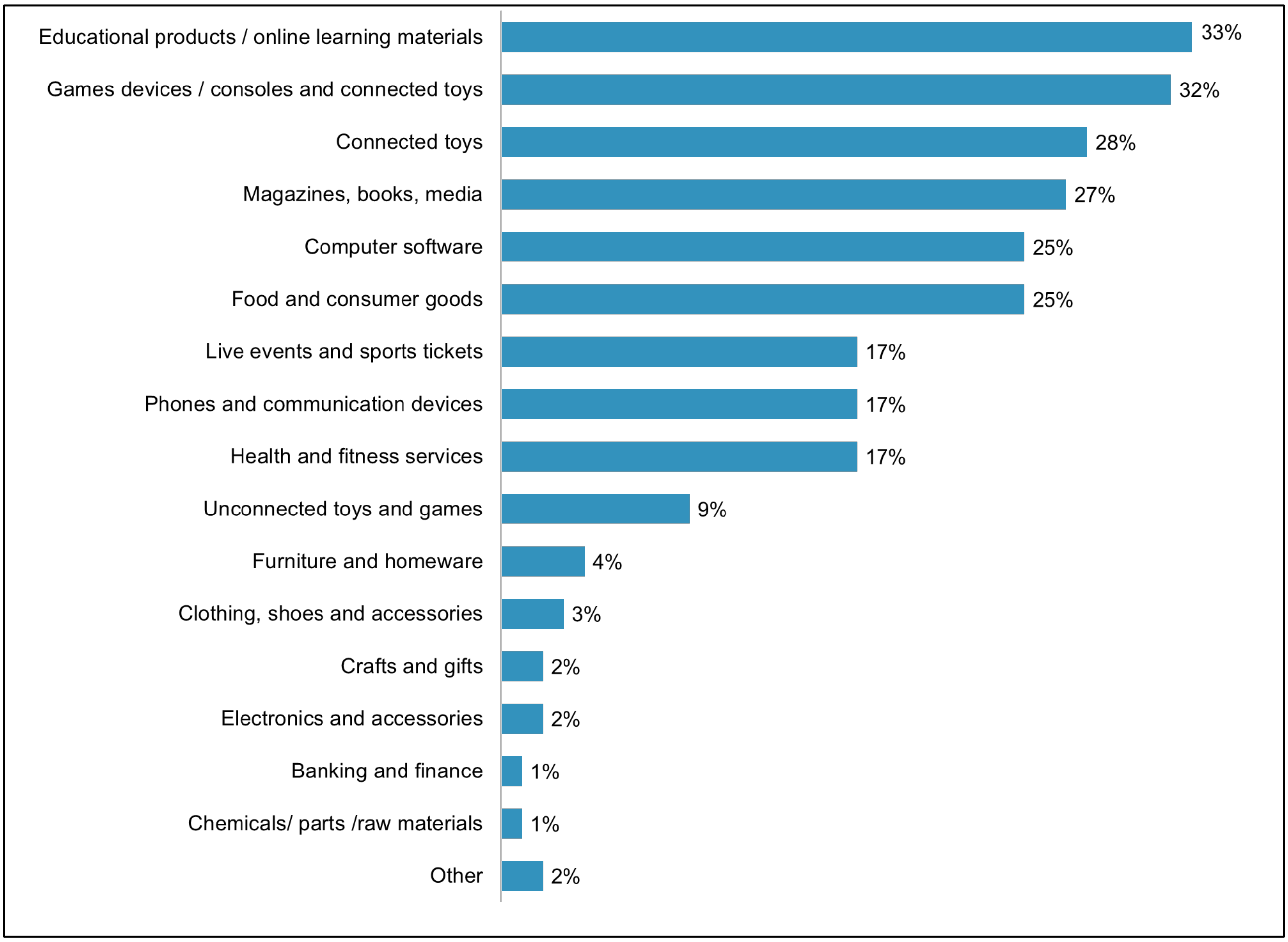
Figure 7.2 Age of target customers and areas of business for those targeting adults



QS7A. Are any of the online, or internet-enabled, products or services that you deliver aimed at specific age groups?. Base: All 2022 (n=407). S7b. What are these products or services? Base: Those who specifically target over 18s 2022 (n=125).

