

Credit information market study

Fair4All Finance response

February 2023

Summary

We welcome the FCA's market study and the opportunity to respond. We support these proposals and believe they set out a pathway to create a better credit information market for lenders and customers.

Customers in financially vulnerable circumstances and the organisations that serve them stand to particularly benefit from the measures to improve data quality and coverage. Too many customers are excluded from access to credit due to having thin credit files, and due to the difficulties of the market they work in, community finance providers often have access to worse credit information than others.

Our feedback to the FCA

- We agree with proposals to establish a new governance body to oversee the reforms, and strongly support plans to put financial inclusion at the heart of the new body
 - We would like to see more regulatory leadership of the reforms and governance structure to ensure that proposals are delivered in a timely way. And we would like to see more robust governance of the body, potentially including a separate independent board
 - The FCA should consider the long term financial sustainability of the entity and take a stronger interest in funding, given the influence that funders can have over governance
 - Consumer voice should be hardwired into the new governance structure, and representatives should have the influence and resource they need to properly gather and represent the diverse views of consumers
- We support mandatory data sharing as a way to improve access for credit for excluded customers. But this must be accompanied by measures to streamline the reporting process for lenders
- We recommend that the new governance body aligns with the FCA to recognise the important role

of community finance providers in financial inclusion, and their non profit status, and offers concessionary pricing to ensure responsible lenders have access to data at a fair cost

- We support common data formats and a more granular approach to reporting forbearance arrangements and defaults, as well as proposals to reduce the time that debt solutions appear on people's credit files. This is an opportunity to make the credit information market better reflect the complex reality of customers' financial lives, and work better for people in financial difficulty

About Fair4All Finance

Fair4All Finance is a not for profit organisation founded in early 2019 to improve the financial wellbeing of people in vulnerable circumstances by increasing access to fair, affordable and appropriate financial products and services. We have three main priority areas:

- Expanding provision of affordable credit through a scaled community finance sector
- Partnering with banks and financial services providers to support the delivery of products and services for customers in vulnerable circumstances
- New product and market development – developing and scaling products and services to address market gaps

You can find our full strategy [here](#).

Our response

In our work to improve access to affordable credit, we find that the credit information market often does not work for customers in financially vulnerable circumstances, or the organisations that try to serve them.

The issues around data quality and competition set out in the market study are familiar to us through our work with community finance providers. Many of the challenges identified are intensified for this sector.

Community finance providers are non profit organisations that provide the responsible short term loans that are vital for so many people in financially vulnerable circumstances. This means that the sums are small, while declines, default rates and operating costs are high – and margins are tight. Credit searches, which have a cost whether a loan is approved or not, are therefore a relatively large cost for these lenders.

Additionally, as set out in the market study, small credit information users do not have the bargaining power that larger users do. The fixed financial and resource costs make switching CRA harder for small lenders, and they cannot negotiate the 'volume discounts' available to larger lenders. This means that responsible lenders that serve financially excluded customers are paying more for credit referencing than large commercial lenders.

Most community lenders therefore only use one CRA, which contributes to them having a limited picture of their applicants' finances. As identified in the study, there are significant differences in the data held by

the three main CRAs, and use of different CRAs is more likely to lead to different outcomes for customers with middling and lower credit scores.

And because use of multiple CRAs is less common among smaller and alternative lenders, this also means there is less reporting on the customers in financially vulnerable circumstances who are more likely to use these lenders – contributing to even patchier coverage overall.

Many community finance providers rely on Open Banking to supplement or even replace traditional credit searches. There are many customers with thin credit files who would be excluded by other lenders that can be identified as appropriate. Conversely, Open Banking can often catch flags that are missing from someone's credit file that indicate it would not be responsible to lend to them.

It is particularly important for customers in financially vulnerable circumstances that credit assessment is done right, and that information is accurate. This reduces harm as it prevents lending that should not happen. Credit reporting and building up a credit score is also an important route out of financial vulnerability and into financial resilience.

