



# Credit Information Governance Body

## *PoR*

*Replacing SCOR Principles of Reciprocity*

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## INTRODUCTION

The PoR have been established through consultation with industry trade associations and regulatory bodies. They cover the supply and access of consumer and commercial credit performance data about parties located in the UK, as well as the recording of rules on credit search footprints, shared through credit reference agency (CRA) databases.

The PoR regulate the sharing of this information to ensure that it is utilised in accordance with the CIGB subscriber rules and regulations– this states that data are shared ONLY for the prevention of over-commitment, bad debt, fraud and money laundering, and to support debt recovery and debtor tracing, with the aim of promoting responsible lending.

### Application of the PoR

It is the intention of the credit information industry to ensure that all companies which utilise, contribute and/or subscribe shared data undertake to abide by the PoR and other relevant legislation. Contracts between CRAs and subscribers must reflect this requirement for compliance with all CIGB rules. All entities that use, contribute to or access shared credit information data are obliged to become CIGB subscribers directly themselves and to hold a direct, up to date contract with CIGB, even where that data is obtained via a third party such as a CRA. It is incumbent upon all subscribers to familiarise themselves and abide by all obligations contained within the subscriber agreement.

In addition, it is expected that CRAs will only provide these data to other companies in accordance with the PoR but will verify that their contract counterparties hold the direct subscriber contract required with CIGB and are abiding by all rules and regulations stipulated within that contract.

New product developments using shared, data beyond the scope of the PoR, should be submitted to CIGB for review and ratification.

Participating organisations have responsibility for ensuring their internal compliance with the PoR and should implement appropriate self-audit processes. It is expected that the following departments, as a minimum, will have a working knowledge of the PoR:

- Credit Risk
- Collections
- Marketing
- Fraud/money laundering
- Product management

- Legal governance & compliance
- Operations
- Audit

## Governance

An effective governance structure is essential and CIGB strives to continuously improve and evolve the management of the PoR. CRAs are required to include adherence to the PoR within their client contracts, which should also refer to the right to audit client data processes.

A further critical part of this process is the Data Sharer and CRA certification process which provides regular continuous review. CIGB will use contract law to enforce any breaches of the rules contained within the subscriber contracts and related policies. Non-compliance may result in access to shared data being revoked.

## Policy Decisions

Over time a number of policy decisions have been made to reflect changes in the market place. These decisions are managed and controlled in accordance with CIGB governance and are embedded in new versions of the document which are issued from time to time but all CIGB policies and this document will be reviewed as a minimum annually.

## 1 THE PRINCIPLES

Below are listed the key statements ('principles') which previously made up the Principles of Reciprocity and have now been transferred as the foundation of the PoR.

### *Governing Principle*

The overarching purpose is encapsulated within the 'Governing Principle':

1. Data are shared only for the prevention of over-commitment, bad debt, fraud and money laundering, and to support debt recovery and debtor tracing, with the aim of promoting responsible lending.

### *General Principles Of Credit Performance Data Sharing*

2. Data provided for sharing purposes must meet legal, regulatory and CIGB subscriber contract requirements before provision and in use. Subscribers must use data only for purposes for which the required form of notification has been given

3. Data will be shared on the principle that subscribers receive the same credit performance level data that they contribute, and should contribute all such data available.
4. Data may be used or made available by the CRAs only in ways permitted by these Principles
5. Subscribers must never use shared data to target any customers of other specific subscribers
6. Shared data must not be used to identify and select new prospects

*Adherence To The Principles*

7. Subscribers have responsibility for regular monitoring and certification of their own compliance with the Principles, and the quality, completeness and accuracy of data supplied. If the use of raw data is managed in-house rather than by the CRA then the use of that data should be closely monitored by subscribers to ensure it meets subscriber contract obligations. Such compliance may be for internal purposes or in response to a request from a CRA or CIGB. Subscribers of the Closed User Groups must adhere to CRA and CIGB reporting specifications to ensure the credit bureau data they hold and/or share is accurate, consistent and is supplied in a timely manner, in line with current data protection legislation. Subscribers must also support future data quality initiatives agreed by CIGB, Trade Associations and CRAs, including adherence to stipulated implementation timescales.

## 2 THE PRINCIPLES – A SUMMARY

The terms defined in Section 4 have been used to build the following summary tables which identify the circumstances in which types of shared data may be used by organisations sharing positive, default and delinquent data on all consumers or businesses in all appropriate portfolios.

	Raw Standard Positive data	Raw Additional Positive Data for Credit & Store Cards See note l Not Commercial	Raw Qualifying Flags/Codes See note i	•Raw negative data •Arrears data for pre-screening See note h	A positive characteristic See note k	Aggregated Positive Risk Score and non-risk scores See note f, h & j	Aggregated Negative Risk Score See note h
<b>New Prospect Screening</b>	No	Adverse Risk Indicator only	Adverse Risk Indicator only	Adverse Risk Indicator only	No	No	Adverse Risk Indicator only
<b>Existing Customer Screening to offer a product on a shared portfolio</b>	No	Adverse Risk Indicator only	Adverse Risk Indicator only	Yes	No	Yes	Yes
<b>Application Risk Assessment See notes a, b, c, g</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Pre-application</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Existing Customer Credit Management on a shared portfolio See notes c, d, e</b>	Arrears Management only	Arrears Management only	Arrears Management only	Yes	Yes	Yes	Yes

### 2.1 Decision Type & Data Availability

#### Additional Supporting Notes

- Aggregated risk scores can be used at the point of application to offer a range of other credit products to the consumer (providing the appropriate level of data is being supplied on all products considered).
- In application risk assessment, raw data must not be used to offer improved or additional products/facilities. Thus, when assessing applications for new or increased credit limits, raw data must not be used to offer higher credit limits or

credit card balance transfer facilities deliberately targeted at accounts which applicants may have with existing subscribers.

- c) Application Risk Assessment and Account Management are the only purpose for which consumer data can be used to assess businesses, and the only purpose for which business data can be used to assess consumers.
- d) Where an organisation shares positive data on all consumer products except a current account, then aggregated positive risk scores can be used for permitted credit management purposes across all products, including the current account, for all customers holding a product other than the current account, subject to the requirements provided in Section 6.
- e) If the organisation subsequently acquires an existing non-Current Account consumer portfolio on which only default data is subscribed, the right to use aggregated positive risk scores for credit management purposes across all products, including the current account, will not be affected providing the organisation commits to begin positive data sharing on the additional portfolio within 12 months of acquisition.
- f) Where notification to share positive data has only been provided for some accounts within a portfolio, access to aggregated positive risk scores will still be available for all accounts providing the organisation meets the requirements detailed in Section 7 to increase positive data sharing on the portfolio.
- g) Where an application is supported by a personal guarantee, access to shared consumer data, for the purpose of assessing the guarantee, is permitted on the same basis as access to assess the applicant.
- h) Bank delinquent data dispensation. Banks sharing default data only can receive default and delinquent data and use that data in accordance with these principles.
- i) There are certain data items that are supplied as Flags/status codes (depending on the CRA) to qualify the information provided under the standard status codes provisions. See definition under types of data.
- j) Non risk assessment is defined in section 4.3 and covers:
  - i. Propensity to voluntarily terminate an existing facility (Attrition)
  - ii. Propensity to respond to a communication
  - iii. The likely level of revenue or profitability associated with an applicant or existing customer.
- k. Use of a characteristic for existing customer management is dependent upon whether the activity is intended to prevent over-commitment, or whether it is designed to support the outbound offer of new facilities.

It is permissible to use a characteristic in isolation to drive customer management activity to prevent over-indebtedness, so for example, an indication of a worsening of an individual's circumstances, can be used to reduce or withdraw facilities, decline transactions, or prompt appropriate contact with the customer.

In the latter case, it is not permissible to use a characteristic in isolation to drive outbound offers, as this activity is to promote customer retention and product penetration, rather than the prevention of over-indebtedness.

Thus, a characteristic as defined in section 4.2, should be treated as an aggregated data item if it is being used to prevent over indebtedness (e.g., reduce limits, or decline transactions); but, a characteristic should be treated as a raw data item if it is being used to make outbound offers or any other activity not directly related to the prevention of over-commitment.

I. Additional positive data for credit & store cards is shared strictly in support of responsible lending and in order to help identify and assist customers who may be showing early signs of debt stress – such data must NOT be used to discriminate against customers who are likely to be unprofitable (i.e. provide low or no revenue streams), or to target those customers who are likely to be particularly profitable. For new prospect pre-screening, usage is limited to certain agreed combined BDS variables. (Please refer to your CRA).

### 3 TYPES CIGB SUBSCRIPTIONS AND ASSOCIATED FEES

The credit industry is committed to the encouragement of data sharing on credit agreements, in order to provide the widest possible data on which to make decisions about individuals and businesses.

Given the availability of data within the different credit businesses, there is a need for a variety of subscription types. Subscribers of data on a particular consumer, or business, product/Credit Data Contribution and Use Portfolio will be allowed access the full range of consumer/business shared data when processing applications, but strictly to the same level at which they subscribe data for that product/portfolio.

#### 3.1 Subscriptions And Associated Fees

Each subscriber will pay an annual subscription fee, determined by their assigned cohort and a tier within that cohort, which reflects either the firm's size or its intensity of data usage. This tiered approach ensures that contributions are proportionate to the subscriber's role within the system.

The Board will periodically review the fee structure to ensure it remains fair, sustainable, and aligned with the CIGB’s funding principles. Adjustments may be made as necessary to reflect changes in market dynamics, industry participation, or operational needs.

As of September 2025 the fees are laid out as per the table below:

Cohort A - CRAs			
Tier	Turnover	Credit Agreements	Fees
1	>£100m		£60,000
2	<=£100m		£7,500
Cohort B – Credit Services			
1	>£3600m	>6m	£30,000
2	£500m - £3600m	1m – 6m	£16,000
3	£150 - £500m	150k – 1m	£10,000
4	£25m - £150m	20k – 150k	£4,500
5	<=£25m	<=20k	£2,250
Cohort C - CISPs			
1	>£50m		£9,000
2	<=£50m		£2,000
Cohort D - Others			
1	>£4000m		£6,500
2	<=£4000m		£1,500

## Cohorts

Each subscriber will be assigned to one of four cohorts from below based on their primary business activity as well as their FCA permissions. The Board will periodically review these classifications to ensure they remain accurate and reflect the evolving business landscape, as well as the right classification of subscribers:

- A. CRAs - Firms authorised under FSMA to “provide credit references”.
- B. Credit Services - Firms authorised under FSMA to “provide consumer credit in any form”.
- C. CISPs - Firms authorised under FSMA to “provide credit information services”.
- D. Other - FSMA governed firms not authorised for the above, and non-FSMA firms relying on credit information or credit information users. For example, retailers, insurers, debt purchases, telecoms, among others.

## Tiering system

This tiering system is designed to be transparent, proportionate, fair, and viable to administer by the CIGB. Each cohort's contribution was determined based on turnover and, for Credit Services, the volume of credit agreements. External Legal Counsel assessed the proposed approach to the setting of annual fees for subscribing to the CIGB, for the initial year of the CIGB, and found that it is likely to be considered fair, reasonable, proportionate, and non-discriminatory for competition law purposes.

For Cohorts A and C, determining the cut-off points was straightforward. The three largest CRAs account for the majority of the market share by turnover, while the largest CISP earns nearly four times more than other firms in that cohort.

Due to the diversity in the sizes of firms and their usage of credit information in Cohort D, various distribution percentiles were assessed and setting the top tier around the 90th percentile was found to work best.

While other cohorts have only two tiers, Credit Services has five tiers, driven by industry feedback and the volume of entities. The tiering is defined by turnover and considers the volume of credit agreements, to reflect the intensity of usage of credit information. Firms or groups classified as Credit Service entities will need to report their credit agreement volume alongside their turnover to the CIGB.

Each Credit Services firm or group will first be assigned to a tier based on its credit agreement volume. If turnover corresponds to a tier two or more levels below their credit agreement position, it will be reclassified to the next lower tier. For example, if a firm has 2 million credit agreements (Tier 2) and a turnover of £100 million (Tier 4), it will be placed in Tier 3. This rule only applies if the turnover is lower; the tier will be based on the number of credit agreements in the case of a larger turnover.

## Subscription

Subscriptions must be paid within 30 days of initial invoice or enforcement action (pursuant to the processes set out in the Compliance and Enforcement Policy) may be taken.

Subscription invoices will be renewed annually automatically and shall be paid annually on the same day each year.

The Annual Subscription Fees will be determined through due process prescribed by the CIGB and published in the Fee Setting Policy.

Non-payment of subscription fees may ultimately result in termination of access to data

Payment of subscription fees enables full subscriber rights and is due as per the payment terms specified in the invoice generated by CIGB.

CRA's will have access to details regarding their client subscriber status and whether fees are owing or outstanding. Non payment of fees or not holding a Live subscription status may be considered a breach of these PoRs and ultimately result in suspension or termination of access to data.

Where enforcement action has been taken, other regulatory bodies may be informed.

The due process includes the method used by the IWG to determine the Annual Subscription Fees for the first year subscriptions of the CIGB and shall also include any decision of the Board of Directors of the CIGB taken in accordance with its constitution.

Any increases or decreases in the Annual Subscription Fees shall be subject to Board funding reviews periodically in line with the Fee Policy.

### 3.2 Subscriber Data Access and Submission

The subscriber agrees to provide positive, delinquent and default data on a regular (usually at a minimum monthly, depending on the nature of the product) basis on all accounts within a particular product/Credit Data Contribution and Use Portfolio where the necessary notifications have been provided.

#### *3.2.1 Additional Positive Data for Credit & Store Cards Only*

Standard Full Subscribers who are consumer credit and/or store card issuers may share additional behavioural data fields as agreed. The Rules associated with access to this additional data are detailed in Section 8.

#### *3.2.2 Default only Subscriber*

The subscriber agrees to provide data on all accounts which are in default. A definition of default is included in Section 4.2. Reference should also be made to the latest 'Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies' see section 5.1.4.