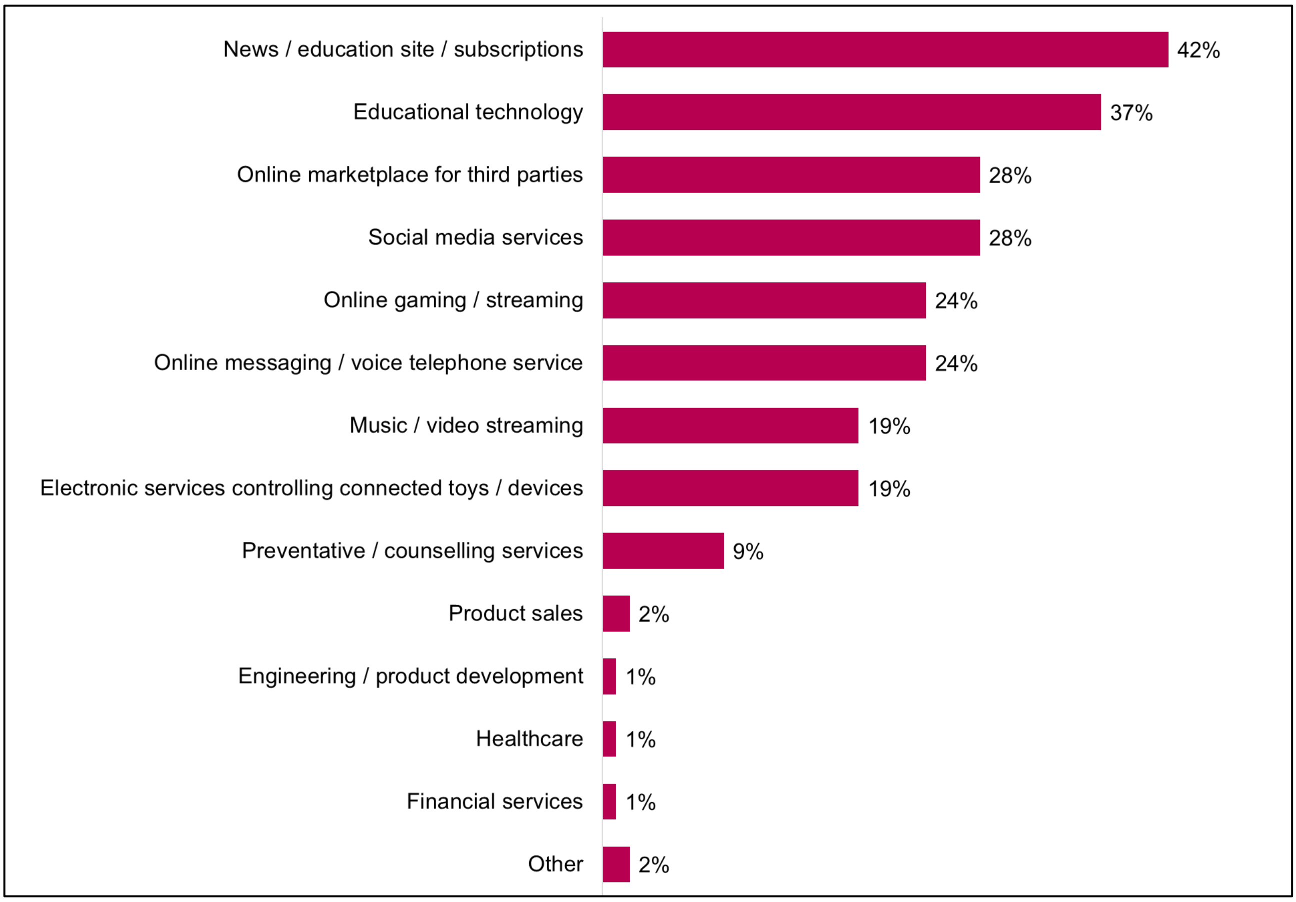
7.1 A quarter of businesses proactively targeted adults, slightly more targeted children. The largest business, and sole traders, were particularly likely not to target specific ages. Games with an adult rating were the most common type of product marketed specifically at adults.

Figure 7.3 Types of products offered



S10. And which of the following products do you provide online in the UK? Base: Those who sell products online 2022 (n=306).

Figure 7.4 Types of products offered



S11. And which of the following services do you provide online in the UK? Base: Those who provide services online 2022 (n=263).

Quantitative Survey

Children's code research - Questionnaire

J11024 Date 21/4/23

Online and Telephone

ASK ALL

S1 **The research involves a short survey that will take no longer than 15 minutes to complete.**

The Information Commissioners Office also known as the ICO, is the UK's independent authority set up to uphold information rights in the public interest. They are seeking to explore organisations' awareness of recent changes to regulation.

By participating in this research, you will provide valuable insight, helping the ICO to better understand the support and guidance that organisations will need to respond to the upcoming changes.

CATI ONLY: **The ICO and IFF hold joint responsibility for the use of data until this research, and we can provide more information on this should you need it.**

Privacy reassurances to read if necessary

IFF research and ICO hold joint responsibility for the processing of data under this research. For more information on the ICO's privacy policy, please visit: https://ico.org.uk/global/privacy-notice and particularly the section on responding to consultations and surveys. For more information on IFF's privacy policy please visit: https://www.iffresearch.com/privacy-policy/

Under data protection law, you have the right to have a copy of your data, change your data, or withdraw from the research at any point. If you'd like to do this, or find out more, you can visit our IFF GDPR policy page: http://www.iffresearch.com/iff-research-gdpr-policy/

Your responses will be anonymous, with all data reported in aggregate form. Participating in this survey does not affect any obligations you might have to comply with under the Data Protection Act 2018, or any other applicable laws or regulations.

If you wish to confirm the authenticity of this research or get more information about the research, you can contact IFF Research at ICOChildrensCode@iffresearch.com or the Market Research Society by calling 0800 975 9596.

Please be assured that any information you share with IFF will be used for research purposes only and will not be passed to the ICO in any way that would allow you or your organisation to be identified, or effect your dealings with ICO in anyway unless you explicitly agree to this

SHOW THIS SENTENCE ONLY TO THOSE FROM A MEMBERSHIP OR TRADE BODY:
If you are participating through membership of a trade or professional body, your responses will be shared in anonymous and aggregated form with that trade body only.

When completing the survey, please only use the 'next' button on the page rather than the 'back' and 'forward' buttons in your browser. You can pause the survey at any time by clicking on the pause symbol at the bottom of the screen and can re-enter by clicking on the link again.

To begin, please click on the 'next' button below.

Your views are important to us and we are very grateful for your help.

SINGLE CODE

Yes	1	CONTINUE
No	2	THANK AND CLOSE

ASK ALL

S2 **Please could you confirm that you have some level of awareness on matters concerning information rights and data security compliance within your organisation including GDPR, that means you feel able to answer questions on these matters?**

This may not necessarily mean that you have formal responsibilities for data protection compliance within your organisation, but data protection should have some impact on your work.

SINGLE CODE

Yes	1	
No	2	

ASK IF NOT BEST PERSON (S2=1) AND NOT SAMPLE SOURCE 3,4,5

S3 **We would be grateful if you could forward this link to someone at your organisation who is in a position to answers questions concerning information rights regulation such as GDPR.**

Thank you for your time.

THANK AND CLOSE

ASK ALL

S4 **We'd now like to take you through a few questions relating to your organisation.**

Does your organisation provide an online or internet enabled service?

SINGLE CODE

Yes – products	1	CONTINUE
Yes - services	2	CONTINUE
Yes – both products and services	3	CONTINUE
No	4	THANK AND CLOSE

ASK ALL

S5 **And is the revenue you generate from the delivery of online, or internet-enabled, products/services received through…?**

SINGLE CODE

Direct payment or subscription from customers	1	
Generating money from user's data (e.g. through advertising)	2	
Both	3	
We don't generate revenue	4	GO TO S6

ASK THOSE WHO DO NOT GENERATE REVENUE (S5 = 4)

S6 **Do other organisations that provide the same types of products or services as you, typically generate revenue from them?**

For example, you provide a charitable service that others providing similar services typically charge for.