We believe the proposals outlined by the FCA set out a pathway to improve access to the 5 million 'credit invisibles' who are excluded from access to credit by their thin files. The market study is also an opportunity to develop a more inclusive credit reporting system that better reflects the realities of people's lives.

Community lenders' experiences of Open Banking show that many of the people who would be excluded due to impairments on their file often turn out to be no worse payers than people with good credit scores. We would like to see a credit market that is less punitive and places more emphasis on people's current financial position than past behaviour.

Industry governance

Reformed industry governance body (remedy 1)

To deliver the changes we need to see in the market, we agree that governance of the credit information industry needs to be reformed. A new governance body that is inclusive, transparent, and accountable, with clear obligations from the regulator, could improve the credit market for millions of financially excluded customers.

We welcome putting financial inclusion as a key objective of the new governance structure and we strongly support the new role for consumers in oversight of the body. Consumer voice and representation should be hardwired into the new body, and meaningful input from small lenders and CRAs will be required to improve competition and innovation in the market.

We believe there should be greater regulatory oversight over the new body than is currently proposed. Considering the urgency of the market failures identified in the FCA's study, the highly concentrated nature of the industry, and the slow pace of reform up to this point, we believe that reform should be led by the FCA or by another independent body.

There are lessons – positive and negative – which can be learned from the implementation of Open Banking, which required an independent entity to enforce the CMA's obligations and deliver the involved reform that was needed.

We believe that there should be a new independent board which oversees the activities planned under this reform so that there can be appropriate oversight and clear accountability.

Governance and funding are intrinsically linked, so it's important to separate the two sufficiently to ensure that the biggest funding entities do not have undue direction over the body. And in order for the body to be sustainable, we believe that the FCA should find a long-term funding solution that sits independently from the oversight of the changes.

Too often consumer representatives are heavily outnumbered by industry representatives in the makeup of these bodies. We believe there must be a more balanced weighting. Consumer representatives should be supported with the resource and budget they need to undertake research and to gather and represent the wider views of consumers and civil society. They should be able to represent the diversity of people's experiences of the financial system, particularly people who experience exclusion.

Data quality and access

Mandatory data sharing (remedy 2A)

We support moving towards mandatory data sharing as a way to improve the quality and coverage of credit information.

As set out above, due to the low quality of data they currently have access to, a comprehensive 'core' consumer credit information dataset would have even greater benefits for community finance providers, allowing them to make more accurate and responsible decisions about lending to customers in financially vulnerable circumstances. This would in turn improve access to responsible credit for financially excluded customers.

And whereas currently many firms do not report to all or any CRAs, mandating data sharing would help build out the credit files of customers. As these firms are more likely to be alternative, subprime or community lenders, customers in financially vulnerable circumstances, who are more likely to use these lenders, therefore have a thinner file.

If mandatory data sharing is implemented, then it is important that the process of reporting is streamlined. In delivering No Interest Loan Scheme (NILS) pilot, we have required participating lenders to report credit information to all three CRAs, so we can better understand the impact of NILS of credit scores. Although data can be shared in the same format to different CRAs, setting up the process of sharing with additional CRAs has been time intensive for small, non-profit lenders.

We therefore support the use of a single third party entity to act as a central repository and distributor of information, as referenced in the discussion paper on potential remedies, so that credit information users only to have to share their data once. There should be no charge for contributing data.

Ensuring access for responsible finance

A core credit information dataset would deliver real benefits to community finance providers, allowing them to access much higher quality data while still only using one CRA, as is current normal practice.

But we would like to see measures to address the issues outlined above and identified by the FCA through the market study, where due to smaller lenders not having the bargaining power of larger lenders, they cannot negotiate lower prices or ‘volume discounts’.

With the new governance body’s focus on financial inclusion we would recommend that the industry aligns with the FCA to recognise the important role of community finance providers in financial inclusion, and their non profit status, and offer free or concessionary access to ensure responsible lenders do not pay more per unit than larger commercial lenders.

Common data format and approach to reporting arrangements (remedy 2B)

We support a move to a common data format and increasing the granularity and consistency of reporting on arrangements.

