

TRAVEL AND HOSPITALITY

## Marriott facing potential \$124M fine for data breach

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*The breach hit Starwood's reservation system. Image credit: St. Regis New York*

By STAFF REPORTS

Hospitality group Marriott International is facing potential fines from the U.K. Information Commissioner's Office (ICO) tied to the data breach in its Starwood Hotels systems.

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ICO announced an intent to fine Marriott 99.2 million pounds, or about \$123.7 million, for infringing the E.U.'s GDPR regulations. The ICO's decision is not final, and Marriott intends to fight against the fines by presenting its side to the authority.

"We are disappointed with this notice of intent from the ICO, which we will contest," said Arne Sorenson, president/CEO of Marriott International, in a statement. "Marriott has been cooperating with the ICO throughout its investigation into the incident, which involved a criminal attack against the Starwood guest reservation database.

"We deeply regret this incident happened," he said. "We take the privacy and security of guest information very seriously and continue to work hard to meet the standard of excellence that our guests expect from Marriott."

### Data protection

In November, the company found that there had been ongoing hacks dating back to 2014. During these unauthorized periods of access, information had been copied and encrypted.

The majority of the data taken on guests pertained to details such as names, mailing addresses, phone numbers, passport numbers, date of birth and gender ([see story](#)).

Starwood's reservation system recently saw a security hit in which guests' passport information and payment cards were compromised. While the hospitality group previously announced that the incident involved up to 500 million guests, further investigation has led Marriott to believe that only 383 million customers had their information stolen ([see story](#)).

According to the ICO, the breach included 30 million individuals living in the European Economic Area, 7 million of which reside in the U.K.



*Starwood's data breach included some individuals' payment methods. Image credit: American Express*

The data privacy authority is arguing that Marriott should have done more to secure Starwood's systems after it acquired the hotel group.

Since the breach happened, Marriott said it has stopped using Starwood's guest reservation database.

"The GDPR makes it clear that organizations must be accountable for the personal data they hold," said Information Commissioner Elizabeth Denham in a statement. "This can include carrying out proper due diligence when making a corporate acquisition, and putting in place proper accountability measures to assess not only what personal data has been acquired, but also how it is protected.

"Personal data has a real value so organizations have a legal duty to ensure its security, just like they would do with any other asset," she said. "If that doesn't happen, we will not hesitate to take strong action when necessary to protect the rights of the public."

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