SINGLE CODE

Yes	1	CONTINUE
No	2	THANK AND CLOSE

S7 **DELETED**

ASK ALL

S7a **Are any of the online, or internet-enabled, products or services that you deliver aimed at specific age groups?**

We understand services may attract a wider audience but we are interested in which age groups you actively target.

SINGLE CODE

Targeted at people under 18	1	
Targeted at people over 18	2	
Not targeted at a specific age group	3	

ASK IF PRODUCTS OR SERVICES AIMED AT OVER 18S (S7A=2)

S7b **What are these products or services?**

SINGLE CODE

Pornography	1	
Online dating	2	
Games with a PEGI rating or equivalent of 18+	3	
Gambling	4	
Alcohol	5	
Other WRITE IN	6	

ASK ALL

S7c **What steps do you take to verify the age of your users?**

Self-declaration (e.g. typing in date of birth or ticking a box)	1	
Require proof of age (e.g. driving licence, passport)	2	
require credit card information	4	
Other WRITE IN	5	

ASK IF NOT AIMED AT CHILDREN (S7A=2/3)

S8 **How likely are those under the age of 18 in the UK to access any of the products or services that you offer online?**

SINGLE CODE

Very unlikely	1	
Fairly unlikely	2	
Neither likely nor unlikely	3	
Fairly likely	4	
Very likely	5	
Don't know	6	

ASK IF VERY UNLIKELY OR FAIRLY UNLIKELY (S8=1/2)

S8a **Why do you think people under the aged 18 are unlikely to access any of the products or services that you offer online?**

MULTI CODE

Products and/or services are not marketed at U18s	1	
Use age verification	2	
Website requires information (e.g. a tick box or credit card details)	3	
U18s wouldn't be interested in products and/or services	4	
Have undertaken research that shows under 18s do not use this or similar services	5	
Other WRITE IN	6	
Don't know	7	

SHOW IF VERY UNLIKELY THAT UNDER 18S ARE ACCESSING PRODUCTS OR SERVICES (S8=1)

S8b **Thank you for your help today. We're seeking to speak in more detail to those who have under 18s accessing their products and services.**

ASK IF FAIRLY UNLIKELY OR DK HOW LIKELY TO BE ACCESS BY CHILDREN (S8=2 OR 6)

S9 **How likely is it that products or services like yours appeal to children under the age of 18 in the UK?**

SINGLE CODE

Very unlikely	1	THANK AND CLOSE
Fairly unlikely	2	THANK AND CLOSE
Neither likely nor unlikely	3	CONTINUE
Fairly likely	4	CONTINUE
Very likely	5	CONTINUE

SHOW IF VERY OR FAIRLY UNLIKELY THAT PRODUCT WOULD APPEAL TO UNDER 18S (S9=1-2)

S8b **Thank you for your help today. We're seeking to speak in more detail to those who have under 18s accessing their products and services.**

ASK IF SELL PRODUCTS ONLINE (S4=1 OR 3)

S10 **And which of the following products do you provide online in the UK?**

MULTICODE

Games devices (including consoles)	1	
Connected toys (internet enabled devices with Wi-Fi, Bluetooth, or other capabilities build in)	2	
Educational products and online learning materials	3	
Magazines, books, and media	4	
Live events and sports tickets	5	
Computer software	6	
Phones and communication devices	7	
Food and consumer goods	8	
Health and fitness services	9	
Other (Please write in)	10	

ASK IF PROVIDE SERVICES ONLINE (S4=2 OR 3)

S11 **And which of the following services do you provide online in the UK?**

MULTICODE

Online marketplace for third party goods/services	1	
Online gaming / streaming	2	
Music and video streaming	3	
Social media services	4	
Online messaging or voice telephony service	5	
News / education websites / subscription services	6	
Educational Technology	7	
Electronic services controlling connected toys and other connected devices	8	

Preventative / counselling services	9	
Other WRITE IN	1o	
None of these services	11	THANK AND CLOSE

SHOW IF S11 = 11 (AND NO OTHER OPTION CHOSEN)
Thank you for your participation. Preventative and counselling services are not in scope for this research and so we will not be needing anymore of your time. Thank you.

S12 DELETED

ASK ALL
S13 **Roughly, how many employees does your organisation currently employ across all sites, in the UK?**

SINGLE CODE

None – Sole Trader	1	
1-9	2	
10-49	3	
50-99	4	
100-249	5	
250+	6	
Don't know	7	

A. Awareness of the code

ASK ALL

A1 **How familiar are you with the Information Commissioners Office, also known as the ICO?**

SINGLE CODE

Very familiar	1
Fairly familiar	2
Not very familiar	3
Was not aware of the ICO before this survey	4

ASK ALL

A2 **Are you aware that the Information Commissioner's Office launched a code that sets out a number of standards to ensure that ISS providers' services appropriately safeguard children's personal data and process children's data fairly?**

SINGLE CODE

Yes	1
No	2

ASK ALL

A3 **Have you heard of the Children's code? This is also known as the Age Appropriate Design Code.**

SINGLE CODE

Heard of it and have a detailed understanding of what it entails	1
Heard of it and have an ok understanding of what it entails	2
Heard of it but do not have a good understanding of what it entails	3
Never heard of it	4

IF HAVE HEARD OF THE CHANGES (A2 = 1)

From now on we will refer to this code as the Children's code.