Currently there is little nuance in how to record defaults and forbearance arrangements. Some community finance providers have developed numerous different payment statuses, allowing them to reflect the reality of their customers’ lives and their flexibility as lenders – but these can’t be reflected in their credit reporting.

And since lenders and CRAs can take different approaches to how they report different behaviours and arrangements, there is uncertainty among consumers and money advisors about their impact.

Lenders should be able to report accurately on the steps they are taking to support customers in financial difficulty, without worrying about unfairly damaging their customers’ credit files in the long term. For example, credit files should be able to better differentiate so that instances where people have engaged and set up arrangements with smaller or token payments are not treated the same as other defaults.

We also support the FCA looking at reducing the length of time that debt solutions remain on people’s credit files from 6 years to 12 months.

These steps, combined with better understanding of the impact of different arrangements among lenders and money advisors, should incentivise customers to engage more with their creditors, and not to avoid seeking support due to perceptions about damaging their files. It will be important for creditors to make clear such changes to consumers, otherwise the incentive will not be acted on.

We also agree with the proposal to establish a **new regulatory reporting framework for designated CRAs (remedy 2C)**. This would provide better oversight of the industry, allow the FCA to identify and respond more quickly to consumer harms, and support raising standards across the market.

We support **requirements on data contributors to correct errors and report satisfied CCJs (remedy 2D)** in a timely manner. Errors on credit files and CCJs can be a significant barrier to people’s ability to access

credit, and therefore firms should aim to keep credit report as accurate and up to date as possible.

Consumer awareness and engagement

We agree that CRAs and CISPs should be required to **prominently signpost to statutory credit file information (remedy 3A)** – this should lead to fewer consumers paying for what is supposed to be a free service.

We support development of **a single consumer portal that streamlines access to credit information through the statutory process (remedy 3B)**, as well as a **streamlining of the data disputes process (remedy 3C)**. Given the importance of credit scores for accessing credit or renting, it is important that consumers should be able to access their score, and identify and correct errors as easily as possible. This would support other proposals in the discussion paper to improve the process of error correction.

We agree with the recommendation that people should be able to **report non-financial vulnerability markers and Notices of Correction in a streamlined way (remedy 3D)**. People find having to disclose their vulnerabilities multiple times stressful and time consuming. A ‘tell us once’ solution would reduce this.

Consumers should also have the right to record a ‘credit freeze’ marker on their file in real time. The current ‘freeze’ process is slow and may unnecessarily have an impact on an otherwise healthy credit score. This can give people who want it extra control over their credit use, for example someone with a mental health condition who may want some friction over the way they apply for loans when their health changes.

There are risks about how these markers could be used by firms, and we would be concerned it could lead to unfair exclusion. We would like the new governance body to establish a fair and consistent approach to the use of this information, which should be designed in collaboration with customers in vulnerable circumstances and consumer representatives.

Competition and innovation

We support a move to more **timely reporting of key data (remedy 4A)**. The monthly reporting cycle commonly used means that credit information can often be out of date, particularly among certain products with higher usage frequencies. This will become a more pronounced issue with the inclusion of BNPL on credit reports. Due to the resource constraints outlined above that many lenders experience, more timely reporting will only be possible if the process is streamlined.

Open Banking can provide a real time report of many, but not all, of the key pieces of information that are contained in a credit report. Open Banking is widely used among the community finance sector and we would encourage more lenders to make use of it, particularly as the move towards real time credit reporting is likely to take several years to implement.

We therefore agree in principle with the use of current account data in creditworthiness assessment, but are unclear on the relative benefits of **increasing access to CATO data (remedy 4C)** compared to

increasing the uptake of Open Banking.

Response to individual questions

Remedy 1 – Industry Governance reform

Q1: Do you agree that there is a need for a new credit reporting governance body with broader objectives that is more inclusive, transparent and accountable?

Yes.

Q2: Do you agree that a new credit reporting governance body could be effectively designed and implemented through voluntary industry-led change?