#### *3.2.3 Debt Purchase Subscriber*

The subscriber agrees to provide positive, delinquent and default data, as appropriate, on a regular basis (usually at a minimum monthly, depending on the nature of the product) on all accounts within a particular product/Credit Data Contribution and Use Portfolio where the necessary notifications have been provided. Access to full data will be granted on those purchased default level portfolios previously reported by an originator at full level on the principle that the purchaser continues to report the required updates to default level data.

For those accounts on which the debt purchase subscriber has only ever provided default data, but is accessing full data, the full data may only ever be used for risk assessment purposes to support arrears management. It may not be used for any other purpose.

#### *3.2.4 Non-Subscribing Organisation*

It is possible that non-subscribing organisations may request access to shared data for a specific purpose. Such access will not be allowed without the specific written agreement of CIGB.

#### *3.2.5 New Subscription*

New subscription can occur in one of the following situations:

- New Data Sharer

An organisation, which is new to data sharing, requests access to shared data

- New portfolio

An existing data sharer wishes to supply and access shared data in respect of a new portfolio

- Acquisition of an existing credit Portfolio

A data sharer acquires an existing Portfolio from another organisation, and wishes to change the level of data sharing

- Increase or decrease in Subscription Level

A data sharer wishes to increase the level of data shared on a specific Portfolio, i.e. from Default to Positive, or decrease subscription from full to default. For all these situations, access to shared data will be given when:

- The organisation concerned has entered into a contractual commitment, with one or more CRAs, to supply data relating to their own customers within 3 months of the start of any usage, at the level specified.
- They must then supply those records, in an acceptable format, within 3 months of the start of such usage (or within 3 months of the first account being opened in a new Portfolio)
- The data accessed will be strictly at the same level as the data which are shared

(see Section 4.2)

### 3.2.6 Sharing with Additional CRAs

An existing subscriber with one or more CRA may decide to extend their data sharing, to include other CRAs. The subscriber will be treated as an established subscriber when sharing data with another CRA.

### 3.2.7 Tests/trials

Retrospective test data analysis, undertaken by the agencies to assess the value of shared data, is the preferred testing method:

- Test output should not be used for any marketing
- Live manual trials are not permitted
- The use of raw data for Scorecard validation is acceptable
- If retrospective data is not available, CRA data can be provided for the purpose

of a Scorecard build

- CRAs or lenders can use raw data in line with the PoR Rules
- If data is provided for this purpose from a CRA to a lender, it must be anonymised

### 3.2.8 Consumer/Business Reciprocity

These rules form an integral part of the PoR. They provide for commercial sharers to access the consumer data relating to the proprietors of the business and for consumer sharers to look at the performance of the business on which a consumer may be reliant for income. Each of these provisions is available to support application processing and account management only. Detailed guidance is available in Section 13.

### 3.2.9 Current Account Restriction

As a matter of policy some organisations may elect not to share overdraft limits. In these circumstances, such organisations may not use the same information from other current account sharers in a raw form. They may use generic scores or summaries that incorporate this information.

### 3.2.10 Consumer Disputes

Raw data can be used to support incoming consumer disputes for existing customers or those individuals who are impacted by information supplied to a CRA by any Closed User Group subscriber. For example, an address link created by Lender B through an

application, which has impacted the decision of Lender A and the consumer disputes the address link as being inaccurate.

Where a new search at a CRA is undertaken a footprint must be left. Lenders must have strict controls in place to ensure that searches carried out for this purpose are legitimate and undertaken by a team that is authorised to investigate disputes.

### 3.2.11 Fraud Investigations

Raw data can be used to support fraud investigations where the fraud is identified as part of application risk assessment or where there is suspected fraud on an existing account.

Lenders must have strict controls to ensure that searches carried out for this purpose are legitimate and undertaken by a team that is authorised to investigate fraud.

## 4 DEFINITIONS

### 4.1 Types of Party

Type	Definition
Aggregator	An aggregator provides a service that consolidates available products from many financial organisations into one convenient location. This enables a consumer to select and apply for the most appropriate product from the aggregator.
Applicant	A consumer or business applying for any form of credit account with a financial organisation.
'Black Box' Provider	A Black Box Provider completes analysis of credit bureau data for pre-application purposes using scoring and/or policy rules (where provided by lenders). The result is a list of offers which gives the consumer an indication of likely acceptance. A CRA may also choose to offer this service rather than partner with a Black Box Provider.
Broker	A third party that facilitates a financial relationship between a consumer or business and a lender. The broker will be acting as a contracted processing agent on behalf of the lender(s).
Business	An independent commercial organisation (of any size or legal structure) including sole traders and partnerships operating in their business capacity.
Consumer	A named individual transacting in a personal capacity.

Existing Customer	A consumer or business currently holding a credit account <sup>1</sup> with a financial organisation, or having held and closed a credit account with the financial organisation within the last two years.
Financial Unit	Two or more consumers that have joint financial dependency for example, a married couple. Links will normally be created by joint applications or accounts, or by declarations by one or both of the parties.
Group of Companies	A group comprising a parent or one or more wholly owned subsidiaries or a majority interest equal to or more than 50 per cent of share capital.
New Prospect	A consumer who is not an Existing Customer or a New Applicant, and who has been identified as a potential new customer to be targeted.
Pre-Applicant	A consumer or business enquiring about own eligibility for any form of credit account directly with a Lender, or through an aggregator or broker.

#### 4.2 Types of Data

TYPE	DEFINITION
Additional Positive Data for Consumer Credit & Store Cards	The additional behavioural fields shared only by consumer credit or store card issuers relating to performance and usage of the facility.
Adverse Risk Indicator	A score, aggregated or characteristic that has been identified as predictive that a consumer is likely to be at a higher risk of not being able to service the product  In New Prospect Screening, can only be used to remove consumers from an existing prospect list.
Aggregated Data	This is data from which specific elements cannot be individually identified, this could mean data which is a count, an indicator, totals or averages, a score or data which is postcode level only. This can also be described in the form of a characteristic which is a description of a data field.

<sup>1</sup>An account on which credit is, or can be taken and, as such, will include current accounts.

TYPE	DEFINITION
	<p>There may be occasions when although the data is aggregated the field only contains one data item, any such items should still be treated as aggregated, and it is accepted that this is in some cases unavoidable.</p> <p>(See Q&amp;A 10.4.5)</p>
Aggregated Risk Score	<p>A risk score from which no specific item of information relating to a particular individual or financial unit can be deduced.</p> <p>Aggregated risk scorecards must not be developed from shared data where a subscriber represents 20 per cent or more of the sample on which the scorecard is developed, unless the consent of that subscriber is obtained.</p> <p>The aggregation may be either a bespoke subscriber score or a CRA score</p>
<p>Arrears Data for pre-screening:</p> <ul style="list-style-type: none"> <li>▪ Early Arrears Data on Credit &amp; Store Cards</li> <li>▪ Early arrears data on any type of account</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accounts which are or have been 1 or more months in arrears within the previous 12 months.</li> <li>• Accounts which are or have been 2 or more months in arrears within the previous 12 months.</li> </ul>
CCDS (also known as Commercial Credit Data Sharing)	Loan, credit card and business current account data shared under the Small Business, Enterprise and Employment Act 2015 (SBEEA) with Designated CRAs.
Characteristic	Summarised data relating to an account or accounts on consumers, financial units or businesses. May be counts, indicators, totals or averages, or any expression of information other than raw data items.
CRA Databases	<p>The shared databases regulated by the PoR are:</p> <p>Mainstream Consumer CRAs: SHARE (TransUnion), Insight (Equifax), CAIS (Experian)</p> <p>Mainstream Commercial CRAs: Insight (Equifax), CAIS (Experian)</p>

TYPE	DEFINITION
Default	The relationship with the individual is deemed by the lender in a standard business relationship to have broken down. More details may be found in the industry document 'Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies' (see section 5.1.4).
Delinquent	Accounts which are (or have been) at least 3 months in arrears and which satisfy the CRA definition.
Designated CRAs	<p>Commercial CRAs designated under the SBEEA from time to time. As at 2020 these comprise:</p> <ul style="list-style-type: none"> <li>• Creditsafe</li> <li>• Dun and Bradstreet</li> <li>• Equifax</li> <li>• Experian</li> </ul>
Geographically Aggregated Data	Information combined at any postcode level as appropriate to avoid the possibility of individual or financial unit identification
Negative	All delinquent and default credit performance data and searches.
Raw Data	Data specifically relating to an account on consumers, financial units or businesses, other than aggregated risk scores, characteristics or geographically aggregated data above
Raw Qualifying flags/codes	<p>There are certain data items that are supplied as Flags/status codes (depending on the CRA) to qualify the information provided under the standard raw status codes provisions. The purpose of such information is to provide additional important information to inform decisions. Each CRA will specify the detail of the relevant data within their own systems relating to</p> <ul style="list-style-type: none"> <li>• Arrangements and the relevant dates</li> <li>• Debt management plans and the relevant dates</li> <li>• Gone aways</li> </ul> <p>Such data may be used in a raw form for certain activities.</p>
Searches	Searches of the shared consumer credit databases are conducted in accordance with these principles. The membership level of the organisation and purpose of the search will determine the

TYPE	DEFINITION
	<p>amount and level of data to be supplied and the type of "footprint" recorded.</p> <p>Search footprints themselves are recorded by members and non-members and for a wide variety of purposes and are not themselves covered by these principles. However, certain types may be shared with other organisations and used in decision making as long as they are processed fairly, in accordance with Data Protection Legislation and in line with all other regulation and codes of practice.</p> <p>Shared searches should not be used to identify or select new prospects.</p>
Standard Positive	All credit performance data that are not delinquent or default data as defined below
Trade Credit	Trade credit is B2B credit for normal trading purposes <b>not</b> part of a credit agreement from a commercial lender; e.g. goods supplied on monthly invoice payment terms

#### 4.3 Types of Assessment

TYPE	DEFINITION
Account Management	<p>The ongoing maintenance of an existing customer's credit accounts with a financial organisation. Activities in relation to account management could include:</p> <ul style="list-style-type: none"> <li>• Offers of new credit products – cross sell, up sell, based on existing account performance</li> <li>• Credit limit adjustments</li> <li>• Credit limit reductions, hold on increase in facilities</li> <li>• Transaction authorisations - the authorisation of individual transactions on an account</li> <li>• Identification and management of accounts or customers who are at risk, in early stress, in arrears and/or debt collection</li> </ul>

TYPE	DEFINITION
Application Risk Assessment	<ul style="list-style-type: none"> <li>• This is the assessment for credit purposes of inbound applications for credit products, or for a package of services to include credit and other financial products, however originated</li> <li>• It includes responses to outbound originated activity</li> <li>• Data collected at point of application may be used for scorecard development (see section 4.2 Types of data: aggregated risk scores)</li> <li>• Reject inference is a method of determining the expected risk on declined and not taken up applications. CRA account performance information can be used for these accounts to support the generation of the expectation of “bad” performance in development of risk models</li> </ul>
Arrears Management	<ul style="list-style-type: none"> <li>• The credit assessment of an account or customer when in arrears with any lender (or with you as the lender) for the purpose of recovery or prevention of more serious arrears (includes decisions on litigation). Sectors such as Credit Cards for example, require raw data when managing their customers for effective credit limit management</li> <li>• Raw data cannot be used to offer increased lending; each lender must ensure that raw data is only viewed when necessary, regardless of who the arrears are with</li> <li>• Additional credit facilities will only ever be granted when it is beneficial to both the lender and the consumer and only in restricted circumstances e.g. a consolidation loan as part of debt management plan</li> </ul>
Attrition management	This is the assessment of the likelihood of an applicant or existing customer voluntarily terminating a facility to move to another product or supplier.
Existing Customer Credit Management on a shared portfolio	<p>This is either the inbound or outbound assessment for credit purposes of an existing customer’s credit accounts and covers the following:</p> <ul style="list-style-type: none"> <li>• Credit limit adjustments - the adjustment in the credit limit on an existing account or customer</li> <li>• Transaction authorisations - the authorisation of individual transactions on an account</li> </ul>

TYPE	DEFINITION
Existing Customer Screening to offer a product on a shared portfolio	Offers of new credit products – includes associated risk screening.
Pre-application	<p>The pre-application process provides an individual (consumer or business owner) with the likelihood of being accepted for the most appropriate credit product should they make an application.</p> <p>The pre-application process avoids the need for the individual to make multiple (and sometimes unsuccessful) full credit applications. Rather than making multiple credit applications, the consumer will simply approach an aggregator or lender which then instructs a CRA to pass an aggregated version of the consumer’s credit file to a Black Box Provider.</p> <p>The black box provider or lender would then process the data using scoring and/or policy rules (where these have been provided by lenders to the black box provider). Where the consumers’ information has been passed directly to a lender from the aggregator, the lender will return any offer back to the aggregator for it to include in a list of offers being presented back to the individual. The black box provider will populate a list of offers for which the individual is more likely to be accepted should they choose to apply and this information will be provided to the aggregator.</p> <p>The pre-application process does not include a third party acting directly as a contracted processing agent of the lender, for example, a credit broker performing a quotation search on behalf of a specific lender.</p>
Prospect Screening	<p>This is the assessment for credit (adverse risk exclusion purposes only) of outbound product offers to new prospects in the interests of responsible lending or fraud avoidance.</p> <p>Examples include the screening of mailing lists before they are sent to remove the names and addresses of individuals known to be, or deemed to be in danger of being, in financial difficulties or no longer believed to be resident at the address.</p>
Response management	This is the assessment of the propensity of an existing customer to respond to an outbound offer. The shared data

TYPE	DEFINITION
	may not be used for prospects but it may be used to assess the likelihood of existing customers to respond to offers of other products.
Revenue or profitability management	This is the assessment of the likely profitability or revenue to be obtained from an applicant or an existing customer or business. Shared data may not be used for this purpose for outbound activity for new prospects but it may be used for inbound assessment of new applicants or for existing customers.

#### 4.4 Types of Actions

There are two core types of action covered by the PoR:

- Outbound

Proactive effort originated by an organisation.

- Inbound

A request by an applicant/customer for any credit product/additional facilities.