V1 – AWARENESS DUMMY VARIABLE, DO NOT ASK

Aware of Code or the concept	1	A2 = 1 OR (A3 = 1 OR 2 OR 3)
Unaware of Code or the concept	2	A2 = 2 AND A3 = 4

ASK IF AWARE OF THE CODE (V1 = 1)

A4 **Where did you first hear about the Children's code?**

SINGLE CODE

Direct communication from ICO	1
ICO website	2
Membership or trade body	3
Newspaper or news website	4
Compliance officer	5
Social media platform	6
Child advocacy group (e.g. NSPCC)	7
Internet forum	8
Family or friends	9
Other (please write in)	10
Don't know	11

ASK IF AWARE OF THE CODE (V1 = 1)

A5 **Do you think that your organisation has to conform with the Children's code?**

SINGLE CODE

Yes	1
No	2

ASK IF AWARE OF THE CODE (V1 = 1)

A6 **To what extent do you agree or disagree with the following statements…?**

SINGLE CODE

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
I have a good understanding of the theoretical concepts and principles within the Children's code	1	2	3	4	5	6
I have a good understanding of the practical actions our organisation needs to take in order to conform with the principles within The Children's code	1	2	3	4	5	6

ASK IF AWARE OF THE CODE (V1 = 1)

A7 **Which of the following do you think are features of the Children's code?**

MULTICODE (ROTATE LIST)

The code applies to online and offline businesses that use children's data	1	
The code is designed to ensure that organisations appropriately safeguard children's personal data and process it fairly	2	
The code ensures that organisations in its scope have a duty of care to protect children from all possible harms when using their products and services	3	
The code only applies to businesses that have offices in the UK	4	
The code requires all organisations in its scope to verify the specific age of all of their child users	5	
The code supports organisations to meet the best interests of the child	6	
The code will expect all organisations in scope of the code to conform in the same way, regardless of their sector or size	7	
None of the above	8	DO NOT MULTICODE
Don't know	9	DO NOT MULTICODE

A8 DELETED

ASK IF AWARE OF THE CODE (V1 = 1)

A9 **What do you think are the key standards of the Children's code, as it relates to your organisation?**

Write in	1	

ASK ALL

A10 **We'd now like to give you a brief summary of what the Children's code is.**

The code sets out 15 standards of age appropriate design that certain organisations need to implement to ensure their services appropriately safeguard children's personal data and process it fairly.

Organisations that need to conform with the code include all organisations that provide an electronic service that is likely to be accessed by children under 18. This includes apps, programs, connected toys and devices, search engines, social media platforms, streaming services, online games, news or educational websites and websites offering other goods or services to users over the internet. It is not restricted to services specifically directed at children and includes those where it is more probable than not that children could access the service.

Based on what you have just read, do you think your organisation (or parts of your organisation) needs to conform with the Children's code?

SINGLE CODE

Yes	1
No	2
Don't know	3

ASK ALL WHO SAY THEY DON'T THINK THEY WILL HAVE TO CONFORM (A10 = 2)

A11 **Why do you think that your organisation does not need to conform with the code?**

MULTICODE

Our services are not aimed at children	1	
Our services are not likely to be accessed by children under 18	2	
We do not handle any personal data	3	
Other (please write in)	4	
We already meet the requirements of the code	5	DO NOT MULTICODE

ASK ALL

A12 **Based on what you now know about the Children's code, to what extent do you think your organisation currently conforms with the standards in the code?**

SINGLE CODE

Fully	1
To large extent, but not fully	2
To some extent	3
Not at all	4
Don't know	5

ASK ALL WHO DO NOT THINK THEY FULLY CONFORM (A12 = 2-5)

A13 **Do you envisage your organisation will make any changes in order to better conform with Children's code?**

SINGLE CODE

Yes	1
No	2
Don't know	3

ASK ALL

A14 **Are there any standards or areas of the code you find it particularly difficult to understand or comply with?**

SINGLE CODE

Yes	1
No	2
Don't know	3

ASK IF AREAS OF THE CODE THEY FOUND

A15 **Why do you find these standards or areas of the code difficult to understand or comply with?**

PLEASE WRITE IN	
Don't know	1

B. Implementation

B1 DELETED
B2 DELETED
B3 DELETED

ASK ALL

B4 **Has your organisation made any changes to their practices relating to the use of children's (under 18's) data within the last year?**
SINGLE CODE

Yes	1
No	2
Don't know	3

B5 DELETED

ASK IF THEY HAVE MADE RECENT CHANGES TO PRACTICES (B4 = 1)

B7 **What changes have you or your organisation made in relation to the use of children's (under 18) data, and were they made in response to the Children's code?**
MULTICODE

	Made in response to the Children's code	We had started making changes independent of the Children's code	Don't know
Dedicated resources to reviewing the code and understanding its implications for your organisation	1	2	3
Designing and implementing changes to aspects of your service's user experience	1	2	3
Developing approaches for assessing the age of users	1	2	3
Reviewing risks to children arising from how your products or services process their data	1	2	3
Reviewing and redrafting privacy information, community standards and policies	1	2	3
Developing or reviewing your data protection impact assessment	1	2	3
Researching whether children are likely to access your service/ how they use your service	1	2	3

Engaging with children, parents/guardians or schools	1	2	3
Other change (please write in)	1	2	3

ASK IF THEY HAVE MADE RECENT CHANGES TO PRACTICES (B4 = 1)

B8 **Are there any other factors that have led you to make changes to your practices relating to the use of children's data within the last year?**

SINGLE CODE

News articles about children's privacy or online harms to children	1
Having children or child relatives/friends yourself	2
Pre-empting requirements from the upcoming Online Safety Bill	3
Other WRITE IN	4

ASK IF MADE CHANGES IN THE PAST YEAR (B4=1)

B8a **To what extent has the Children's code and your work to conform with it, enabled you to improve data protection compliance more generally?**

ADD IF NEC: **For example around the use of non-child customer's data or staff data.**

SINGLE CODE

Fully	1
To large extent, but not fully	2
To some extent	3
Not at all	4
Don't know	5

ASK ALL EXCEPT THOSE WHO ALREADY FULLY CONFORM OR SAID THEY DO NOT NEED TO MAKE ANY CHANGES (A12 IS NOT 1) OR (A13 IS NOT 2)

B9 **When do you anticipate that your organisation will have made the changes necessary to fully conform with the Children's code?**

SINGLE CODE

We already fully conform	1
By the end of 2022	2
By the end of 2023	3

From 2023 onwards	4
Never	5
Don't know	6

ASK IF don't already conform (B9 = 2,3, 4 OR 5)

B10 **Why do you say that?**

PLEASE WRITE IN	
Prefer not to say	1

B11 **Which of the following do you think would be most effective in encouraging and supervising industry conformance with the code in your sector?**

SINGLE CODE

Issuing fines	1
Publishing good practice case studies	2
Further guidance	3
Increased collaboration with other UK regulators and government	4
Increased collaboration on development of international standards relating to children's data	5
Convening industry engagement for peer-to-peer learning	6
Other WRITE IN	7
Don't know	8