We believe there should be greater regulatory oversight over the new body than is currently proposed. Considering the urgency of the market failures identified in the FCA’s study, the highly concentrated nature of the industry, and the slow pace of reform up to this point, we believe that reform should be led by the FCA or by another independent body.

Q3: Do you agree with the potential ‘blueprint’ for the new industry body?

We welcome putting financial inclusion as a key objective of the new governance structure and we strongly support the new role for consumers in oversight of the body. Consumer voice and representation should be hardwired into the new body, and meaningful input from small lenders and CRAs will be required to improve competition and innovation in the market.

Too often consumer representatives are heavily outnumbered by industry representatives in the makeup of these bodies. We believe there must be a more balanced weighting. Consumer representatives should be supported with the resource and budget they need to undertake research and to gather and represent the wider views of consumers and civil society. They should be able to represent the diversity of people’s experiences of the financial system, particularly people who experience exclusion.

We agree that the new body should publish an annual report. This should include evaluation of consumer outcomes and will provide evidence for regulators about what the industry is achieving and where remedial actions may be needed.

The annual report should also provide an assessment of the consumer risks that occur as a result of changes and how these are being mitigated. It may surface risks that cannot be controlled by the entity and requires action by others including regulators. To support this, an End User Risk Committee should annually publish their risks identified, mitigated, and escalated or shared.

Given the sensitivity of the information concerned, we would also recommend that the body has privacy as one of its key objectives.

Q4: Do you agree that funding and resources for the new industry body should be a matter for industry

to determine and provide?

Funding and governance are intrinsically linked. Those who fund the most have the most power in governance. The threat of removing that funding disciplines the governance body such that the body is not able to deliver on the intended benefits. Leaving funding and resources to the industry is risky and is unlikely to deliver on the objectives. The FCA should consider a levy for this body, so that funding and governance can be kept separate. The FCA should learn from the experience of other regulatory initiatives where industry participants fund directly and as a result expect governance rights.

Q5: Please indicate if there are any alternative ways that you think such a body could be made more representative, transparent and accountable.

As above, we believe more regulatory leadership and oversight would increase accountability.

Given the executive functions that the FCA suggests the body should be tasked with, we expect it will need its own executive. It should therefore have an independent board which can focus on acting in the interests of the company and lead the company well. This should be separate from the governance body set out which will, by its nature, have conflicting priorities. This would allow it to advise and recommend a board which could then be responsible for ratifying decisions. The board would be responsible to the FCA.

Appointment of an independent Chair and board with responsibility for implementing the remedies of this review, and then responsible for establishing the new governance group could help ensure that it is established with more transparency and better representation of consumers, small CRAs and lenders, and new competitors. It is important that the FCA learns from the failings of the OBIE and the CMA review into governance review in setting up the governance body.

Remedy 2A – Mandatory data sharing with CRAs

Q6: Do you agree with the principle of a mandatory reporting requirement to certain designated CRAs to establish a ‘core’ consumer credit information dataset?

Yes.

Q7: Do you agree in principle with the proposal to establish a CRA designation framework?

Yes. Given the sensitivity and extent of the data held in the core consumer credit dataset, it is vitally important that only organisations with robust data protection are designated.

As much as possible the designation framework should aim to reduce the barriers to entry to the industry for new entrant CRAs. For example, if the criteria are too reflective of the legacy infrastructure then it will stifle innovation and prevent new innovative participants from being able to join.

Q8: Do you agree with the potential designation criteria? If not, what else should or should not be included?

No comment.

Q9: What might the competition implications be if only a small number of CRAs become designated

CRA's?

There will be less competition and innovation. New entrants will continue to struggle to enter the market and will be locked out of access to the new core consumer credit dataset, putting them at a significant competitive disadvantage.

An alternative approach would be to load the data from CRA's into a personal data file which consumers can choose to share with third parties of their choice. The data held by the CRA is personal data which the consumer should have control over. This would complement work on Open Banking and create a new market to compete with the existing CRA's.

Q10: Do you have views on the possible costs and benefits of including a broader range of CRA's within a designation scheme?

The benefits would be to increase competition, keep pricing at a competitive level and encourage innovation.

