

🔒 Important 🔒 Data Protection

A Guide

**to the use of your personal data by
Consumer Credit Association
Members**

and

**Credit Reference and Fraud
Prevention Agencies**

Q: What is a credit reference agency?

A: Credit reference agencies (CRAs) collect and maintain information on consumers' and businesses' credit behaviour, on behalf of organisations in the UK.

Q: What is a fraud prevention agency?

A: Fraud Prevention Agencies (FPAs) collect, maintain and share, information on known and suspected fraudulent activity. Some CRAs also act as FPAs.

Q: Why do you use them when I have applied to your organisation?

A: Although you have applied to a CCA Member and they will check their own records, they will also contact CRAs to get information on your credit behaviour with other organisations. This will help them make the best possible assessment of your overall situation before they make a decision.

Q: Where do they get the information?

A:

- publicly available information:-
 - The Electoral Register from Local Authorities
 - County Court Judgments from Registry Trust.
 - Bankruptcy (and other similar orders) from the Insolvency Service.
- Fraud information may also come from fraud prevention agencies.
- Credit information comes from information on applications to banks, building societies, credit card companies etc and also from the conduct of those accounts.

Q: How will I know if my information is to be sent to a CRA or FPA?

A: You will be told when you apply for an account if your application data is to be supplied. The next section of this leaflet will tell you how, when and why they will search at CRAs and FPAs and what they will do with the information they obtain from them. They will also tell you if they plan to send payment history information on you or your business, if you have one, to CRAs. You can ask at any time the name of CRAs and FPAs.

Q: Why is my data used in this way?

A: Our members and other organisations want to make the best possible decisions they can, in order to make sure that you, or your business, will be able to repay them. Some organisations may also use the information to check your identity. In this way they can ensure that they all make responsible decisions. At the same time they also want to make decisions quickly and easily and, by using up to date information provided electronically, they are able to make the most reliable and fair decisions possible.

Q: Who controls what such agencies are allowed to do with my data?

A: All organisations that collect and process personal data are regulated by the Data Protection Act 1998, overseen by the Information Commissioner's Office. All credit reference agencies are in regular dialogue with the Commissioner. Use of the Electoral Register is controlled under the Representation of the People Act 2000.

Q: Can just anyone look at my data held at credit reference agencies?

A: No, access to your information is very strictly controlled and only those that are entitled to do so, may see it. Usually that will only be with your agreement or (very occasionally) if there is a legal requirement.

What our members do

1) When you apply to them to open an account, the organisation will:-

- a) Check their own records for information on:-
 - i) Your personal accounts;
 - ii) and, if you have one, your financial associates'¹ personal accounts;
 - iii) if you are an owner, director or partner in a small business² they may also check on your business accounts.
- b) Search at credit reference agencies for information on:-
 - i) Your personal accounts:-
 - ii) and, if you are making a joint application now or have ever done the following they will check your financial associates' personal accounts as well:-
 - previously made joint applications
 - have joint account(s);
 - are financially linked³;
 - iii) if you are a director or partner in a small business they may also check on your business accounts;
- c) Search at fraud prevention agencies for information on you and any addresses at which you have lived and on your business (if you have one)

2) What they do with the information you supply to them as part of the application:-

- a) Information that is supplied to them will be sent to the credit reference agencies.
- b) If you are making a joint application or tell them that you have a spouse or financial associate, they will:-
 - i) Search, link and/or record information at credit reference agencies about you both.
 - ii) Link any individual identified as your financial associate, in their own records
 - iii) Take both your and their information into account in future applications by either or both of you.
 - iv) Continue this linking until the account closes, or is changed to a sole account and one of you notifies them that you are no longer linked.

¹ A financial associate will be someone with whom you have a personal relationship that creates a joint financial unit in a similar way to a married couple. You will have been living at the same address at the time. It is not intended to include temporary arrangements such as students or rented flat sharers or business relationships.

² A small business is defined as an organisation which might be sole trader, partnership or a limited company that has three or less partners or directors.

³ Credit reference agencies may link together the records of people that are part of a financial unit. They may do this when people are known to be linked, such as being married or have jointly applied for credit or have joint accounts. They may also link people together if they, themselves, state that they are financially linked.

So you must be sure that you have their agreement to disclose information about them.

- c) If you give them false or inaccurate information and they suspect or identify fraud they will record this and may also pass this information to fraud prevention agencies and other organisations involved in crime and fraud prevention.
- d) Your data may also be used by them to offer you other products, but only if you have given your permission. That will be on the front of any form that you have completed.

3) With the information that they obtain they will:-

- a) Assess your application for credit and/or;
- b) Check details on applications for credit and credit related or other facilities.
- c) Verify your identity and the identity of your spouse, partner or other directors/partners and/or;
- d) Undertake checks for the prevention and detection of crime, fraud and/or money laundering.
- e) They may use scoring methods to assess your application and to verify your identity.
- f) Manage your personal and/or business account (if you have one) with them.
- g) Undertake periodic statistical analysis or testing to ensure the accuracy of existing and future products and services.
- h) Any or all of these processes may be automated.