#### 4.5 Aggregated Data Reporting

From time-to-time CRAs, Trade Associations and industry bodies will be asked to provide an overall view of shared data held. The production and distribution of such reports may only be provided in accordance with the matrix below:

	Report to contracted Closed User Group members	Report to external bodies
Basic volume data	Yes	Yes
Analysis and performance	Yes	No

Information can be provided when there is a 'Yes'. Any intended publication outside the matrix or in the cell defined as 'No' requires prior authorisation by CIGB via procedures detailed in its rules.

Any request for shared data from an external, non-regulatory body (e.g. ONS) for research, analysis or publication that falls outside the matrix or in the cell defined as 'No' requires prior authorisation by CIGB. The external organisation is required to make a written request

via CIGB Board. Arrangements will be made by the Board for discussion of the request, to allow CIGB to determine if authorisation should be granted

#### *4.5.1 Contracted Closed User Group Subscribers*

Covers the following: Those sharing data under the PoR; CRA meetings designed for Closed User Group subscribers - accepting that some non-Closed User Group delegates will be in attendance; Trade Association level data to

TAs, if for internal consumption amongst subscribers the majority of which will be Closed User Group Subscribers; Prospective Closed User Group subscribers -data only used as part of sales/recruitment process. Information is provided to existing subscribers only to assist in fulfilment of the Governing Principle (1) on their shared Portfolios to a maximum level determined by Principle 3.

#### *4.5.2 External Bodies*

Examples include: regulators, government departments, legal bodies, media bodies, lobby groups, market analysts, economists & potential future customers and Trade Associations if data is being externally published.

#### *4.5.3 Basic Volume Data*

Only the following: Subscription type, volume (number of accounts) and value (£ outstanding balance) of records by finance sector, product, full or partial, secured or unsecured and geographical location, (no lower than post town).

#### *4.5.4 Analysis and Performance*

Examples include: Derived data Scores, current performance status or trends, views expressed as a result of analysis of either individual or combined Closed User Group records. All work to be marked private and for the use of User Group subscribers only.

#### *4.5.5 Provision of information to Regulatory Bodies*

- i. Regulators such as FCA, PRA and BoE should put the CRA(s) on notice of their intention to request information. The Regulator will provide a brief description of the nature of the request and the market sector(s) to which it relates.
- ii. The Regulator must serve a statutory notice, such as a request under Section 165 of the Financial Services and Markets Act 2000. This process recognises the sensitivities attached to the release of customer data by the finance industry and where the formality and certainty of purpose attached to such a statutory request provides additional assurance to impacted firms in fulfilling their compliance obligations, including under Data Protection Legislation.

iii. However, by exception, where the request relates only to anonymised, summary/aggregated data<sup>2</sup>, including for example Scores or totals and averages, the Regulator may make a more informal request. In such circumstances, the CRA(s) will use its judgement as to whether the more formal statutory notice is in fact required. In such cases, the CRA(s) will still need to notify CIGB.

iv. On receipt of a request, the CRA(s) should immediately notify the CIGB Secretary, where such a notification is not restricted by the Regulator. CIGB will then share the notification with its constituent trade associations (for information). At this point, trade associations may pro-actively provide information to the Regulator to help with the interpretation, or understanding, of the underlying market context.

v. The Regulator is responsible for ensuring that the appropriate controlled environment is maintained for data protection and confidentiality/security requirements. Where the Regulator wishes to use a third party to undertake follow-up analysis on data provided by CRAs other than Experian, Equifax or TransUnion, it will notify CIGB of this decision, but will not be obliged to disclose details of the third party.

vi. Where the Regulator issues a request under a legal power and it is considered market sensitive (bound by non-disclosure due to embargoed information), the Regulator will be entitled to receive such outputs without the information firstly being shared with CIGB and/or the impacted sector's trade association(s).

vii. Data requests received from the FCA which specifically concern sectors not regulated by the FCA will be presented to CIGB for approval.

viii. In advance of the publication of any data/analysis, or any conclusions drawn from a data request, the Regulator will have had regular dialogue with the impacted sector's trade association(s). Whilst it may not be possible to explore specific issues relating to the data/analysis, the Regulator will indirectly explore any emerging results and where no individual person or data supplier is identifiable and the regulator requesting the information has the appropriate power conclusions which they need to test in order to understand any important additional explanatory rationale/context.

#### *4.5.6 Statistical Analysis and Reporting*

This covers the use of shared data at (generally) an aggregated level by subscribers for the discharge of the following activities:

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<sup>2</sup> Where no individual person or data supplier is identifiable and the regulator requesting the information has the appropriate power

- Reporting under regulatory obligations
- Internal risk rating calculations and inclusion in internal Management Information for the purpose of fiscal management
- Benchmarking a subscriber’s accounts against other subscribers in accordance with the benchmarking dispensation at 5.6.6 and for the internal use of the subscriber.

All of the foregoing, with the exception of the first point, covers the use of data either internally within the data sharing community and the participating CRAs. Any outputs or intelligence derived from such activities is not permitted to be shared outside the group unless it falls within the terms of 4.5 above.

#### *4.5.7 Use of Shared Data for Debt Sale Purposes*

- When a contributing organisation is selling debt, it is expected that they will use the knowledge already gained from the shared data to inform their decisions to sell and set expectations on cost.
- Should some of the customers included with the sale already be an existing customer of the potential purchaser, then that purchaser can use any data it lawfully holds, including shared data on existing customers, in order to inform its decision to purchase.
- Purchasers are not allowed to use shared data on customers they do not have an existing relationship with.
- To avoid confusion, an existing relationship is where the purchaser already has a direct relationship and therefore already owns a debt for that individual.
- Should an organisation have previously acted on behalf of the seller (collections activity), any shared data that may have been previously supplied by the seller under a variation agreement, shall not be used either directly or indirectly by the potential purchaser to inform their assessment of the value of the Portfolio.

## 5 POLICY DECISIONS

Where policy decisions relating to the PoR are agreed by CIGB Advisory Councils and ratified by CIGB Board, they will be included in this section. Such decisions provide interpretations of the Principles and other supporting items that may not be documented elsewhere.

Where appropriate, decisions will be included in the main body of the PoR and relevant sections of the PoR document.

Policy decisions include interpretations discussed in confidence with CRAs under the Product Development Compliance Process (see section 12) and also those agreed with subscriber organisations. To preserve confidentiality such agreements will only be included 6 months after a product launch and will not include product details<sup>3</sup>.

Amendments to existing agreements will be shared with immediate effect.

## *5.1 DATA QUALITY*

### *5.1.1 Data Enhancement*

The purpose of this activity is to supplement existing subscriber credit Portfolio data records to achieve TPD<sup>4</sup> compliant level data in respect of name, date of birth and address by accessing other records relating to the consumer concerned. Only Portfolios that are currently shared with a CRA or those for which there is a firm contract to share are eligible to exercise this facility. The service will only be available to lenders who are already supplying forename and date of birth on new records when they undertake the clean-up exercise.

Date agreed: October 2001, latest update June 2004

### *5.1.2 Private/Ghosted Accounts*

In case of difficulty in the provision of monthly update data Portfolios/accounts may from time to time be suppressed from general view. This action is as a last resort and on a temporary basis to give the subscriber the time and opportunity to rectify the data issues.

Date agreed: 2001

### *5.1.3 Multiple Element Products*

A customer credit limit is set, but individual agreements are completed for each product element within the overall limit. Cross default clauses allow payment to be allocated by the lender depending on which elements are in arrears (if any). Product elements should be reported individually, as there are individual CCA agreements for each product element. Any revolving credit product should show the available value of the total customer credit limit.

Date agreed: March 2001

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<sup>3</sup> Presentations can, if required, include the proposed wording to be inserted in the policy decision. Launch to be notified to the SCOR Chairman in order that the issue may be diarised.

<sup>4</sup> Third Party Data as agreed with the ICO required all searches and account records to include title, forename, middle name or initial, surname and PAF valid or postcoded address, with effect from 24 October 2001.

#### *5.1.4 Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies* (previously known as the Guidance Note on Defaults)

All Closed User Group subscribers must report arrears, arrangements and defaults in line with the industry standard document entitled 'Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies'. This document is available from your CRA or trade association and is on their websites.

The Information Commissioner's Office (ICO) will continue to work with the industry to ensure that these principles remain up to date.

Date agreed: December 2013

#### *5.2 SEARCHES*

##### *5.2.1 Quotation or Risk Based Pricing Searches*

On credit products that require access to CRA data in order to give consumers a price quotation, lenders should be able to record a quotation type search. Lenders should establish whether the consumer is seeking a firm commitment to lend (application) or a price indication (quotation) and record the appropriate search type. This is agreed for Mortgages.

Where a quotation is followed by a subsequent application from the consumer, then an application search should be undertaken, and an application 'footprint' left on the consumer's file.

Date agreed: January & April 2002; final details March 2004

#### *5.3 IDENTIFICATION CHECKING*

##### *5.3.1 Use of Shared Data for verification of identity*

Non-financial shared data may be used in ID verification systems to support an inbound financial transaction, in order to prevent ID fraud and money laundering – data can be supplied to UK based, EU and non-EU organisations on UK residents. It is available to both subscribers and non-subscribers for this purpose. This product may also be used to identify the data subject when they apply for their credit file from a CRA.

Dates agreed: April 2000, April 2002 and December 2004, December 2011

##### *5.3.2 Use Shared Data for authentication of own identity by a consumer*

Financial shared data may be used in ID verification where a consumer is using the information to confirm their own identity. Under these circumstances neither the consumer nor the organisation seeking verification will receive any financial data. This can be used with both subscribers and non-subscribers of shared databases.

Date agreed: June 2000, April 2001, final details March 2003

#### *5.4 EMPLOYMENT VETTING*

##### *5.4.1 Public Sector*

Certain government departments are authorised to access on a data subject only, full credit reference check services as part of the employment vetting process.

Date agreed: March 1998 & June 2002

##### *5.4.2 The Police*

Full credit report data on an individual will be available, with appropriate notification to that individual, for the purpose of employment vetting for candidates and/or incumbents of certain roles within a qualifying police service. A 'qualifying police service' covers Police Services as defined under the England and Wales Police Act 1996; the equivalent for Northern Ireland under the Police (Northern Ireland) Act 1998; and for Scotland under the Police (Scotland) Act 1967.

The terms of the agreement with that police service it will state that such roles may vary in seniority but will be engaged in activities deemed by the qualifying police service as posing a level of risk such that this level of checking is appropriate. These checks must not form part of the standard vetting for each and every role.

Full credit report data may also be used for ongoing checks for existing employees (deemed by the qualifying police service as posing a level of risk such that this level of checking is appropriate) via a 'triggers' or 'alerts' service. The purpose of which is to alert the qualifying police service to changes in an employee's financial circumstances which the police service may wish to investigate further.

Consent should be obtained from the individual for both new and existing employees for their data to be used for this purpose. CIGB reserve the right to review every 2 years.

Date agreed: September 1999 (Met Police); May 2005 (other services) Date agreed: March 2012 (triggers'/alerts' service)

##### *5.4.3 Subscribers of Closed User Groups*

Subscribers may use all the shared data on a data subject, to the maximum level shared by their Group for the purpose of undertaking employment checks.

Date agreed: March 2004

#### *5.4.4 CRAs*

May use all shared data on a data subject, for those individuals applying for or undertaking duties in sensitive positions

Date agreed: December 2004

#### *5.4.5 Self Employed Agents, Brokers and Intermediaries*

Subscribers may use all the shared data on a data subject, to the maximum level shared by the data sharing subscriber, for the purposes of vetting:

- self-employed agents who are contracted to make lending decisions and issue funds to consumers and/or to collect repayments
- individuals such as brokers and intermediaries
- individuals appointed to lending panels (such as solicitors and surveyors)

The shared data may also be used for the purpose of fraud prevention or fraud investigation of such self-employed agents and individuals.

Date agreed: September 2011, June 2012

#### *5.4.6 CIFAS*

CIFAS may request, with the consent of the individual, a full employment vetting search on prospective and existing employees, including shared consumer financial information.

Date agreed: June 2013

### *5.5 MARKETING*

#### *5.5.1 Topping*

'Topping' is the removal of high-scoring individuals from a prospect mailing list on the expectation that they would be non-responders. It is not permitted. Permitted use of shared data is defined under the Governing Principle (1), which makes it clear that shared data should be used only for the purposes of control of risk, fraud and over-indebtedness.

Date agreed: July 1998, March 2005, June 2006

#### *5.5.2 Residency and Age confirmation*

Prospect Marketing activity for the purpose of credit products may be cleansed using shared data for proof of residency and ensuring the individual to be mailed is 18.

Data may be used based on level of subscription.

Date agreed: November 2001

#### *5.5.3 Aggregated Postcode data*

Prospect marketing activity of credit products may be processed to remove high risk targets using geo-demographic characteristics based on shared data, at the level of subscription.

Date agreed: April 2002, March 2005

### *5.6 RECIPROCAL ARRANGEMENTS*

#### *5.6.1 Merchant Acquirers*

- Merchant Acquirers (MAs) are businesses which provide merchant services. They need to assess the risk associated with opening a merchant account.
- A dispensation, agreed by SCOR in 1999 granted MAs access to data “at the same level as shared by the card issuer”. CIGB will continue to honour this dispensation.
- An MA wishing to start to access shared data needs to approach a CRA and work through the following set of requirements:
  - They must have direct responsibility for the underwriting of the risk associated with applications for the provision of merchant services;
  - They must complete an Executive Commitment for the sharing of default and positive data in respect of their opened merchant accounts in line with the dates set out in the table below;
  - They must present clear plans to demonstrate how they intend to achieve such data sharing, that the necessary resource has been allocated and what checkpoints will apply;
  - As with all new potential clients, the CRA(s) will undertake a detailed assessment of the request for access to data, specifically how data would be used in line with the ‘matrix’ in Section 2.1 of the PoR and the associated DPA requirements.
- It is not possible to strictly follow the traditional reporting protocols for defining CRA status codes, as MAs do not provide facilities with such scheduled payments. It was agreed that MAs need to share the following Status Codes through Commercial CAIS/Insight:

- Status 05<sup>5</sup>
- Status 1
- Default (CAIS Status 8, Insight Status D)

▪ The CRAs' documentation sets out the (unique) definitions of Status 1 for an 'MA' account type. Full details of the MA data sharing file specification are available from the CRAs

• Data will be accessed by MAs in line with existing consumer/commercial crossover rules (PoR section 13). For Experian CAIS, Status U (Unclassified) and Status D (Dormant) may also be reported.