Q11: Do you have views on which types of regulated activity should be subject to a mandatory reporting requirement and on the further options set out above on scope?

We would prefer to see as full coverage as possible. We believe this should also apply to credit unions, including their core lending which is an exempt activity.

Q12: Do you think it would be appropriate to introduce 'de minimis' reporting thresholds, if so how should these be defined?

Ideally no, so that all customer have the benefits of their credit scores being built out. We support the process being as streamlined as possible so that all firms can sustainably maintain reporting, particularly with a move to more regular reporting. If this is not the case there may need to be 'de minimis' thresholds for some organisations, such as very small credit unions.

Q13: Do you think designated CRA's should be prevented from levying direct charges to receive data under a mandatory reporting requirement?

Yes. Additional data is to the benefit of the CRA's, allowing them to sell a better service. Their clients should not pay for providing additional data.

Q14: Do you agree that firms should be left to decide whether to share full or negative only credit information under a mandatory reporting requirement?

No, we believe firms subject to the mandatory reporting requirement should share full information. In order to build out thin credit files and improve financial inclusion it's important that firms also report positive repayment behaviour as well as negative. This also supports the FCA's desire to see that people who recover from financial difficulty can have that reflected in their files.

Q15: To what extent do you think the FCA should prescribe the type of information to be shared with designated CRA's under a mandatory reporting requirement?

The FCA should keep an open brief so that as information comes to light it is able to require firms to share it if it deems it important. The process with industry to define a core dataset will be iterative so the FCA should reserve the right to prescribe.

Q16: Do you think that more prescriptive requirements should be introduced around permissible use cases for credit information shared by FSMA-regulated data contributors with designated CRAs? If so, what should these include?

The Consumer Duty means that firms are increasingly looking for ways to better understand their customers. Credit data is a primary source which, when combined with Open Banking, sociodemographic and other data, may be used as a proxy for better understanding a consumer and their needs. It may be helpful for the FCA to consider how credit data may be used for better or worse in a future world. The illicit use of such data could be used to perpetrate scams and increase fraud which would not be desirable.

Q17: Please provide evidence on the additional costs that might be incurred from mandatory data sharing, separately identifying any one-off and ongoing costs, and on the possible benefits that would result.

In delivering No Interest Loan Scheme (NILS) pilot, we have required participating lenders to report credit information to all three CRAs, so we can better understand the impact of NILS of credit scores. Although data can be shared in the same format to different CRAs, setting up the process of sharing with additional CRAs has been time intensive for small, non-profit lenders.

Remedy 2B – Common data format

Q18: Do you agree with the proposal to establish a common data reporting format?

Q19: Do you agree with the principle of a new approach to reporting arrangements to improve consistency and granularity?

Q20: Do you agree with the potential new approach to reporting arrangements and debt solutions?

Yes. We support a move to a common data format and increasing the granularity and consistency of reporting on arrangements.

Currently there is little nuance in how to record defaults and forbearance arrangements. Some community finance providers have developed numerous different payment statuses, allowing them to reflect the reality of their customers' lives and their flexibility as lenders – but these can't be reflected in their credit reporting.

And since lenders and CRAs can take different approaches to how they report different behaviours and arrangements, there is uncertainty among consumers and money advisors about their impact.

Lenders should be able to report accurately on the steps they are taking to support customers in financial difficulty, without worrying about unfairly damaging their customers' credit files in the long term. For example, credit files should be able to better differentiate so that instances where people have engaged

and set up arrangements with smaller or token payments are not treated the same as other defaults.

We also support the FCA looking at reducing the length of time that debt solutions remain on people's credit files from 6 years to 12 months.

These steps, combined with better understanding of the impact of different arrangements among lenders and money advisors, should incentivise customers to engage more with their creditors, and not to avoid seeking support due to perceptions about damaging their files. It will be important for creditors to make clear such changes to consumers, otherwise the incentive will not be acted on.

Q21: Do you agree that consumers should have the ability to record non-financial vulnerability markers and/or Notices of Correction across designated CRAs in a streamlined way?