C Impact of the code

ASK IF NEED TO MAKE CHANGES (A13=1)

C1 **You mentioned earlier that your organisation needed to make changes to conform with the Children's code. Were the necessary changes done…?**

SINGLE CODE

In-house	1	
By a third party	2	
By a mixture of in-house and third parties	3	
Don't know	4	

ASK IF AWARE OF THE CODE (V1 = 1)

C2 **Has your organisation incurred any financial costs, including staff time or loss of revenue, to date, as a result of the Children's code?**

SINGLE CODE

Yes	1
No	2
Don't know	3

ASK IF HAVE INCURRED FINANCIAL COSTS (C2=1)

C2a **To what extent is the Children's code driving these costs?**

SINGLE CODE

Costs are fully driven by the Children's code	1	
Costs are mostly driven by the Children's code but partly other factors too	2	
Costs are only partly driven by the Children's code but mostly other factors	3	
Don't Know	4	

ASK IF INCURRED FINANCIAL COSTS (C2 = 1)

C3 **What have these costs related to?**

MULTI CODE

Staff time investigating/researching what is required	1	

Training and development	2	
Developing internal data plans/procedures	3	
Third party/consultancy costs	4	
Business model changes	5	
Having to change or redesign existing products / services	6	
Reviewing risks to children arising from how your products or services process their data	7	
Reviewing and redrafting privacy information, community standards and policies	8	
Developing or reviewing your data protection impact assessment	9	
Loss of revenue	10	
Other (please write in)	11	
Don't know	12	DO NOT MULTICODE

ASK IF INCURRED FINANCIAL COSTS (C2 = 1)

C4 **Are you able to provide an estimate, in pounds sterling, and including staff time, of how much your organisation has spent so far on making changes in relation to the Children's code?**

Please enter £	
Don't know	1

IF DON'T KNOW COST (C4 = 1)

C5 **Are you able to provide an estimate using the ranges below?**

SINGLE CODE

£1,000 or less	1
£1,001 to £2,000	2
£2,001 to £3,000	3
£3,001 to £5,000	4
£5,001 to £10,000	5
£10,001 to £20,000	6
£20,001 to £50,000	7
£50,001 to £100,000	8
£100,000 to £500,000	9
More than £500,000	10
Don't know	11
Prefer not to say	12

ASK ALL

C6 **Do you envisage that your organisation will incur costs *in the future* as a result of the Children's code?**

SINGLE CODE

Yes	1
No	2
Don't know	3

ASK IF ENVISAGE INCURRING FINANCIAL COSTS IN THE FUTURE (C6 = 1)

C7 **What do you envisage these costs will relate to (IF more than one listed) and which of the costs you have listed will be the most costly?**

MULTI CODE

Staff time investigating/researching what is required	1	
Training and development	2	
Developing internal data plans/procedures	3	
Third party/consultancy costs	4	
Business model changes	5	
Having to change or redesign existing products / services	6	
Reviewing risks to children arising from how your products or services process their data	7	
Reviewing and redrafting privacy information, community standards and policies	8	
Developing or reviewing your data protection impact assessment	9	
Other (please write in)	10	
Don't know	11	DO NOT MULTICODE

ASK IF ENVISAGE INCURRING FINANCIAL COSTS IN THE FUTURE (C6 = 1)

C8 **Are you able to provide an estimate, in pounds sterling and including staff time, of how much you envisage spending on making changes in relation to the Children's code?**

Please enter £	
Don't know	1

IF DON'T KNOW COST (C8 = 1)

C9 **Are you able to provide an estimate using the ranges below?**

SINGLE CODE

£1,000 or less	1
£1,001 to £2,000	2
£2,001 to £3,000	3
£3,001 to £5,000	4
£5,001 to £10,000	5
£10,001 to £20,000	6
£20,001 to £50,000	7
£50,001 to £100,000	8
£100,000 to £500,000	9
More than £500,000	10
Don't know	11
Prefer not to say	12

ASK ALL EXCEPT THOSE WHO ALREADY FULLY CONFORM OR SAID THEY DO NOT NEED TO MAKE ANY CHANGES (A12 IS NOT 1) OR (A13 IS NOT 2)

C9a **Are there any internal or external barriers, relating to your organisation conforming with the Children's code?**

SINGLE CODE

Yes	1
No	2
Don't know	3

ASK THOSE WHO PERCEIVE BARRIERS (NEWC10a = 1)

C9b **What are these barriers?**

PLEASE WRITE IN	
Don't know	1

C10 DELETED
C11 DELETED

ASK ALL

C12 **Have you realised, or do you envisage, any opportunities for your organisation as a result of implementing the Children's code?**

SINGLE CODE

Yes	1
No	2
Don't know	3

ASK THOSE WHO PERCEIVE OPPORTUNITIES (C12 =1)

C13 **What opportunities do you envisage?**

PLEASE WRITE IN	
Don't know	1

C14 **Overall, what do you think the code's impact will be for the following groups?**

SINGLE CODE

	Very positive	Somewhat positive	Neither positive nor negative	Somewhat negative	Very negative
Your organisation	1	2	3	4	5
Your sector	1	2	3	4	5
Your child users	1	2	3	4	5
Your general users	1	2	3	4	5
Parents/guardians	1	2	3	4	5

ASK ALL

C15 **Which of the following data-related activities do you think pose the greatest risks to children, in your sector**

MULTICODE

	High Risk	Medium Risk	Low Risk
Age estimation and account verification	1	2	3
Enabling data to be shared between users	1	2	3
Approaches to enforcing online policies and community standards	1	2	3

The design of privacy information and settings	1	2	3
Sharing children's data with third parties	1	2	3
Personalised or "targeted" adverts	1	2	3
Personalised or "targeted" content recommendations	1	2	3
Tracking children's location	1	2	3
Parental controls for tracking children's online activity	1	2	3
Don't know	1	2	3

D. Support

D

D1 DELETED
D2 DELETED
D3 DELETED
D4 DELETED

ASK IF AWARE OF THE CODE (V1 = 1)
D5 **Where do you go for support in complying with, or more information about, the Children's code?**

MULTI CODE

ICO	1	
Membership organisation (eg. chambers of commerce)	2	
External support (eg. Consultants or law firms)	3	
I don't seek support	4	DO NOT MULTICODE
- Other (please specify)	5	

ASK IF GO TO ICO FOR SUPPORT (D5 =1)
D8 **How satisfied or dissatisfied are you with the ICO's support and engagement?**

SINGLE CODE

Very satisfied	1	
Fairly satisfied	2	
Neither satisfied nor dissatisfied	3	
Fairly dissatisfied	4	

Very dissatisfied	5	
Don't know	6	

D9 DELETED

ASK ALL
D10 **If there any further guidance/support you would want to see from the ICO, what would it be?**

SINGLE CODE

Write in	1	

E. Demographics

E1 **DELETED**

ASK ALL
E2 **Finally, we'd just like to ask you a few questions to build up a bit more detail about your organisation.**

What, approximately, was the income of your organisation in your last financial year?