The table below has been developed to reflect the new model and represents a clear and iterative process towards absolute reciprocity:

Category	Change	Data to be Shared	Consequences of Non-Delivery
<b>Bank Owned</b>	Retain access to the data available under the 1999 agreement.	Positive by some point in 2016 latest	Access to Positive immediately suspended (until Positive supplied)
<b>Previously Bank Owned</b>	Retain access to the data available under the 1999 agreement.	Positive by some point in 2016 latest	Access to Positive immediately suspended (until Positive supplied)
<b>Independent</b>	Can access the same level of data as the other two categories, once default data is shared.	Default (timing determined by date of data access) Positive by some point in 2016 latest	No data is available until Default supplied Access to Positive immediately suspended (until Positive supplied)

Date agreed: June 2014

#### 5.6.2 EU based lenders which lend to people normally resident in the UK

The closed user groups (CAIS/Insight/SHARE) are databases with information registered against persons resident at UK addresses. Subscription of the UK's closed user group databases is open to lenders based outside the UK, but inside an EU subscriber state, on the same terms as UK based lenders, in accordance with EU law. Such subscription is on the same basis as UK lenders such that in the case of credit applications, the applicant is a UK resident and, if the product is granted and taken up, data can be registered against the UK address in one or more of the UK closed user groups. Subscribers must be in a position

<sup>5</sup> For Experian CAIS, Status U (Unclassified) and Status D (Dormant) may also be reported.

both legally and operationally to join on exactly the same basis and share exactly the same data as a UK domiciled lender offering a similar product. This includes, compliant privacy clauses, adherence to the PoR and the provision of compliant data. For clarification, a typical scenario would involve a UK resident seeking a mortgage to buy a holiday property in the EU but continuing to have an address in the UK.

Date agreed: March 2005 - TA ratification April 2005, update ratified by TAs September 2011

#### *5.6.3 Non-EU based lenders lending to persons normally resident in the UK*

The closed user groups (CAIS/Insight/SHARE) are databases of persons resident in the UK with information registered against persons resident at UK addresses. Subscription of the UK's closed user group databases is open to lenders based outside the UK and the EU, on the same terms as UK based lenders, on approval by CIGB on a country-by-country basis.

Such subscription is on the same basis as UK lenders such that the applicant is a UK resident and, if the product is granted and taken up, data can be registered against the UK address in one or more of the UK closed user groups. Subscribers must be in a position both legally and operationally to join on a similar basis and share exactly the same data as a UK domiciled lender offering a similar product.

Non-EU lenders will be required to use compliant privacy clauses, contract to adherence to the PoR and the provision of compliant data. Overseas subscribers must be able to provide evidence that they have gained consent from the customer to the transfer of their information outside the European Economic Area (EEA), if a full Fair Processing notice has not already been provided or consent granted at point of application.

In order to ensure that data may legally be shared, confirmation from the Regulatory Authorities in the country concerned that the sharing of such data is permitted from that country should be provided when an application is made to CIGB.

For clarification, a typical scenario would involve a UK resident applying for a mortgage to buy a holiday property in a country outside EU but continuing to have an address in the UK. Lenders based in the following countries have been authorised to share data into the databases of the closed user groups:

US

Date agreed: September 2008, September 2011

#### *5.6.4 EU based lenders lending to persons previously resident in the UK*

Lenders in EU countries lending to persons previously resident in the UK but moving to the lender country cannot join the shared database(s) under the conditions agreed at 5.6.2 because they will not be able to provide information about the account for which a credit application is submitted as it will not be registered against a UK address. In accordance with the recommendation of the EU Group on Credit Histories CRAs within the EU may set up reciprocity arrangements on a CRA-to-CRA basis, to share data, on a reciprocal basis, at the appropriate level (full or default) in order that EU lenders may access information on UK residents moving to the EU and that UK lenders may access data on EU residents moving to the UK.

Adherence to the same conditions as UK users of the database will be required including adherence to the PoR and the provision of compliant data, use of appropriate privacy clauses and that search footprints are recorded in both

jurisdictions as appropriate. The performance data on the accounts opened must be shared in that country's Closed User Group database in order to fulfil the reciprocity requirement. For clarification, a typical scenario would involve a UK resident moving to an EU country and applying for credit in that country. Such an applicant would have an address in the new country.

Date agreed: September 2011

#### *5.6.5 Non-EU based lenders lending to persons previously resident in the UK*

Lenders in non - EU countries lending to persons previously resident in the UK but moving to the lender country cannot join the shared database(s) under the conditions agreed at 5.6.3 because they will not be able to provide information about the account for which a credit application is submitted as it will not be registered against a UK address.

In a similar way to the arrangements for EU lenders following the recommendation of the EU Group on Credit Histories non-EU lenders may also seek information about persons resident in the UK. Application may be made to CIGB by CRAs, on a CRA-to-CRA basis, to share data, on a reciprocal basis, at the appropriate level (full or default) in order that non-EU lenders may access information on UK residents moving to a non-EU country and that UK lenders may access data on non-EU residents moving to the UK. Adherence to the same conditions as UK users of the database will be required including adherence to the PoR and the provision of compliant data, use of appropriate privacy clauses and that search footprints are recorded in both jurisdictions as appropriate. The performance data on the accounts opened must be shared in that country's Closed User Group database in order to fulfil the reciprocity requirement. For clarification, a typical scenario would involve

a UK resident moving to a non-EU country and applying for credit in that country. Such an applicant would have an address in the new country.

Date agreed: September 2011

#### *5.6.6 Benchmarking*

Benchmarking activities should be conducted at an aggregated level to preserve confidentiality for consumers and subscribers alike. Available to both full and default subscribers if the latter provide information on the non-default elements of their book.

To maintain Lender anonymity, no one subscriber's data should form more than 25% of the benchmark set, with no weighting of one company's data over another.

Date agreed: April 2000

#### *5.7 BEREAVEMENT SERVICES*

This relates to access to full credit data by a third party (e.g. an executor, administrator or solicitor) for the purpose of due diligence in probate cases or the execution of wills when compiling estates on deceased individuals. Access to full credit data of a deceased person, or of trustees which are holding funds for a minor, is permitted use of data but only with authorisation from the executor, administrator or next of kin and should be via an online service. In all cases consent from the trustee must be obtained.

Access to the data should enable the user to:

- understand the account relationships; and
- work with creditors that have outstanding debt and a claim against the estate.

An organisation providing this service must ensure that it carries out robust checks to authenticate the third party requesting access to the service, and obtain sufficient confirmation that they have been appointed by the executor, administrator or next of kin for the compilation of the estate.

Date agreed: March 2012

#### *5.8 TEMPORARY ARRANGEMENTS AND DISPENSATIONS*

5.8.1 FSA (now FCA) PS04/9 reporting for Impaired Credit Mortgage lenders are required to report on lending to individuals deemed to have an impaired credit history, as defined under the FSA Policy Statement PS04/9 (March 2004). (Summary characteristics are available from the CRA to full sharers only. A temporary arrangement has been agreed for default only or non-sharing mortgage lenders to access only the characteristics required to

report to the FSA, for the purposes of that reporting, for up to 12 months ahead of supplying full data. CEO commitment is required to full data sharing ahead of supply of the required characteristics.

Date agreed: December 2004, TA ratification May 2005

#### *5.8.2 FCA Overindebtedness tool - The 'Debt Test'*

The FCA has responsibility for consumer education in respect of financial matters. As part of their work in this area they have commissioned a tool for consumers to complete using knowledge they have about their own circumstances. The tool, branded the Debt Test, will allocate the consumer to one of a small number of categories according to their risk of becoming indebted in the next year or so. Each of these will have a number of risk messages associated with it and these will signpost the user to sources of information and advice, which are intended to help them better manage their financial situation e.g. Citizens Advice, Money Advice Trust, Department for Work and Pensions, etc. A one-off dispensation is agreed to use shared data to help create the ranking of a small number of the questions within the tool. The tool will not use shared data in any other way. "The tool itself is not endorsed by CIGB and is not designed in any way to give a reflection of the decisioning of any one or a group of lenders.

Date agreed: June 2005

#### *5.8.3 Extension to the Commercial Crossover Compliance date to March 2010*

The deadline for supply of commercial data under the crossover agreement detailed at section 13 was September 2009. Some organisations were experiencing difficulty in meeting the deadline and an extension was agreed on the following conditions:

Relevant Executive sign off that:

- i. The organisation will complete implementation by end March 2010 and has sufficient budget committed.
- ii. They have an agreed project plan outlining the implementation schedule.
- iii. They commit to engage with the relevant CIGB working group to share non-competitive issues and solutions.

#### *5.8.4 Use of Shared Data For Financial Risk Assessments In Gaming*

##### 1) Introduction

The UK Gambling Commission (UKGC) has serious concerns about the risks of unaffordable gambling leading to harms, particularly for financially vulnerable individuals. The UKGC will be mandating that all remote gaming operators licensed under Part 5

Gambling Act 2005<sup>6</sup> (Licensed Operators) carry out financial vulnerability and financial risk assessments on individuals who exceed financial thresholds in their dealings with the Licensed Operator in accordance with the UKGC License Conditions and Code of Practice (LCCP)<sup>7</sup>. Such thresholds are to be incorporated into the LCCP subject to the outcome of a consultation published in July 2023. Breach of the LCCP is an offence under the Gambling Act 2005.

## 2) Background

Credit data is typically shared between organisations where a customer has a contractual commitment to make a financial payment. The Gambling Commission is setting licensing requirements for gambling operators requiring them to access customer data held by CRAs to safeguard individuals where the customer discretionary gambling losses (rather than non-payment of contractual commitments) are above a pre-determined level and could be creating financial harm.

As an integral part of the assessment by SCOR, prior to CIGB formation, as to whether an exemption to the industry PoR rules on reciprocity should be granted, there was a detailed discussion as to whether / how data might be shared by CRAs (as data controllers) in accordance with the UK Data Protection Act legislation. This exemption to the POR requirement for reciprocity is specific to the detailed discussions that have been held at CIGB relating to the UKGC proposed licensing requirements and thresholds at which a financial risk assessment would be required. The UKGC issued a public consultation on these proposals on 26 July 2023

([https://consult.gamblingcommission.gov.uk/author/summer\\_2003\\_consultation\\_lccp\\_rts\\_regpanels/](https://consult.gamblingcommission.gov.uk/author/summer_2003_consultation_lccp_rts_regpanels/))

The discussions covered concerns about data protection compliance and related issues, and included an agreement that any proposal which would require lenders and other data contributors to update each of their individual customers of a change to their privacy notices would not be proportionate or practicable. An example approach to achieve data protection compliance being developed by a CRA was shared by the UKGC with the ICO for comment. This example included:

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<sup>6</sup> <https://www.legislation.gov.uk/ukpga/2005/19/section/74>

<sup>7</sup> <https://www.gamblingcommission.gov.uk/licensees-and-businesses/lccp/online>

- an example data spec
- analysis of legal basis for processing, including necessity, the 'balancing test' and proportionality
- potential risks for consumers
- an assessment concluding that this sharing would be 'compatible' with the original purpose for which the data was collected
- an approach to consumer transparency, relying on gambling operators and CRAs to provide privacy information, rather than lenders and other data contributors UKGC advised that the ICO considered, in reviewing the CRA's proposal:
- that restrictions and safeguards will need to be put in place to prevent the processing being used for wealth screening by online gambling businesses, such as restrictions on the purposes for which the data can be used, and the ability to take action should there be breaches.
- that online gambling operators will need to meet the requirements of the right to be informed (by methods such as advising their own customers of any changes in processing via an updated privacy notice and by explaining why the processing is being done and how it will be carried out). Associated with this, gambling operators will need to be prepared for customers exercising their individual rights (e.g. access; rectification). Accurate and secure record-keeping will help operators to explain the reasons for their decisions which will include a range of their own behavioural data and other indicators.
- that there were significant transparency concerns about the use of financial associate data in the CRAs model. The ICO confirmed that transparency principles will not be met if an individual affected by the processing (financial associate) is entirely unaware it is taking place or that the processing will apply to them. This raised compliance questions as to the fairness of the intended processing.
- that for accuracy, reliance solely on ONS data which could yield inaccurate results would not be sufficient."

In response to a further request for clarification on the interpretation of data protection legislation, the Information Commissioner's Office published a letter to UK Finance in July 2023<sup>8</sup>.

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<sup>8</sup> <https://ico.org.uk/for-organisations/documents/4025861/uk-finance-letter-20230713.pdf>

3) Requirements for Data controllers (CRAs and gambling operators) The ICO letter must be read and adopted by the CRAs and Gambling Operators (as Data to support compliance with the PoR General Principle of credit performance data sharing (2) says that “Data provided for sharing purposes must meet legal, regulatory and voluntary code of practice requirements before provision and in use.” The ICO letter confirms that based upon specified consideration, it is their view that in principle it is possible to design financial risk checks by gambling operators utilising data from credit reference agencies that are compatible with the purposes for which data is currently received by the CRAs. The ICO letter highlights some specific areas of focus in achieving the data privacy compliant sharing and processing of data, including CRAs

- Conduct a data protection impact assessment (DPIA), including a compatibility assessment
- Share only the minimum amount of personal data needed to fulfil the new purpose
- Zero-knowledge proofs may be employed to prove that someone is not at financial risk without sharing any further information
- Only process personal data of the individual seeking to gamble and not relating to their financial associate
- Confirm in their data sharing agreements with gambling contractors that the use of the information they share is strictly limited to the purpose of carrying out financial checks
- Notify their clients of the proposed sharing of their data ahead of the sharing commencing.