We agree with the recommendation that people should be able to report non-financial vulnerability markers and Notices of Correction in a streamlined way. People find having to disclose their vulnerabilities multiple times stressful and time consuming. A 'tell us once' solution would reduce this.

This must be matched with clear information about how the data will be stored and used. A privacy notice on a link on a different website will not be sufficient to ensure people feel comfortable disclosing their vulnerability.

We agree with the FCA that there are risks about how this information could be used, and would be concerned it could lead to unfair exclusion. We would like the new governance body to establish a fair and consistent approach to the use of this information, which should be designed in collaboration with customers in vulnerable circumstances and consumer representatives.

Q22: Do you agree that lenders and other users should have the ability to record non-financial vulnerability markers across designated CRAs with appropriate consumer consent?

The risks referenced above would be even greater in this case and would need to be implemented with even greater care. We are not currently convinced that all firms would have the capacity to handle this appropriately.

Q23: Do you agree that consumers should have the ability to record a 'credit freeze' marker across the designated large CRAs in a streamlined way?

Consumers should have the right to record a 'credit freeze' marker on their file in real time. The current 'freeze' process is slow and may unnecessarily have an impact on an otherwise healthy credit score.

Such controls can increase consumer confidence more broadly as gambling blocks have done. This function can also provide a benefit to people with mental health conditions who may want some friction over the way they apply for loans when their health changes. Credit freeze markers are a way for people concerned about identity fraud to stop loans being set up in their name if they have no intention of taking out credit.

Q24: Please provide evidence on the additional costs that might be incurred from a common data

format, separately identifying any one-off and ongoing costs, and on the possible benefits that would result.

No comment.

Remedy 2C – Designated CRA regulatory reporting to FCA

Q25: Do you agree with the proposal to establish a new regulatory reporting framework for designated CRAs?

Yes. This would provide better oversight of the industry, allow the FCA to identify and respond more quickly to consumer harms, and support raising standards across the market.

Q26: Do you have views on the potential areas identified above for a designated CRA regulatory reporting regime?

No comment.

Q27: Please provide evidence on the additional costs that might be incurred from the potential new regulatory reporting framework for designated CRAs, separately identifying any one-off and ongoing costs, and on the possible benefits that would result

No comment.

Remedy 2D – Data contributor requirements (error correction and reporting satisfied CCJs)

Q28: Do you have views on the potential requirements for FSMA-regulated data contributors, including whether they are necessary in the light of firms’ obligations under the Consumer Duty?

We support requirements on data contributors to correct errors and report satisfied CCJs in a timely manner. Errors on credit files and CCJs can be a significant barrier to people’s ability to access credit, and therefore firms should aim to keep credit report as accurate and up to date as possible. We believe making this clear through a specific rule would complement the Consumer Duty guidance.

Q29: Please provide evidence on the additional costs that might be incurred from the potential requirements for FSMA-regulated, separately identifying any one-off and ongoing costs, and on the possible benefits that would result.

No comment.

Remedy 3A – CRA/CISP signposting to statutory credit file

Q30: Do you agree that CRAs and firms providing credit information services (CISPs) should be required to prominently signpost to the availability of credit information through the statutory process?

Yes.

Q31: To what extent do you think that specific new requirements in this area are necessary in the light

of firms' obligations under the Consumer Duty?

We believe a specific rule outlining signposting obligations would be a useful complement to the Consumer Duty for CRAs and CISPs.

Q32: Do you have views on whether such a requirement should be at a high-level or whether information to be provided to consumers should be prescribed?

No comment.

Q33: Please provide evidence on the additional costs that might be incurred from the potential requirements for CRAs and CISPs to prominently signpost to the availability of credit information through the statutory process, separately identifying any one-off and ongoing costs, and on the possible benefits that would result.

No comment.

Remedy 3B – Single portal – access to statutory credit file

Q34: Do you agree in principle that a single portal could help consumers to access and engage with their credit information?

Yes.

Q35: Do you think it would be desirable to introduce a single process for consumers to gain access to credit information held by all designated CRAs? What operational or other implications might this raise?