4) What they do when you have an account:-

- a) Where you borrow or may borrow from them, they will give details of your personal and/or business account (if you have one), including names and parties to the account and how you manage it/them to credit reference agencies.
- b) If you borrow and do not repay in full and on time, they will tell credit reference agencies.
- c) They may make periodic searches of their own group records and at credit reference agencies to manage your account with them, including whether to make credit available or to continue or extend existing credit. They may also check at fraud prevention agencies to prevent or detect fraud.
- d) If you have borrowed from them and do not make payments that you owe them, they will trace your whereabouts and recover debts.

What Credit Reference and Fraud Prevention Agencies do

- 5) When credit reference agencies receive a search from our members they will:-**
- a) Place a search “footprint” on your credit file whether or not this application proceeds. If the search was for a credit application the record of that search (but not the name of the organisation that carried it out) may be seen by other organisations when you apply for credit in the future.
 - b) Link together the records of you and anyone that you have advised is your financial associate including previous and subsequent names of parties to the account. Links between financial associates will remain on your and their files until such time as you or your partner successfully files for a disassociation⁴ with the credit reference agencies.
- 6) Supply to our members:-**
- a) Credit information such as previous applications and the conduct of the accounts in your name and of your associate(s) (if there is a link between you – see 1b above) and/or your business accounts (if you have one).
 - b) Public information such as County Court Judgments (CCJs) and bankruptcies.
 - c) Electoral Register information.
 - d) Fraud prevention information.
- 7) When information is supplied by our members, to them, on your account(s):-**
- a) Credit reference agencies will record the details that are supplied on your personal and/or business account (if you have one) including any previous and subsequent names that have been used by the accountholders and how you/they manage it/them.
 - b) If you borrow and do not repay in full and on time, credit reference agencies will record the outstanding debt.
 - c) Records shared with credit reference agencies remain on file for 6 years after they are closed, whether settled by you or defaulted.

⁴ Financial associates (see 1 a) iii) may “break the link” between them if their circumstances change such that they are no longer a financial unit. They should apply for their credit file from a credit reference agency and file for a “disassociation”.

8) How your data will NOT be used by credit reference agencies:-

- a) It will **not** be used to create a blacklist.
- b) It will **not** be used by the credit reference agency to make a decision.

9) How your data WILL be used by credit reference agencies:-

- a) The information which our members and other organisations provide to the credit reference agencies about you, your financial associates and your business (if you have one) may be supplied by credit reference agencies to other organisations and used by them to:
 - i) Prevent crime, fraud and money laundering by, for example checking details provided on applications for credit and credit related or other facilities
 - ii) Check the operation of credit and credit-related accounts
 - iii) Verify your identity if you or your financial associate applies for other facilities.
 - iv) Make decisions on credit and credit related services about you, your partner, other members of your household or your business.
 - v) Manage your personal, your partner's and/or business (if you have one) credit or credit related account or other facilities.
 - vi) Trace your whereabouts and recover debts that you owe.
 - vii) Undertake statistical analysis and system testing.

10) How your data may be used by fraud prevention agencies:

- a) The information which our members provide to the fraud prevention agencies about you, your financial associates and your business (if you have one) may be supplied by fraud prevention agencies to other organisations and used by them and our members to :-
 - i) Prevent crime, fraud and money laundering by, for example:
 - (1) Checking details provided on applications for credit and credit related or other facilities
 - (2) Managing credit and credit related accounts or facilities
 - (3) Cross Checking details provided on proposals and claims for all types of insurance
 - (4) Checking details on applications for jobs or when checked as part of employment.
- b) Verify your identity if you or your financial associate applies for other facilities including all types of insurance proposals and claims.
- c) Trace your whereabouts and recover debts that you owe.
- d) Conduct other checks to prevent or detect fraud
- e) Undertake statistical analysis and system testing.

- 11) **Your data may also be used for other purposes for which you give your specific permission or, in very limited circumstances, when required by law or where permitted under the terms of the Data Protection Act 1998.**
- 12) **Your data may also be used to offer you other products, but only where permitted**



How to find out more

You can contact the CRAs currently operating in the UK; the information they hold may not be the same so it is worth contacting them all. They will charge you a small statutory fee.

- **CallCredit**, Consumer Services Team, PO Box 491, Leeds, LS3 1WZ or call 0870 0601414
- **Equifax PLC**, Credit File Advice Centre, PO Box 3001, Bradford, BD1 5US or call 0870 010 0583 or log on to www.myequifax.co.uk
- **Experian**, Consumer Help Service, PO Box 8000, Nottingham NG80 7WF or call 0870 241 6212 or log on to www.experian.co.uk