#### Gambling Operators

- **Transparency:** Data sharing relating to financial vulnerability should be prominently and clearly communicated to all gambling customers, irrespective of whether they have met any licensing threshold for financial risk checks
- **Safeguards:** To ensure that data received is held securely, analysed accurately, and not used for additional (incompatible) purposes. This includes use of the data and the fact that an individual has or has not met the threshold, to infer a financial position for promotions or marketing.

#### Data contributors to the CRAs

- Good practice for all data contributors would be to review their data sharing agreements with CRAs and existing DPIAs to ensure these reflect the personal data processing required for financial checks, to be carried out as part of their ongoing compliance review process.

- Review their privacy information and if necessary update it to ensure it is transparent that information may be used for the purpose of financial risk checks by gambling operators, although the ICO do not consider there is an obligation to also notify customers on an individual basis.

In addition to adopting the content of the ICO letter, the following additional requirements are required by CIGB to enable the sharing of data with the gambling sector on a non-reciprocal basis.

#### Reciprocity

- The potential for data reciprocity by the gambling operators will need to be fully reviewed by SCOR. Initially a paper will be prepared by a working group, summarising reciprocity options and with an evidence based recommendation within 12 months of the LCCP conditions coming into force.

- CIGB agrees that data sharing with gambling operators may commence prior to the completion of this review on reciprocity.

#### Data Minimisation and Zero-knowledge proof

- Data may be made available to Licensed Operators in accordance with the LCCP as part of the financial risk checks on individuals who meet the financial thresholds set out in the LCCP for the exclusive purpose of reducing gambling harms.

- CRAs may use all available data to develop a modelled customer level output such as a score, RAG status, or index. This modelled customer output can be shared with gambling operators.

- Customer specific data points should not be shared with gambling operators, except in the limited circumstances set out below.

- Where a CRA wishes to share a flag or count relating to a specific customer data point these can only be shared where the data point is evidence of preexisting financial vulnerability. The specific data fields that can be shared on a non-reciprocal basis are set out below. This data must be at a customer aggregated level. For the avoidance of doubt, other single data points may not be shared (such as account balances, balance trends, credit limits, derived income values, housing costs or credit commitment costs). The CRAs will need to ensure that their data minimisation obligations are met.

- For the avoidance of doubt, raw account level data will not be made available to Licenced Operators to ensure individual data points cannot be identified.

• The Licenced Operator will not use the data received for the financial risk assessment check as the sole basis for any business decision. The data allows the Licenced Operators greater insight into that customer's financial risk, which when put together with the internal behavioural data Licenced Operators hold can better inform their decision making in relation to harm reduction. Shared data or its derivations may not be used by Licenced Operators for any other purpose than to meet their licensing obligation to undertake financial risk assessment checks to meet their LCCP conditions. For the avoidance of doubt, incompatible use would include, but is not limited to, any commercial activity, marketing, or profiling of customers to increase or incentivise additional gambling spend with that Licenced Operator.

#### Data Minimisation

The expectation is that CRAs can use all available customer data to develop a modelled customer level output such as a score, RAG status, or index. This modelled customer output can be shared with gambling operators.

Customer specific data points should not be shared with gambling operators, except as specified below.

Where a CRA wishes to share a flag or count relating to a specific customer data point (which the CRA has assessed meets their data minimisation obligations), this can only be shared where the data is evidence of pre-existing significant financial vulnerability. This data must be at a customer aggregated level.

Specific customer data points which CIGB agree could be shared (subject to the CRAs DPIA assessment) on a non reciprocal basis are:

- Defaults
- Significant Arrears (current)
- Significant Arrears (current)
- Flags
- Multiple Arrears (current)
- Public Data
- Default registered (Y/N flag) CRA can refine this to a default within a previous time period as appropriate (last x months)
- Significant current arrears on any product (Y/N flag) (where status is 2-6)
- Worst Current status (status 2-6) across all accounts provided as part of an aggregated output only (but the debt value / arrears value or debt type cannot be disclosed.)

- Current flag(s) set as Debt Management Plan) (Y/N flag)
- Customer has more than 1 account that is reported as at least 1 payment in arrears (Y/N flag)

CIGB does not require any limitations around how the CRAs might share public data. In considering the request for the exemption to the PoR, and setting out any conditions for the non-reciprocal access to credit data. CIGB is not reviewing how the CRAs will share data or attesting that their products and services are UK GDPR compliant. That is a matter for the CRAs to ensure that data sharing meets the General principle of the PoR and that “Data provided for sharing purposes must meet legal, regulatory and voluntary code of practice requirements before provision and in use.”

#### 4) Implementation and Piloting

- CRAs may have access to shared data for the purpose of testing and analysis only from the date that the final text of the LCCP condition is published by the UKGC and a timetable is set for the introduction of the amendment to the LCCP.
- Testing, and the sharing of CRA data for this purpose, will need to be done in a manner that meets data protection requirements, including transparency rules, and must not be undertaken in a live environment where the data points are shared or discussed with the customer. If testing and analysis by CRAs identifies additional specific data points (not approved above) a proposal must be submitted to CIGB for a review and assessment as to whether the non-reciprocal access to that data is to be granted.

#### 5) Training and Compliance

- The Licensed Operator may not be familiar with the PoR and its application to shared consumer data. A CRA providing a Licensed Operator with access to the consumer data must ensure that the Licensed Operator is aware of the roles and responsibilities under the PoR.
- The CRA will impose appropriate robust contractual terms on the Licensed Operator accordingly, including the right of audit and the right to withdraw access to data in the event of material breach.
- Gambling operators will be required to complete the periodic PoR compliance attestation.
- The CRA must provide appropriate training and explanation of the data being shared to gambling operators, to support their objective to identify potential gambling harm, and avoid unnecessary queries being raised. (including highlighting the periodic nature of data

submissions to CRAs which can result in a lag of information becoming available as appropriate)

#### 6) Data queries

- The expectation of CIGB is that information supplied to gambling operators will primarily be modelled outputs (such as risk grades or scores) that will support the operator in engaging their client and meet the UKGC licensing conditions
- Should a client challenge the analysis or information being processed by the gambling operator, this must be investigated by the gambling operator. Where appropriate the gambling operator should obtain alternative (and potentially more up to date) evidence to support their client claims. Awareness of the monthly cycle of data reporting should be part of the CRA training, which can result in a lag in information being available at the CRA, and the education of gambling operators. CIGB, through the Advisory Councils, shall keep this policy decision under regular review which will include a review and ratification of the exemption at the point that the final UKGC LCCP conditions are published. CIGB will also agree a timetable for an in-depth review of data reciprocity, which is a condition of the exemption agreement.

Date agreed: December 2023

#### *5.9 MAKING CRA SCORE DATA AVAILABLE AS A CONDITION OF ACCESS TO THE BANK OF ENGLAND'S DISCOUNT WINDOW FACILITY*

In accordance with the Bank of England market notice of 30 November 2010<sup>9a</sup> a dispensation has been agreed to allow the provision of anonymised loan level data to central banks (such as the Bank of England) and authorised investors, potential investors and certain other market professionals acting on their behalf for the purposes of accessing the central bank's liquidity insurance facility.

Date agreed: December 2011

#### *5.10 IN-HOUSE COMPLIANCE*

In order to facilitate the management of different levels of data use in multiple applications, control of data supply is normally managed by the CRA. However, if agreed between the subscriber and their supplying CRA and subject to rigorous contractual and auditable procedures, subscribers of the shared database may access data at the maximum level to which they are entitled. They must then control, suppress or reprocess all or part of that data, within their own systems in order to undertake subsequent activity.

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<sup>9</sup> <http://www.bankofengland.co.uk/markets/marketnotice101130abs.pdf> -para 11

The data should be refreshed as appropriate but on at least a quarterly basis to maintain compliance with the Principles.

<http://www.bankofengland.co.uk/markets/marketnotice101130abs.pdf> -para 11

Date agreed: September 2004, December 2011

#### *5.11 THE BROKER PROCESS*

Brokers may also access data when working on behalf of an existing shared data subscriber(s), subject to delegated authority being in place. This may be a broker working on behalf of a single lender or working on behalf of multiple lenders. In both cases, authority would be needed from all the lenders the broker is working with. Where the broker is working with multiple lenders, the footprint on the consumer's file will be under the name of the broker. This means that the consumer will only have one footprint, which should be a quotation search.

If the consumer decides to accept any offer, a full credit search should then be carried out by the lender in question. The broker can only use the data provided for the purpose of a quotation e.g. not used for marketing purposes.

#### *5.12 PRE-APPLICATION*

Pre-application involves a consumer wanting to ascertain the likelihood of being accepted for a credit product should they make an application for credit to an organisation. The pre-application process avoids the need for the consumer to make multiple (and sometimes unsuccessful) credit applications. Rather than making multiple credit applications, the consumer will simply approach an aggregator or lender.

Where an aggregator is engaged by an individual, their data is either passed to the black box provider or directly to a lender to process the pre-application search. The black box provider will request the individual's credit file from a CRA in the same way that a lender would and is permitted to access the same level of data for preapplication purposes as the lender. This approach aims to create consistency of data availability regardless of the application/assessment path that an individual chooses. The Black Box Provider or lender would then process the data using scoring and/or policy rules (where these have been provided by lenders to the black box provider). Where individuals' information has been passed directly to a lender from the aggregator, the lender will return any offer back to the aggregator for it to include in a list of offers being presented back to the individual. The black box provider will populate a list of offers for which the individual is more likely to be accepted should they choose to apply.

The individual does not see any credit bureau data and is purely presented with potential offer(s).

#### *5.12.1 The Pre-application Process*

Any pre-application request for CRA data should be called 'pre-application', and access to the CRA data for this purpose should be restricted to benefit subscribers of Closed User Groups only.

#### *5.12.2 Reciprocity Rules for the use of Closed User Group Data for Preapplication*

- Existing rules on the level of reciprocity applies, i.e. aggregators can only benefit from full level data for full Closed User Group subscribers, and only default level data for default level subscribers
- The black box provider or lender(s) are permitted to access the same level of data for pre-application purposes.
- The CRA can provide the lender with the appropriate level of data that it contributes
- The black box provider or lender(s) will not pass any CRA data to the aggregator. It should only supply an aggregated risk indicator/Score.
- CRA data may only be retained by the Black Box Provider for:
  - enhancement of decisioning for the pre-application service where authorised by a Closed User Group subscriber for its benefit only
  - validation and audit trail purposes for a maximum of 90 days
  - supporting the processing of multiple pre-applications requests from the consumer for a maximum of 90 days
- CRA data or derived data cannot be used by the Black Box Provider or aggregator for outbound activities
- All pre-application searches must be quotation searches or similar, and these must not be included in credit Scorecards. The search footprint should be in the name of the aggregator or lender and in line with the consumer's expectation
- A lender must ensure that a full credit check is still carried out and a credit application search footprint is left if the consumer subsequently applies for credit using the recommendation from the aggregator

- CRAs must have robust and demonstrable governance in the form of contractual terms with the Black Box Provider to ensure compliance with the PoR. These terms should include the right of audit
- Any comparisons/rankings/indicators of likely acceptance that are generated using CRA data by the Black Box Provider and/or aggregator must be transparent and fair to all participants in the process
- The Black Box Provider must provide a full list of all lenders which receive the benefit to allow a CRA to ensure that they are Closed User Group subscribers
- In a pre-application channel where some consumers have originated from another closed user group subscriber's declined applicant pool, lender(s) cannot request an aggregator to provide a marker identifying from which closed user group subscriber each consumer has originated.
- Lenders and black box providers cannot use pre-application data to perform conversion rate analysis. Conversion rate analysis refers to the process of observing how conversion rates (defined as # applications received / # quotes issued) vary against any CRA data characteristic returned as part of the preapplication process e.g. plotting conversion rate versus a CRA risk Score to inform potential product strategy and credit policy formation. Standard clauses /notifications must be used by aggregators and lenders on their sites to ensure that the data used in the pre-application process is used for the purpose for which it was obtained.

Date agreed: June 2013 and August 2017

### *5.13 RENTAL DATA*

#### *5.13.1 Social Housing Sector*

Social housing providers have a responsibility to provide affordable housing. In order to facilitate a better understanding of new and existing social housing tenants, CIGB have agreed that credit performance data can only be used by social housing providers to enable them to gain a better understanding of tenants' financial situations so that they can identify and support vulnerable individuals and families under financial stress. With the introduction of Universal Credit, social landlords need to better assess affordability aligned to specific properties and their costs so they can provide appropriate service and financial support. Credit performance data will be provided to contributing rental subscribers (social housing providers) and private landlords who also have a proportion of their books that are social housing tenants. The data is shared between rental subscribers and credit performance data providers on a reciprocal basis, in that credit performance data providers will be able to access the social housing rental data when making credit and

affordability decisions and social housing landlords can use credit performance data to assess affordability for tenants.

#### *5.13.2 Private Housing Sector*

Private housing providers want to ensure that they understand their tenants' affordability position in order to ensure sustainable and successful tenancies. To facilitate a better understanding of new and existing tenants, CIGB has agreed that credit performance data can only be used by private landlords with more than 100 properties, and letting agents that provide end-to-end tenancy management for more than 100 properties on behalf of individual landlords, to enable them to consider a tenant's financial situation when making credit and affordability decisions and proactively manage customer needs throughout the tenancy agreement. Companies in this category must maintain access on a reciprocal basis in that rental performance data must be provided.

Date agreed: June 2015

### *5.14 TRADE CREDIT*

#### *5.14.1 Background*

- Under previous versions of the PoR the sharing of data by trade credit providers was specifically prohibited within the closed user group. Following a number of discussions with subscribers it was unclear as to why this specific exclusion was cited; however it remained in place for a number of years.
- The Small Business, Enterprise and Employment Act 2015 ([http://www.legislation.gov.uk/ukpga/2015/26/pdfs/ukpga\\_20150026\\_en.pdf](http://www.legislation.gov.uk/ukpga/2015/26/pdfs/ukpga_20150026_en.pdf)) which mandates the sharing of current account, credit card and loan data by designated banks with designated CRAs, specifically restricts the parties that can benefit from this data sharing to finance providers, making specific reference to the exclusion of trade credit (defined as business to business credit for normal trading purposes not part of a credit agreement from a commercial lender, e.g. goods supplied on monthly invoice payment terms).
- There are already non-reciprocal data sharing schemes in existence covering the provision of trade credit data operated independently by commercial CRAs, outside of the PoR. These schemes enable any subscriber to a CRA's credit reporting services to access summarised information about a subject's payment behaviour regarding its trade credit accounts. Unlike data accessed under the PoR, the information shared with CRAs by trade credit providers is aggregated across all known trade credit accounts and delivered to subscribers in aggregated and summarised form.