Yes.

Q36: Do you think that a single portal could play a positive role in enhancing consumer understanding by providing factual information about credit information and hosting key documents?

Yes. Consumers would also benefit from signposting to free money guidance and debt advice.

Q37: Do you think that consumers would benefit from greater consistency in the presentation of key information and metrics in the SCR (to allow easy comparison between SCRs)?

Yes.

Q38: Do you agree that there should be no links or cross-selling to credit information subscription-based services or other credit products from the single portal?

Yes.

Q39: Do you think that the new industry governance body should have a role in the development and operation of a single portal?

No comment.

Q40: Please provide evidence on the additional costs that might be incurred from a single portal to

access statutory credit file information, separately identifying any one-off and ongoing costs, and on the possible benefits that would result.

No comment.

Remedy 3C – Single portal – streamlined disputes process

Q41: Do you agree that there should be a streamlined process for disputing and correcting errors in credit information held across designated CRAs?

Yes. Given the importance of credit scores for accessing credit or renting, it is important that consumers should be able to access their score, and identify and correct errors as easily as possible. This would support other proposals in the discussion paper to improve the process of error correction.

Q42: Do you have views on the potential effectiveness of the implementation options described above?

No comment.

Q43: Are there any alternative options that might help deliver a more streamlined processes for disputing and correcting credit information in the absence of a single portal?

No comment.

Q44: Please provide evidence on the additional costs that might be incurred from the potential streamlined data dispute process, separately identifying any one-off and ongoing costs, and on the possible benefits that would result.

No comment.

Remedy 3D – Single portal – streamlined Notice of Corrections (NoC) and vulnerability markers

Q45: Do you agree in principle that consumers should be able to record NoC, nonfinancial vulnerability and credit freeze markers across designated CRAs through a single portal?

Yes. As referenced above, the current process for disclosures can be time consuming and painful for consumers. We support making this process more streamlined through the use of the proposed single portal.

Q46: What operational, technical or other implications might such a process raise?

No comment.

Q47: Are there any alternative options that might help deliver a more streamlined processes for recording NoC in the absence of a single portal?

No comment.

Q48: Please provide evidence on the additional costs that might be incurred from enabling consumers to record NoC, non-financial vulnerability and credit freeze markers across designated CRAs through a

single portal, separately identifying any one-off and ongoing costs, and on the possible benefits that would result.

No comment.

Remedy 4A – More timely reporting of key data

Q49: Do you agree in principle that more timely reporting of key data to designated CRAs could deliver net benefits to firms and consumers?

Yes. The monthly reporting cycle commonly used means that credit information can often be out of date, particularly among certain products with higher usage frequencies. This will become more pronounced issue with the inclusion of BNPL on credit reports. Due to the resource constraints outlined above that many lenders experience, more timely reporting will only be possible if the process is streamlined.

In delivering the NILS pilot, we tried to use CRAs to identify duplicate loans being taken out across multiple lenders, but because the data held and reported could have been over a month late the CRAs could not provide that service. So instead, our lenders have developed their own process to upload all NILS loans to a separate real time sharing database that we have built and operate ourselves.

Q50: Do you agree with our suggested approach of encouraging industry-led change in this area?

No comment.

Remedy 4B – Updated data access arrangements (PoR)

Q51: Do you think that the underlying principle of reciprocity would remain relevant and appropriate where credit information is provided to designated CRAs under a mandatory reporting requirement?

No comment.

Q52: Do you agree with our suggested approach of encouraging industry to consider this issue with input from all relevant stakeholders?

Yes, as long as the new industry body has broad representation from lenders, consumers and CRAs.

Remedy 4C – Updated data access arrangements (CATO)

Q53: Do you agree that granular CATO data should be made available to non-PCA providers? What implications might this have?

We agree in principle with the use of current account data in creditworthiness assessment, but are unclear on the relative benefits of increasing access to CATO data compared to increasing the uptake of Open Banking.

Q54: Do you agree that there is scope to enhance the consistency and granularity of CATO data? If so, how might this best be achieved?

No comment.