Please include turnover and investment.

SINGLE CODE

£1-£49,999	1	
£50,000-£84,999	2	
£85,000-£99,999	3	
£100,000-£249,999	4	
£250,000-£499,999	5	
£500,000-£999,999	6	
£1,000,000-£1,999,999	7	
£2,000,000-£4,999,999	8	
£5,000,000-£9,999,999	9	
£10,000,000-£24,999,999	10	
£25,000,0000+	11	
Don't know	12	
Prefer not to say	13	

ASK ALL

E2a **What is the main activity of your business?**

SINGLE CODE

Write in	1	

ASK ALL

E3 **Where is your organisation's head office based?**

SINGLE CODE

England	1
Wales	2
Scotland	3
Northern Ireland	4
Outside of the UK	5
Don't Know	6
Prefer not to say	7

E4 **DELETED**

ASK ALL EXCEPT THOSE WITH A HEAD OFFICE OUTSIDE OF THE UK (E3 IS NOT 5)

E5 **Does your organisation operate outside of the UK? By which we mean that staff are employed by your organisation in areas other than the UK.**

SINGLE CODE

Yes	1
No	2
Don't know	3

ASK ORGANISATIONS WHO HAVE AN OPERATION OUTSIDE OF THE UK (E3 = 5 OR E5 = 1)

E6 **Roughly, how many employees does your organisation currently employ globally, across all sites in the UK and outside of the UK?**

SINGLE CODE

None – Sole Trader	1	
1-9	2	
10-49	3	
50-99	4	

100-249	5	
250+	6	
Don't know	7	

ASK ALL

E7 **Have you heard of the data protection laws that apply in the UK: the GDPR and Data Protection Act?**

SINGLE CODE

Heard of them and have a detailed understanding of what they entail	1	
Heard of them and have an ok understanding of what they entail	2	
Heard of them but do not have a good understanding of what they entail	3	
Never heard of them	4	

ASK ALL

E7a **Have you heard of the online safety bill?**

SINGLE CODE

Heard of it and have a detailed understanding of what it entails	1	
Heard of it and have an ok understanding of what it entails	2	
Heard of it but do not have a good understanding of what it entails	3	
Never heard of them	4	

ASK ALL

E8 **Are you registered with the ICO or do you pay data protection fee?**

SINGLE CODE

Yes	1	
No	2	
Don't know	3	

F. Thank and close

ASK ALL

F1 **Thank you very much for your time, that is now the end of the survey. Would you be willing for the Information Commissioners Office to re-contact you for further research into your experiences of the Children’s code? Note: this will involve passing on your contact details to the Information Commissioners Office**

SINGLE CODE

Yes	1
No	2

ASK IF WILLING TO BE RE-CONTACTED (F1 = 1)

F2 **Please can you write in below the best telephone number and email address to contact you on for future research?**

These details will only be used to contact you in relation to further research studies for the Information Commissioners Office.

WRITE IN EMAIL ADDRESS	1	ALLOW REFUSAL
WRITE IN TELEPHONE NUMBER	2	ALLOW REFUSAL

SHOW FOR ALL

Thank you – on behalf of IFF Research and the Information Commissioners Office, for your invaluable feedback, your time and input is much appreciated. We would just like to confirm, your responses to this survey are anonymised: all names and contact details are deleted at the earliest opportunity – and no more than 12 months from now.

If you would like more information about the legal basis for you taking part, what we do with your data, and the rights that you have, you can visit our IFF GDPR policy page: http://www.iffresearch.com/iff-research-gdpr-policy

7.3 Quantitative Survey

ICO Children's code Research: Qualitative Topic Guide

J11985 Date 21/4/23

Zoom / Teams / Tel – 60 minutes

A Introduction (2 minutes)

<table>
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- **Interviewer and IFF introduction and background:** Thank you for agreeing to take part in this interview. I'm [name] from IFF Research. We're a completely independent research organisation.
- **MRS Code of Conduct:** IFF Research operates under the strict guidelines of the Market Research Society's Code of Conduct. We will not pass any of your details on to any other companies.
- **Confidentiality:** Your participation in this research is strictly anonymous. ICO will not know which individuals or businesses IFF have spoken to, unless you give us express permission to do so. All the information we collect will be kept in the strictest confidence and used for research purposes only.
- **Reporting findings:** Our report will use anonymised quotes but won't mention anything that could identify you or your business.
- **Incentive:** As a thank you for your time we will make a £40 donation to a charity of your choice from a shortlist of five. I will say more about this at the end of the interview.
- **This interview:** The interview will take around 50 – 60 minutes to complete, depending on how much you have to say. I'd be very grateful if you could answer all of my questions today, but participation is of course completely voluntary, so if there is something you don't wish to answer, it's fine just to say so.
- **Data use:** Under UK General Data Protection Regulations (UK GDPR) you have the right to have a copy of your data, change your data or withdraw from the research at any point.

Based on this information, are you happy to continue?

Yes	1
No	2

- **Permission to record:** Are you happy for me to record the interview. This is just to save me having to write down today everything you say.

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PROCESS NOTES:

The purpose of this section is to thank the participant for agreeing to participate in the research and introduce them to its aims and objectives. It is also to obtain permissions for recording / sharing recording.

</td>
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</table>

The recording will be stored on an encrypted area of our server at IFF and only the IFF researchers will have access to it. It will be destroyed at the end of the research.