- Current subscribers of CIGB are potentially able to benefit from these existing non-reciprocal trade credit data sharing schemes via their chosen CRA; however there are no reciprocal benefits delivered to trade credit providers.

#### *5.14.2 Current Position*

- Enable trade credit providers, who share their account performance data with a CRA, to benefit from the commercial credit data shared under the PoR in the form of summarised credit data and improved credit Scores, within the services they access via that CRA.
- Summarised credit data will be defined as Scores and summary characteristics (e.g. total number of accounts, total value of defaults etc) and will not under any circumstances allow trade credit providers to access raw account level data shared by credit providers under the PoR.
- In line with the current principles for new subscribers of the trade credit group, there will be a 3-month grace period in which the trade credit provider can access the wider performance information while building the provision of their trade credit data. If after 3 months no trade credit data has been provided, then their access will be removed and any trade credit data provided would be deleted.
- The non-provision of data by a trade credit group subscriber for a prolonged period of time will be reported to CIGB and handled in line with the current principles.
- The trade credit group subscriber must provide their trade credit account performance information, covering all open items, in a form agreed between the CRA and the trade credit provider.
- The trade credit group subscriber must as a minimum provide an update to the information in each month following the month in which the information was first provided.
- The trade credit group subscriber must respond to data disputes relating to the data they have supplied, when raised either directly to them by the subject or via the CRA. Dispute response timelines should be in line with other data shared under the PoR. The CRA must be able to identify the trade credit provider to the subject that either requests a copy of their own credit file or subsequently raises a dispute, in line with other shared credit data.
- Providers of commercial credit should continue to provide performance data into existing schemes such as Commercial CAIS and Commercial Insight to ensure full access is retained.
- The sharing of trade credit data does not entitle the sharer to access the consumer credit databases held by the CRA. The trade credit providers are only able to access consumer

credit data if they are already part of the Commercial CAIS, Insight or equivalent data sharing agreements as set out in the crossover rules in the PoR.

- Retrospective analysis based on summarised credit data can be provided to a subscriber of the trade credit group by the CRA.

- The CRA may use summarised credit data within the Scores provided to the trade credit group to ensure they are consistent with those provided to CIGB subscribers.

- The CRA can provide subscribers of the trade credit group with summarised credit data for the development of in-house scoring modules.

- The CRA may provide a prospective subscriber of the trade credit group anonymised summarised credit data to enable the trade credit provider to assess the potential benefits of becoming a subscriber summarised credit data can be used by the trade credit group for the following purposes:

- o Application risk assessment

- o Account Management

- o Collections

- o Fraud Prevention

- In order for a trade credit provider to access summarised credit data from Commercial CAIS, Insight and similar databases they will need to have in place the relevant fair processing notifications to the business or its partners/directors etc. That data will be accessed and shared for the above purposes.

- Any search carried out by a trade credit group subscriber will leave an appropriate footprint on the subject's credit file and will be visible to the subject should they request a copy of their file.

- The CRA must enable the trade credit data provided under this agreement to be available equally to organisations sharing data under the PoR to ensure the principles of reciprocity are upheld.

**Table - Trade Credit Rules of Use for Commercial**

	Summary Characteristics	Aggregated Positive Risk Score and non-risk scores	Aggregated Negative Risk Score
<b>New Prospect Screening</b>	No	No	Yes
<b>Existing Customer Screening to offer a product on a shared portfolio</b>	Yes	Yes	Yes
<b>Application Risk Assessment</b>	Yes	Yes	Yes
<b>Existing Customer Credit Management on a shared portfolio</b>	Yes	Yes	Yes

Summarised Performance Data

NB: Fraud prevention is covered under Application Assessment and Existing Customer Management.

NB: Summary characteristics would be defined as derived variables (not raw data) based upon aggregated commercial performance data (e.g. total number of active accounts, total value of defaults etc.)

In order for a trade credit provider to access shared commercial performance data via CAIS and Insight they must provide trade credit data to the CRA.

Date agreed: November 2015

## 6 CUSTOMER LEVEL MANAGEMENT AND THE INCLUSION OF CURRENT ACCOUNTS

Requires an Executive Commitment

The requirements to use aggregated positive risk Scores on current account Portfolios are:

- Default Data must be shared across the full current account Portfolio
- Positive Data must have been shared across all lending products for (as a minimum) accounts opened in the 12 months prior to the organisation starting to access the data, and for all new accounts opened thereafter

- An organisation will provide an Executive Commitment to share current account positive data, as well as a plan to illustrate their expected timeframes. It is expected that such data will be shared within 5 years of the organisation’s first use of a positive data aggregated risk Score

- The organisation must confirm, on an annual basis, progress against their plans for sharing current account positive data

Activity	Aggregated Risk Score (default data)	Aggregated Risk Score (positive data)
C/A facility increases (to O/D limit or debit card functionality/limit) - Outbound	YES	NO
C/A facility increases (to O/D limit or debit card functionality/limit)- Inbound	YES	YES
C/A application risk assessment (customer)	YES	YES
C/A application risk assessment (non-customer)	YES	NO
Renewing existing facilities	YES	YES
Transaction authorisation	YES	YES
Management of temporary excesses (not increasing O/D limit)	YES	YES
Arrears/delinquency management (including facility restructure)	YES	YES
Arrears/delinquency alert	YES	YES
Identification of over-commitment	YES	YES

**7 PORTFOLIOS WHERE NOTIFICATION TO SHARE POSITIVE DATA WAS ONLY PROVIDED FOR SOME ACCOUNTS**

**REQUIRES AN EXECUTIVE COMMITMENT**

The requirements to use aggregated positive risk Scores on all accounts are:

- The organisation must share Default Data in respect of ALL accounts in the Portfolio
- Positive Data must be shared for (as a minimum) all new accounts opened in the 24 months prior to the organisation accessing the data and ALL new accounts opened thereafter, within the Portfolio must be shared
- A “Data Sharing Policy” must be established, which must include Executive Commitment (see Section 9) to seek to increase the level of positive data sharing on historically opened accounts

## 8 Additional Positive Data for Consumer Credit and Store Cards Only

### 8.1 PROVISION OF DATA

Providers of consumer Credit & Store Cards have agreed a list of behavioural data fields designed to help identify customers who may show signs of over-indebtedness and/or financial stress. Provision of the additional credit and/or store card behavioural fields is optional for credit or store card issuers.

### 8.2 ACCESS TO DATA

Credit and/or store card providers who supply the additional positive data may access the equivalent data from other credit & store card providers.

Those providers that have card Portfolios but choose not to share the additional data are not entitled to receive it. Those providers that have card Portfolios but cannot share the additional data for technical/platform constraints but who make an Executive Commitment to do so may access the data to make decisions on the relevant Portfolio (on which the commitment has been made) for up to 12 months from the date of access.

However, in order to enable access to those subscribers that do not have a card Portfolio, there is a dispensation at a Group level such that those Groups that either share or commit to share on all their Portfolios, or who do not have credit or store card Portfolios, may also access this data for making decisions on other types of product.

Any organisation unable to meet the reciprocity requirements at a Group level is then restricted to Portfolio reciprocity only.

In the event that an organisation that has already met the group level reciprocity requirement merges or is taken over by another organisation that is operating at a Portfolio reciprocity level, (because they do not meet the reciprocity requirement under the new merged group status) existing sharing arrangements (within the original group) may continue for up to 24 months, from the date of merger, subject to an executive commitment from the new group. This dispensation may only be sought for organisations where the whole (new) group intends to move to a group reciprocity position within 2 years. The other part of the group (that did not share data across all cards) may access BDS data for up to 12 months before supply under an executive commitment arrangement.

In the event that the new group is not willing or able to move to full reciprocity the original group may continue to operate within the original group sharing agreement for a period of 12 months after which time they should revert to the Portfolio reciprocity rules.

Examples:

- Bank E has two credit card Portfolios, personal loans, current accounts and mortgages. They have decided not to share the new data on either of their Portfolios and may not access the new data for any Portfolio.
- Bank Z manages 25 credit card Portfolios, many of which may appear to consumers to be owned by other organisations. However, Bank Z owns the receivables and may only access the data for those Portfolios on which the data is shared. Only if every Portfolio is shared or executive level commitments are in place, may the data be used at a customer level.

### **8.3 SETTING UP ACCESS TO THE DATA**

For new subscribers of the shared database, CRA contracts will require organisations to declare their position on supply of and eligibility to receive data and to confirm that they have a subscription contract directly in place with CIGB. They will also be required to undertake to notify immediately of any change in their situation such as the purchase or sale of a Portfolio or issue of a new product. For existing subscribers of the shared database, CRAs will seek a declaration of entitlement to the data before making it available. This will be in addition to any Executive Commitment

## **9 EXECUTIVE COMMITMENT PROCESS**

From time to time CIGB agrees dispensations to allow sharers time to bring their systems into line with new agreements. Such dispensations generally allow access to data for a specified period, against a commitment to supply data within a given period of time.

The following process covers access to shared data under the following areas:

### **Customer Level Management and The Inclusion of Current Accounts For Consumers (Section 6)**

- An organisation will provide an Executive Commitment to share current account positive data, as well as a plan to illustrate their expected timeframes
- It is expected that such data will be shared within 5 years of the organisation's first use of a positive data aggregated risk score

### **Portfolios where notification to share Positive Data was only provided for some accounts (Section 7)**

- A "Data Sharing Policy" must be established, which must include Executive Commitment to seek to increase the level of positive data sharing on historically opened accounts

- Access to additional Positive for credit and store cards
- Access to data will be permitted for 12 months ahead of supply against an executive commitment to supply data
- Access to commercial Data (and crossover agreement for those companies accessing commercial data ahead of supply)

[Data was to be supplied at the latest by September 2009]

*Access to additional behavioural data on credit and store cards for card issuing groups working towards supply of data (Section 8)*

Access to data will be permitted for 12 months ahead of supply against an executive commitment to supply data.

**The EXECUTIVE COMMITMENT letter will capture which dispensation the organisation is seeking to exercise and should be sent to the relevant Credit Reference Agency. It must include the following information:**

Name of Organisation	AN Other Bank Registered Office
Accountable Compliance Officer Name, Title and Contact Details Executive Sign-off Name, Title and Contact Details Signature Date	
Name of Credit Reference Agency	AN Other CRA AN Other 2nd CRA
Accountable Compliance Officer Name, Title and Contact Details Executive Sign-off Name, Title and Contact Details Signature Date	

## 10 QUESTIONS & ANSWERS

The following Q&As have been compiled to help clarify certain aspects of the Principles. They address queries that have arisen since the Principles were written and are updated from time to time (as new issues arise).

### 10.1 ABOUT THE PRINCIPLES

#### 10.1.1 What are the Principles of Reciprocity?

The PoR are a set of guidelines governing the sharing of personal and business credit performance and related data via the Closed User Groups at the CRAs.

#### 10.1.2 What is reciprocity in data sharing?

It is the terms under which data within the shared credit databases may be accessed and used. Reciprocity is often described as “You get what you give”. However, for clarity it is helpful to define the levels at which this applies:

- Portfolio level
  - ▶ Portfolio = product or even brand or type within a product
  - ▶ E.g. all credit cards/subprime credit card
- Account within Portfolio
  - ▶ Account = A. N. Other account within the Portfolio
  - ▶ E.g. if only accounts opened after 1 January 2009 are shared then only those accounts may access data for account management except when a Section 7 PoR dispensation for split books applies. So, shared data can be used for application risk assessment if the account will be shared if it is opened or if a dispensation applies. Shared data can be used for account management if data is already shared on the account or if a dispensation applies.

For behavioural data sharing at group level see Section 8.

#### 10.1.3 What data sharing schemes do the PoR cover?

The PoR regulate credit performance data on consumers and businesses that are shared via Closed User Groups at the CRAs. These are currently the databases of mainstream CRAs: Experian Consumer and Commercial CAIS, Equifax Consumer and Commercial Insight and TransUnion Consumer SHARE.

#### 10.1.4 How are the Principles administered?

It is the intention of the UK finance industry to ensure that all companies which utilise and/or subscribe shared data to mainstream CRA databases (CAIS, Insight, SHARE),

undertake to abide by the Principles. The CRAs have included adherence to the Principles in their client contracts and they have a responsibility to ensure that they only supply data in accordance with the rules. Subscribers also should ensure that adherence to the Principles forms a part of their own internal audit procedures. The industry established the Steering Committee on Reciprocity (SCOR), a cross industry forum, to administer and develop the PoR. This has now been superseded by the Credit Information Governance Body (CIGB) which operates and regulates the credit information industry as a self governing body. Its powers are enshrined in contract law and breaches can ultimately result in cessation of data sharing with an organisation that does not adhere to PoR and subscription contract requirements.

*10.1.5 How can I be sure that other organisations are keeping to the rules?*

The CRAs have included adherence to the Principles in their client contracts and they have a responsibility to ensure that they only supply data in accordance with the rules. Subscribers also should ensure that adherence to the Principles forms a part of their own internal audit procedures as they each have a direct contract with CIGB and a legal commitment to adhere to the PoR and the rules within the Subscription Agreement.

*10.1.6 Don't these rules restrict free competition?*

No, the rules of CIGB allow for any organisation to share data and are designed to encourage data sharing. The Principles ensure that access to information on individuals is for defined, appropriate purposes which relate to responsible lending and far from restricting free competition ensure a level playing field.

*10.1.7 What happens if subscribers do not adhere to the Principles?*

The CRAs, as suppliers of the data, will work with the subscriber to ensure that they do comply. If they refuse or there is a dispute the matter may result in an appeal to CIGB and/or access to the data ceasing. There is a detailed enforcement process in CIGB's policy that ranges from an organisation being allowed time to correct an error and adhere to the rules through to ultimately being cut off from data sharing any credit data. By not adhering to the rules, the contract with CIGB would have been breached. A breach may also result in other regulators being informed as part of the CIGB's MoUs with those regulators.

*10.1.8 Principle 3 requires that "Data will be shared on the principle that subscribers receive the same credit performance level data that they contribute, and should contribute all such data available". What does "contribute all such data available" mean?*

On a Portfolio basis a subscriber will have access to the level of data that it shares, and this data can only be used for that Portfolio. For example, if a subscriber has a cards

Portfolio which is not shared, then it will not receive that data, or if it only shares at default level on that Portfolio, it will only receive default data.

*10.1.9 Principle 7 talks about the need for organisations to ensure compliance with the PoR. In practice, how might this compliance be achieved?*

There are a number of ways to accomplish this. One option is to ensure that the remit of the organisation's internal audit department covers adherence to the Principles. The key to compliance is ensuring that sufficient focus is given to the education of all shared data users about their responsibilities to adhere to the Principles. As part of this, the sign-off process for activities using shared data should include confirmation that the planned use of the data complies with the Principles.

**10.2 ABOUT CIGB**

*10.2.1 What is the role of CIGB?*

Operational Objective: The CIGB will actively define, govern, and promote data sharing rules and data standards along with relevant industry initiatives. By doing so, it aims to establish a robust foundation for the efficient exchange of credit information within the industry.

Consumer Objective: The CIGB will promote good outcomes for all consumers. It will support the credit information industry to build transparency, trust, understanding and fairness. In doing so it will have regard for the impact credit information has on consumers in terms of access to credit and other goods or services.

Future-Looking Objective: The CIGB recognises the dynamic nature of the industry and embraces a forward-looking approach. It is dedicated to support competition and innovation to ensure that the industry remains adaptable and sustainable in the face of evolving technology and customer needs.

There is a need for effective governance of credit information, ensuring that the CIGB's responsibilities extend beyond those of SCOR today and enable data-sharing rules to encompass key industry standards and oversight. The discussion on roles and datasets was first framed in report one, and industry feedback following its publication was carefully considered in refining these recommendation.

**CIGB's roles**

The role(s) of an organisation is defined by external expectations and responsibilities, providing a framework for behaviour and decision-making. The role(s) is linked to the function of an organisation.

A set of role principles were defined to facilitate discussions on the breadth of potential roles and will form part of the overall CIGB design principles. Design principles are used to help an organisation adapt to the changing business strategy so that it functions efficiently and achieves its objectives.

Role principles:

The CIGB will lead relevant CIMS remedies to conclusion at the request of the FCA or stakeholders and be responsive to any changes in the industry.

The CIGB should have sufficient scope over its roles to be able to adapt to a changing market.

The CIGB's activities do not need to benefit all stakeholders but will evidence consideration of impacts on all stakeholders.

The CIGB as an entity will promote good consumer outcomes and will support industry in enhancing financial inclusion, aligned with its objectives.

The CIGB will make every effort to ensure that all data sharing rules and standards meet and do not conflict with all applicable regulations.

The CIGB must have the ability to prevent and deal with inappropriate behaviour or non-compliance with its rules and standards.

Roles undertaken must be transparent, contribute to the agreed stakeholder outcomes and support the CIGB's objective to help improve the credit information market.

#### **10.2.2 Who sits on CIGB?**

CIGB has a board constructed from independent and industry nominated directors. These are underpinned by 3 Advisory Councils which are made up of subscribers of CIGB.

#### **10.2.3 Can anyone join CIGB?**

Any organisation that is involved in producing or using credit information in the UK must be a CIGB subscriber. There are other ways to get involved with CIGB for stakeholders that do not require a subscription agreement, such as via Advisory Councils.

#### **10.2.4 How can I engage with CIGB on any particular issue that I may have?**

There are many ways you can engage with CIGB, either as a subscriber or a stakeholder. You can contact the organisation directly at any time however, you may be eligible to sit on or join an Advisory Council or perhaps you can answer one of the CIGB subject specific calls for input.

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*10.2.5 If I consult with CIGB on a new use of data that I wish to develop, how can I be sure that product confidentiality will be maintained as well as ensuring compliance with the Principles?*

It is advisable to consult with your internal PoR expert first. If they have any doubts they should consult CIGB, or your CRA, before initiating a new use of data. A new use of data could be planned in complete confidence, with the details revealed only at the time of a formal product launch.

### **10.3 CIGB SUBSCRIPTION**

*10.3.1 How does becoming a new subscriber of shared data work in practice?*

Access to shared data for a new subscriber only occurs when the organisation concerned has entered into a contractual commitment with CIGB and with one or more of the CRAs, to supply data relating to their own customers within 3 months of the start of any usage. This must be followed up by the supply of the organisation's own shared data within 3 months of the start of any usage. The data that is accessed will be strictly at the same level as the data that are shared (see sections 2 and 4.3).

As has always been the case, where a new subscriber fails to provide the necessary data in return, then access to the shared data may be restricted or suspended by the CRA.

*10.3.2 Do I have to share data with all the CRAs?*

An existing subscriber with one or more of the CRAs may decide to extend their data sharing to include the other CRAs. The subscriber will be treated as an established subscriber when sharing data with another CRA. It is recommended that subscribers share their data with each of the CRAs.

*10.3.3 What happens if my organisation has been sharing positive data on its Portfolios, but then acquires a Portfolio where a positive data has not been shared historically?*

If your organisation wishes to change the level of data sharing on the acquired Portfolio, then this qualifies as a new subscription in line with the provisions of section 3.5.

*10.3.4 What happens if my organisation is an established full data subscriber but adds new accounts to the Portfolio(s) (possibly as a result of a joint venture) for which notification to share full data was not provided?*

Assuming that you wish to continue to share data on the original accounts, you must act in accordance with Section 7. Importantly, you will not be able to access shared data on the "new" section of accounts until full data for all accounts opened in the last 24 months (or longer) are shared. (Refer also to 11.8.1).

*10.3.5 What happens if my organisation has been sharing positive data but now considers that it is no longer appropriate to do so?*

Initially you should discuss this with your CRA, as they may be able to reassure you on items or resolve any issues you have. If it is indeed the best option to cease data sharing then technically this is possible, however, the live account records will have to

be removed from the CRA files once data sharing has ceased. Default records can only remain on the CRA files if a mechanism is in place to update the current balance. However, if you stop sharing data then you will be unable to see other data that until now you may have been using in your business processes.

*10.3.6 My organisation is joining the shared database for our new mortgage product. We are aware that we are required to provide data within 3 months of access but, as a default only supplier, this is unlikely to be possible, as we will not have any defaults in that timeframe?*

If you have provided acceptable test files, and you have the capability to supply the data each month, then you are compliant with the principles. The fact that you are ready but have no data to supply for a number of months effectively means that you are supplying a "nil" return. This is sufficient as long as default data are provided as soon as they exist. A similar situation may also conceivably arise even with a full data supplier; e.g. for a product with an extended drawdown period.

*10.3.7 My organisation currently has no credit or store card products. Can I access the additional positive data for credit and store cards?*

The additional positive data for credit & store cards are provided to help full data sharers identify and prevent financial stress and over-indebtedness. Section 8 outlines the conditions for accessing this information. In simple terms, the data are accessed on a reciprocal basis only, but also may be utilised by organisations that cannot share any such data because they do not have those products.

*10.3.8 My organisation currently has no credit or store card products and accesses the additional positive data for credit and store cards. We have decided to start offering a credit card. What effect will this have on how we use the data?*

When you set up a data sharing agreement with your CRA, your contract will ask whether you propose sharing the additional positive data for credit & store cards. In accordance with the arrangements for positive data sharing you have three months from the date on which you first use the data to supply data to a CRA. If however you decide not to supply the additional positive data for credit & store cards, neither the new credit card nor any of your other products may use the additional positive data for credit & store cards from other subscribers.

*10.3.9 My organisation operates affinity programmes and owns the receivables for a number of other card issuers. Are we allowed to use the additional positive data for credit and store cards?*

If you own the receivables for a number of Portfolios, you may only access the data for those Portfolios on which the data is shared. Only if every Portfolio is shared may the data be used at a customer level.

*10.3.10 My organisation offers a credit card product outsourced to another organisation which owns the receivables. What data are we and the other organisation allowed to use?*

If your organisation either has no other credit or store cards on which you own the receivables and therefore you are unable to contribute any data, or you are already sharing the data on all or any credit or store cards that you have, you may access the new additional positive data for credit and store cards. The other organisation (that owns the receivables) may access data in accordance with Section 8.

*10.3.11 My company met the reciprocity rules for credit card behavioural data sharing and now we have merged with another company that has not. Does that mean we can no longer use the data?*

There is a dispensation in place for your company to continue to use the data in the same way - i.e. within the original group of businesses - for up to 2 years as long as the rest of the enlarged business is planning to become compliant too. If they do not plan to share all their behavioural data then you must revert to the rule that says only the business supplying data may access behavioural data.

Example: Bank A offers a full range of products including overdrafts on current accounts, mortgages, personal loans and cards. Bank A is supplying BDS data on all card Portfolios. Based on reciprocity principles, the non-card Portfolios [overdraft, loans and mortgages] are permitted access to BDS data.

Bank B is a similar group but is not sharing BDS data on all or some of their card Portfolios and has not signed an Executive Commitment to share the data; therefore access to BDS data is not permitted for any Portfolio unless data is shared. For those card Portfolios where data is shared, BDS data may be accessed for making decisions on those Portfolios only.

Bank A and Bank B merge. Under current BDS data sharing principles, Bank A would lose access to BDS data for non-card Portfolios [overdraft, loans and mortgages], as Bank B is not sharing on all its card Portfolios.

Under the dispensation at 9.2 the following applies:

- If the new merged group, including Bank B, signs an executive commitment to move to full BDS data sharing across all Portfolios:
  - o Bank A may continue with existing access arrangements, within the original group, for up to 24 months from the date of merger
  - o Bank B may commence access to BDS data, across all Portfolios for up to 12 months before all cards Portfolios share BDS data

- If Bank B does not sign an executive commitment to move to full BDS data sharing across all Portfolios

- o Bank A may continue with existing access arrangements, for up to 12 months, from the date of the merger, after which it must revert to Portfolio reciprocity.

- o Bank B will continue to observe the Portfolio reciprocity rules.

*10.3.12 We are an insurance company. Are we allowed to participate in the shared databases?*

Insurance itself is not credit and cannot be provided to the CRAs' shared databases; however if you offer credit terms for payment of premiums, this element can be shared.

As such, financial shared data can only be used when a decision about whether to offer credit terms and the associated charges needs to be made.

#### 10.4 DEFINITIONS

*10.4.1 I note that an existing customer is defined as currently having or having held a credit account (including a current account) within the last 2 years.*

*What is the definition for these purposes of a credit account?*

A credit account permits or specifically includes a credit or deferred payment facility usually but not always, under the Consumer Credit Act, whether or not that facility has been exercised.

*10.4.2 Can I use shared data to manage my existing customers?*

Data are shared under the Principles to promote responsible lending, both for application assessment and in the management of existing customers. The essential element of data sharing is a reciprocal approach to providing and accessing account information (through mainstream CRA databases CAIS, Insight and/or Share). Sections 2 and 4.3 summarise how the shared data may be used.

Sometimes it is not feasible for an organisation to provide full data on a specific group of accounts. In the case of current accounts and accounts where no notification was provided, specific conditions are outlined in Sections 6 and 7 which allow access to the shared data (subject to an Executive Commitment) even for the management accounts that are not being shared.

*10.4.3 Can I access a type of data that I do not contribute to the Closed User Groups?*

The integrity and robustness of the shared databases depend on all subscribers providing the same, complete data (subject to the subscription levels outlined in section 3). However, there are key product differences and issues that have been agreed by CIGB. For example the provision and use of the additional positive credit and store card data

(Section 8) whereby more or less data can be supplied in specific circumstances.

*10.4.4 Although use of raw data is only permissible for specific purposes, can I take a feed from my CRA(s) to manage these in-house?*

Yes, it is permissible for the CRA(s) to pass raw data to a subscriber. However, the use of this data remains under the governance of the PoR. For example, the subscriber may wish to develop its own aggregated risk Score.

As the data has passed outside of the CRA's control, it is essential that auditable processes are in place which demonstrate adherence to the Principles. Depending on the level of raw data supplied if the lender is taking responsibility for matching under the third-party data agreement the CRA is required to notify the ICO.

*10.4.5 What is aggregated data?*

Aggregated data is a general term used to describe data from which specific elements cannot be individually identified, this could mean data which is a count, an indicator, totals or averages, a Score or data which is postcode level only. This can also be described in the form of a characteristic which is a description of a data field (for example sum of revolving balances or total of all active record) in which the aggregated data is displayed for an individual or business.

There may be occasions when although the data is aggregated the field only contains one data item, any such items should still be treated as aggregated, and it is accepted that this is in some cases unavoidable.

**10.5 MARKETING**

*10.5.1 How can consumer data be used in marketing?*

The Principles now make a demarcation between providing a service to existing customers, which may include the offer of new products, and the identification of, and making offers to, new prospects which have either no relationship at all or a non-credit relationship with the lender. Managing the relationship with existing customers is also covered in Section 6.

Raw positive shared consumer data must never be used to create new prospect lists, or in the selection of existing customers for further products or increased facilities. Raw delinquent, default, certain agreed positive or negative characteristics and search footprint information may be used to exclude existing customers and new prospects consumers from target lists used to offer a product on a shared Portfolio.

*10.5.2 I wish to use an aggregated negative risk Score to support a new prospect screening activity. Can I exclude higher scoring prospects (who may be unresponsive or potentially inactive) from my selections?*

This practice (sometimes known as “topping”) is not an allowable use of the shared data. The aggregated negative risk Score may be used only as an adverse risk indicator to exclude prospects on the basis of credit risk at the lower scoring end of the Score distribution. For further information on the allowable uses of shared data please refer to Section 2 of the Principles.