Yes	1
No	2

- **Permission to share recording with ICO:** And would you be happy for us to share the recording of the interview with ICO? This is just so they can see how the first few interviews are working and whether they need to ask any further questions to capture the information they need. Your answer to this question will not affect your ability to take part in anyway.

Yes	1
No	2

- **Permission to share transcript with ICO:** Finally, would you be happy for us to share an anonymised transcript of the interview with ICO? Anything that would identify you or your organisation would be removed so they would not know who had completed the interview.

Yes	1
No	2

B Background (5 minutes)

ASK ALL **I'd like to start the interview by getting to know a little bit more about your organisation and the type of work you do…** S8 **Firstly, could you give me a very brief overview of your organisation?** *PROBE IN TERMS OF:* • Main activity where they are likely to use children's data • Size / scale • Sector / specialisms S9 **And what is your role within the organisation?** *PROBE IN TERMS OF:* • Job title • Main role / responsibilities • How much time spent dealing with regulation/compliance? FOR THOSE WITH DESIGN FOCUSSED ROLE (FROM SCREENER) IF NOT ALREADY COVERED: • Could you tell me a bit more about the design elements of your role and what they entail	*PROCESS NOTES: This section is part warm up, part context.*

C IMPLICATIONS OF THE CHILDRENS CODE (20 mins)

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ASK ALL

C1 **Thanks for that. I would now like to talk a bit about the Children's code**

Although this was covered in the initial interview you did a couple of months ago, I would just like to refresh your memory of what the Children's code sets out.

The code sets out 15 standards of age appropriate design that certain organisations need to implement to ensure their services appropriately safeguard children's personal data and process it fairly.

Organisations that need to conform with the code include all organisations that provide an electronic service that is likely to be accessed by children under 18. It is not restricted to services specifically directed at children and includes those where it is more probable than not that children could access the service.

It came into force on 2nd September 2020 and relevant organisations had until September 2021 to show they conform with the Code.

I understand some of this was covered by the initial interview, but it would be great if you could just give a brief overview of the extent to which your organisation has engaged with the Children's code so far, and your personal understanding of it?

PROBE:

- Were you aware of it before the initial interview?
- How would you rate your understanding of it now? (Tick option selected below)

Heard of it and have a detailed understanding of what it entails	
Heard of it and have an ok understanding of what it entails	
Heard of it but do not have a good understanding of what it entails	
Never heard of it	

</td><td>

PROCESS NOTES: This section explores some discussion of the organisations engagement with the Children's code and then looks at how the effect its had on businesses

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C2	**What steps has your organisation taken to comply with it so far?**	
C3	**Do you use age assurance technologies?** • If yes, which? • What has your experience of them been? • What impact has the code had on your use of them? • To what extent did they help with the changes you made to the code?	
C4	**What changes have applying the standards of the code made to your services?** • How large are these changes? • How difficult have they been to make?	
C5	**What has been the effect of these changes?** • Is there any change to what services they offer? • Have they seen any positive or negative reactions from users?	
C6	**Have these changes had an impact on number of users/amount of revenue?** • Does the website see more or less traffic? • Is there a change in the demographic of users (i.e. more or fewer children)	
C7	**Have there been any changes to user satisfaction of the website?** • What are these changes? Positive or negative? • How do they measure these? (feedback form? or unprompted comments?	
C8	**What effect has making these changes had on your reputation?** • Do users feel safer? • Has making the changes helped to generate more trust from users?	
C9	**Have they had an effect on the user's experience?** • Has it affected how easy or quick the website is to use? • Have you had any direct feedback on this?	
C10	**Do you have any other evidence of impact that making these changes has had on your reputation and user satisfaction?**	
C11	**To what extent has making these changes been a burden?** • What burdens have there been? Financial? Logistical? Managing information gaps? • How have they been negated? • Is there anything that could have helped ease these burdens?	
C12	**What were the financial implications of the code?** • Staff time? Needing to outsource work e.g. to a web designer	

- To what extent have you been able to measure these? - How have the costs incurred compared with what you expected? C13 **To what extent has the Children's code contributed to these changes/impacts?** C14 **What other factors have contributed to these changes?**	

D Information and guidance – the Code Hub (20 mins)

D1 **Thanks for that. I would now like to move on to talk about the role of support and guidance in engaging with regulations.** **When looking for support to engage with regulation, what needs do you have?** PROBE: • Guidance on how to comply with rules • Information on the consequences of not complying with the rules, and/or benefits of complying • Resources that support you to tell colleagues about regulation • Resources that support you to tell customers about regulation D2 **And now thinking about support and guidance around the Children's code, to date have you sought any support on the Children's code? And if so, where did you seek support?** PROBE: • The ICO website • The Children's code Hub • Children's code best interests guidance • ICO Helplines • ICO email • ICO social media accounts • External sources such as government websites ONLY ASK OF THOSE WHO DID SEEK GUIDANCE D3 **How useful you find the information?** • Why? Why not useful? • What makes information/guidance useful for you? ASK ALL D4 IF MENTION LOOKING AT THE CODE HUB: **You mentioned that you've already looked the Children's code Hub on the ICO's website, I'd like you to look at the Hub again, with me, so that I can ask you some questions about it.** IF HAVEN'T LOOKED AT THE CODE HUB: **Now I would like to show you some information on the ICO's website and in particular their Children's code Hub.**	*PROCESS NOTES:* This section aims to gather insights that inform the content for code guidance under development. It will also help to better understand how to frame, sequence and present guidance supporting organisations to conform with the Children's code. ***PLEASE ACCESS Code Hub webpage here:*** Children's code hub | ICO

	INTERVIEWER TO SEND LINK TO CODE HUB OVER ZOOM CHAT. **I'm going to send you a link to a website, and if possible I'd like you to follow the link and then share your screen.** [IF NOT POSSIBLE / NOT WILLING, INTERVIEWER TO SHARE SCREEN AND RESPONDENT TO TALK THROUGH WHAT THEY WOULD DO] **I'll give you a few minutes to have a look through the webpage, and if you could just imagine you have come to the page for guidance, please follow the steps you think you'd take in that event. Talk me through our experience of the webpage – there are no right or wrong answers and your honest views are really important to us.** INTERVIEWER TO NOTE DOWN WHERE RESPONDENT CLICKS / EXPLORES **What information or guidance would you seek out first on this site?**	
D5	**Is there any information you think is particularly useful?** PROBE: • Would you/did you use the DIPA template? • The FAQ's – did they have the right level of depth / content? • Were there any FAQ's you thought were missing? • What did you think about the best interest self-assessment? Could it be improved?	
D6	**Is there any information you think is not useful or is missing?**	
D7	**How could the Hub content be improved?** PROBE: • Could the structure be changed? • The inclusion of self-assessment tools? What should they assess? How would they help? • A sequential/modular approach rather than all resources available on one landing page? • What formants for content would be useful? (Video, slide decks, infographics)	

E Approaches to managing risks (15 mins)

ASK ALL E1 **I'd now like to turn to risk management and ask you some questions about your approach to it.** **How do you currently approach risk management for your products / services?** PROBE: • Who is involved in the decision making? • Does this risk management approach change for your child users, or potential child users? • If so, how does it change? • Or does it remain the same for all users? E2 **What are the biggest challenges for you going through this process?** E3 **I would like to show you some information again, this time a risk management tool that the ICO have put together to help organisations in managing risk.** INTERVIEWER TO SHARE SCREEN SHOWING CHILDREN'S CODE RISK MANAGEMENT TOOL. **I'm just going to give you a quick tour of the tool – I don't expect you to read the information but just to get a sense of the type of information that it contains.** INTERVIEWER TO SCROLL THROUGH THE TOOL POINTING OUT WHAT THE COLUMN HEADINGS ARE AND SOME EXAMPLES OF WHAT SOME OF THE ROWS CONTAIN **Do you think a tool such as this is something that you would use?** E4 **What parts of it would be useful?** E5 **Is there any information you think is not useful or is missing?** E6 **Could the structure of the tool be modified to further meet your needs?** PROBE: • If so, how? • Could it be formatted differently? • Could it be framed differently? E7 **How could the ICO communicate such a tool to you / encourage you to use it?**	*PROCESS NOTES:* This section aims to gather insight to inform the development of risk assessment guidance. ***PLEASE ACCESS Children's code Self-Assessment Risk Tool:*** https://ico.org.uk/media/for-organisations/documents/4020178/childrens-code-self-assessment-risk-tool.xlsx

F How designers engage with the Code (10 mins)

ASK THIS SECTION OF THOSE IN A DESIGN ROLE ONLY (B3 = 1) F1 **Finally, I'd just like to ask you some questions focussing on the design elements of your role.** **How do you feel the Code has or will impact your design work?** PROBE: • Scale of impact F2 **What standards or codes do you use as benchmarks in your design work?** PROBE: • How do you ensure your design work conforms to these? • How confident do you / would you feel about ensuring your designs conform with the Code? F3 **What are the main factors you consider when it comes to design?** • Is it user experience? Functionality? User safety? Reputation? F4 **What impact has the interests of children had on your design work?** • How important are the interests of children as part of design? • What aspects of their user experience do they consider? • What design considerations have they made for the safety and protection of child users? F5 **Where do you see the biggest challenges to implement the Code from a design perspective?** PROBE: • Understanding who is responsible for what aspects of compliance – and having personal agency to make changes • Understanding how regulations translate into design principles/obligations/success metrics • Specific code design challenges (e.g. providing child-friendly privacy information/choices, understanding/mitigating design-related risks to children, designing effective online tools for children) F6 **Have you encountered challenges when creating digital services for young people?** PROBE: • If so, has the Code helped you or clarified best practice in this instance? • Has it played any other role when encountering these challenges?	

F7	**How could the ICO provide better support to help you understand and implement the Code?** PROBE: • Would it be helpful to have guidance specifically aimed at designers? • Forming peer-to-peer communities of designers • Setting design challenges	

G Summary and wrap-up (2 min)

F8 **Is there anything else that you think would be useful for the ICO to know on the topics discussed today?** ASK IF SAID YES TO SHARING RECORDING OR TRANSCRIPT WITH ICO F9 **Thank you. And just to confirm, are you still happy for us to share** [INSERT AS APPROPRIATE: **The recording of this interview / an anonymised transcript of this interview] with ICO?**	*PROCESS NOTES: The purpose of this section is to thank the respondent and close the interview.*

Yes	
No	**IF NO – which part is there no longer permission for?**

F10 **As you know, IFF Research would like to make a £40 donation to a charity on your behalf as a thank you for taking the time to participate in this research.**
Which of the following charities would you like to donate to?

British Heart Foundation	
MacMillan Cancer Support	
Shelter	
Great Ormond Street Hospital	
Celia Hammond Animal Trust	

On behalf of the ICO and IFF Research, thanks very much for taking the time to take part in this research.

Just to confirm, we'll be keeping your anonymised responses to the interview for analysis purposes and if you'd like a copy of your data, to change your data or for your data to be deleted then please get in contact with Luke Catterson at luke.catterson@iffresearch.com.

IF NECESSARY:

You also have a right to lodge a complaint with the Information Commissioners Office (ICO) and you can do so by calling their helpline on 0303 123 1113.

I declare that this survey has been carried out under IFF instructions and within the rules of the MRS Code of Conduct.
Interviewer signature:
Finish time:

“

IFF Research illuminates the world for organisations businesses and individuals helping them to make better-informed decisions.”

Our Values:

1. Being human first:

Whether employer or employee, client or collaborator, we are all humans first and foremost. Recognising this essential humanity is central to how we conduct our business, and how we lead our lives. We respect and accommodate each individual’s way of thinking, working and communicating, mindful of the fact that each has their own story and means of telling it.

2. Impartiality and independence:

IFF is a research-led organisation which believes in letting the evidence do the talking. We don’t undertake projects with a preconception of what “the answer” is, and we don’t hide from the truths that research reveals. We are independent, in the research we conduct, of political flavour or dogma. We are open-minded, imaginative and intellectually rigorous.

3. Making a difference:

At IFF, we want to make a difference to the clients we work with, and we work with clients who share our ambition for positive change. We expect all IFF staff to take personal responsibility for everything they do at work, which should always be the best they can deliver.

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