*10.5.3 What does Principle 5 on the uses of shared data mean when I am performing prospect list screenings?*

The purpose of this Principle is to prevent shared data being used to target any customers of other specific subscribers. Shared data may not be used to screen new prospects from a list where a specific subscriber has been identified and in particular the shared data may not be used in ways that specifically target the customers of the originator of the information.

The following example covers what is not an allowable use of shared data: An individual holds a credit card with Organisation A and completes a lifestyle questionnaire stating that they hold such a card. Organisation B purchases the lifestyle questionnaire data and performs new prospect screening versus the shared data. In the absence of any negative data on the individual cardholder, Organisation B can assume that the individual is a customer of Organisation A with a good credit record. This is not an allowable use of the shared data.

*10.5.4 How does Principle 5 work in practice?*

If a prospect list is submitted to a CRA for screening, how will the agency know the criteria used to generate the records on the list?

The organisation submitting the tape has a responsibility to ensure that the records have been selected in accordance with this Principle, which has been agreed between the data sharers and the CRAs. The CRA may ask for details of how the selections have been made, and may ask for documentation that supports the selection process.

*10.5.5 I believe that as a result of the Representation of the People Act, we may no longer use the full electoral register to “clean” existing marketing lists of consumers that are no longer at an address, is there any way that shared data can be used to help here?*

This has been discussed and, because of the restrictions on the use of the shared data for marketing purposes, it has been agreed that the shared data may be used by subscribers strictly to remove data but not to enhance it.

*10.5.6 In what ways can negative data be used in target marketing?*

Negative data may be used as adverse risk indicators to screen target marketing to new prospects and remove them from lists. Section 2 provides a summary of the allowable uses of the shared data.

*10.5.7 Can shared data be used for non-risk assessment (e.g. the level of revenue or profit an applicant or an existing customer may generate, propensity to respond to a communication, propensity to voluntarily terminate an existing facility)?*

The shared data may not be used for the prediction of these outcomes for new prospect screening. Where an organisation is managing an existing customer's credit facilities, or processing a new application, the shared data may be used for the above types of activities, subject to the following restrictions:

**Additional Positive Data for Credit & Store Cards** This data is shared strictly in support of responsible lending and in order to help identify and assist customers who may be showing early signs of debt stress – such data must NOT be used to discriminate against customers who are likely to be unprofitable (i.e. provide low or no revenue streams), or to target those customers who are likely to be particularly profitable

Example: The 'Promotional Rate' flag is specifically designed to help lenders to differentiate between customers who may be paying the minimum payment due to the presence of a promotion on the account, as compared to those who may, for example, only be able to pay the minimum across multiple credit cards. This flag has NOT been developed to facilitate the identification of customers who tend to regularly transfer balances between credit cards, also sometimes referred to as 'BT Gamers'.

*10.5.8 I understand that the additional positive data for credit & store cards may be used as an adverse risk indicator for new prospect screening. How would this work in practice?*

When you provide a prospect list to a CRA for cleaning you will set the criteria for the removal of records that fall strictly within the definition of an 'adverse risk indicator' –see 4.2 – this may include criteria relating to additional positive data for credit & store cards.

*10.5.9 I understand that the early arrears data for credit & store cards may be used as an adverse risk indicator for new prospect screening. How would this work in practice?*

When you provide a prospect list to a CRA for cleaning you will set the criteria for the removal of records that fall strictly within the definition of an 'adverse risk indicator' –see 4.2 – this may include 'early arrears data for pre-screening' (also defined under 4.2).

## 10.6 APPLICATION RISK ASSESSMENT

### 10.6.1 How can raw positive consumer data be used in application risk assessment?

Raw positive data may only be used in the assessment of an application for risk, fraud prevention and/or ID verification and may not be used to offer improved or additional products. Specifically:

#### Raw Standard Positive Data

This data must not be used to offer credit limits, credit limit increases or balance transfer facilities deliberately targeted at accounts applicants may have with existing subscribers.

#### Additional Positive Data for Credit & Store Cards

In addition to the restrictions under 'raw standard positive data', it is imperative to note that this data is shared strictly in support of responsible lending and in order to help identify and assist customers who may be showing early signs of debt stress – such data must NOT be used to discriminate against customers who are likely to be unprofitable (i.e. provide low or no revenue streams), or to target those customers who are likely to be particularly profitable

Example: The 'Promotional Rate' flag is specifically designed to help lenders to differentiate between customers who may be paying the minimum payment due to the presence of a promotion on the account, as compared to those who may, for example, only be able to pay the minimum across multiple credit cards. This flag has NOT been developed to facilitate the identification of customers who tend to regularly transfer balances between credit cards, also sometimes referred to as 'BT Gamers'

### 10.6.2 The applicant for a mortgage has offered a guarantee from their parents. What checks may I make on these guarantors?

You may make the same checks on them that you would make on the applicant, providing you notify them of your intention to do so. The type of footprint should be an enquiry unless the CRA has a specific footprint type for this purpose.

## 10.7 CUSTOMER MANAGEMENT

### 10.7.1 I am aware that I cannot use the shared data for the creation of prospect lists but what about managing my existing customers? I would like to be able to ensure that I give them the best possible service and offer them the products that will best suit their needs.

The Principles take into account that many organisations wish to manage their customer relationships proactively and seek to not only manage such tools as total shadow limits but also potential purchases as well. Taking into account the restrictions on data according to sharing levels, aggregated positive risk Scores may be used to proactively

manage existing customers' future needs by anticipating their requirements, managing attrition and making offers.

#### Additional Positive Data for Credit & Store Cards

This data is shared strictly in support of responsible lending and in order to help identify and assist customers who may be showing early signs of debt stress – such data must NOT be used to discriminate against customers who are likely to be unprofitable (i.e. provide low or no revenue streams), or to target those customers who are likely to be particularly profitable

Example: The 'Promotional Rate' flag is specifically designed to help lenders to differentiate between customers who may be paying the minimum payment due to the presence of a promotion on the account, as compared to those who may, for example, only be able to pay the minimum across multiple credit cards. This flag has NOT been developed to facilitate the identification of customers who tend to regularly transfer balances between credit cards, also sometimes referred to as 'BT Gamers' In the development of an aggregated positive risk Score, this additional data must not be used as the only element(s) within a model

*10.7.2 My organisation has a number of companies within it and, when we manage our existing customers, we do so across the Group. Therefore we operate pan-group data sharing, i.e. information on all accounts is used to manage our customers. (This is covered by the appropriate notifications.) Thinking about 11.7.1, does this also cover existing inter-group customers?*

Yes, providing the Principles are followed.

*10.7.3 I share data on my range of products to different levels and wish to offer some of these other products to existing customers. What level of data can I see in order to drive suitable offers being made?*

If a consumer has applied for a credit product and has been accepted, they then have the status of a credit customer. You may then screen those individual customers to determine whether to cross sell additional product(s). Again you must ensure that you only use up to the same level of data shared on the product to be cross-sold in the screening process. Example below:

Lender 'A' has a Portfolio of Loan customers. Some are shared at full; some default and some not at all, depending on the notifications provided. They would like to offer all of their Loan customers a credit card. The credit card Portfolio is a full data sharer. As the Loan is a credit product, they may use data to the full level to which they are entitled to screen the

offering to existing credit customers. As the credit card is fully shared, a Score based on full data may be used.

Lender 'A' wants to offer other products to applicants for Loans, such as credit cards, mortgages and savings accounts. Loans are fully shared now, as are credit cards, but mortgages are shared at default level and, of course, savings are not shared. When Mr. S applies for a Loan, full raw data is available for the decision and he is offered the product, which he accepts. At that point, Bank Lender 'A' may then offer other products using Scores based on the following:

- Credit cards – full data
- Mortgages – default-only data
- Savings account – public data

or

- CRM Score based on default only (because Mortgages are at that level)

Plus Savings account – public data.

*10.7.4 I share data on a range of products and would like to consider whether customers who apply to me for one product are also suitable for being offered other products at the same time.*

The aim appears to be to build a totally integrated internal system to manage the decisions detailed above in Question 11.7.3. Instead of making multiple calls to the CRA (i.e. obtaining a different credit search for each product), it is possible to develop a PoR compliant system that calls the CRA only once. If offers of multiple products are to be made at the same time, then the same CRA details may be used (subject to the data being limited to the allowable level for each product). Consequently there may not be credit search footprints for all products.

*10.7.5 Can I use an aggregated risk Score to calculate an “exposure limit” so that I know the total value of credit that I would like to offer to the customer in future?*

Yes, this is an allowable use of aggregated risk Score data as long as the Portfolio is fully shared. If raw data are passed across from CRA to subscriber to make up a subscriber Score, then there must be an auditable process to prove that raw data are not being supplied to any end users except for arrears management as detailed in Section 4.3.

When considering credit management solutions of this kind, organisations should take into account the provisions of Principle 5, which requires that data be never used to target any

customers of other specific subscribers. Further guidance on this topic can be found by referring to Section 2.

#### Additional Positive Data for Credit & Store Cards

This data is shared strictly in support of responsible lending and in order to help identify and assist customers who may be showing early signs of debt stress – such data must NOT be used to discriminate against customers who are likely to be unprofitable (i.e. provide low or no revenue streams), or to target those customers who are likely to be particularly profitable

Example: The ‘Promotional Rate’ flag is specifically designed to help lenders to differentiate between customers who may be paying the minimum payment due to the presence of a promotion on the account, as compared to those who may, for example, only be able to pay the minimum across multiple credit cards. This flag has NOT been developed to facilitate the identification of customers who tend to regularly transfer balances between credit cards, also sometimes referred to as ‘BT Gamers’

#### *10.7.6 Can I use aggregated positive risk Scores for credit management activities if I am planning to start positive data sharing?*

In this situation, aggregated positive risk Scores may be used for all credit management activities across all Portfolios providing the organisation commits to begin sharing positive data on all Portfolios within 3 months.

Positive Scores may be used in customer management to exclude existing customers from a list (as long as the product to be marketed is a full data provider).

#### *10.7.7 My organisation has a number of products shared with the CRAs. Some are at full and some default only and on most of them there are some old accounts that are not shared. Today, when we have accepted an application from a consumer, we would like to offer him/her other products. Can we take a CRA feed at the outset that contains all that we might want to use and build the filters in-house?*

Yes, you can. However, you must ensure that the CRA is satisfied as to the controls (filters) that you propose. The contract with the CRA must also include a right of audit to ensure that data levels are being used in accordance with the Principles.

#### *10.7.8 I understand that the additional positive data and early arrears data for credit & store cards may be used as an adverse risk indicator for existing customer management. How would this work in practice?*

When you are considering either offering new products or managing existing products for your customers, you may normally only use aggregated positive data. However the new

additional positive and early arrears data for credit & store cards may also be used in their raw form, strictly as an adverse risk indicator to remove individuals from a marketing campaign. Please see 4.2 for the related definitions.

#### *10.8 NOTIFICATION and CRAIN (Credit Reference Agency Information Notice).*

To comply with Data Protection legislation subscribers are required to provide a notification to consumers that will allow data sharing with CRAs to take place. To enable this the CRAs have developed the Credit Reference Agency Information Notice (CRAIN).

##### *10.8.1 What is the CRAIN?*

CRAIN describes to consumers how the three main CRAs (TransUnion, Equifax and Experian) use the personal data that is shared with them by subscribers. This provides consumers with the information they require to understand how the data is used and shared by the CRAs. This also explains that the processing condition the CRAs rely on is legitimate interests (see 10.8.6 for link to CRAIN).

##### *10.8.2 Why is the CRAIN required?*

A reference to CRAIN is required to ensure there is transparency to consumers in relation to the CRA processing activity conducted. This ensures that data sharing can continue.

##### *10.8.3 Do I have to implement CRAIN?*

Subscribers have an obligation to ensure that they provide their consumers with access to the information in CRAIN, either directly or by means of a clear link or signpost to the CRAIN notice hosted on the CRAs' websites. To minimise subscriber's notification a layered wording approach, irrespective of engagement channel, has been agreed with the ICO.

##### *10.8.4 I don't have an on-line engagement channel; how do I implement CRAIN?*

Where an application is part of an off-line journey subscribers should still include a reference to where the CRAIN can be found in their standard notification provided. Subscribers should have a process in place to provide a hard copy on request should the consumer not be able to access the internet.

##### *10.8.5 What do I need to include as a minimum in the lender layer included in my fair processing notice?*

The CRAs, industry and the ICO have agreed a set of core principles that should be included by the lender as appropriate:

1. Purpose:

a. (For example): In order to [process your application / provide XXX service / if we spot you have provided inaccurate data or suspect fraud—as appropriate], personal data will be shared with CRAs;

b. Mention data sharing at time of application and ongoing data sharing;

c. Types of data shared;

d. Ways in which the data returned may be used [performing credit checks / identity checks / detecting and preventing fraud, financial crime – as appropriate].

2. Recipients / categories of recipients:

a. Data is sent to CRAs (as above);

b. The CRAs will also share information about you with us: types of information shared;

c. The CRA may also share your personal information with other organisations.

3. Reference to financial associate data.

4. More information about CRAs and how they use personal information is available

at:

- <https://www.transunion.co.uk/crain>
- <https://www.equifax.co.uk/crain>
- <https://www.experian.co.uk/crain>

These core principles are intended to assist in providing fair processing information regarding data sharing with CRAs. Subscribers will also need to ensure they provide the necessary information to cover all their own requirements about their processing and processing grounds, including about the other processing and data sharing, for example with other fraud prevention agencies.

In line with ICO guidance, subscribers should not suggest that consent will be the basis for processing where this is not the case. A greater or lesser level of detail may be appropriate depending on corporate style, the medium of communication, type of customer, processing in scope and more. Subscribers should utilise the ICO guidance on layered fair processing notices.

#### *10.8.6 Where can I find a copy of the CRAIN?*

CRAIN can be found on each CRA's website, and a copy can be provided by any of the CRAs. The website locations are:

- <https://www.transunion.co.uk/crain>
- <https://www.equifax.co.uk/crain>
- <https://www.experian.co.uk/crain>

#### *10.8.7 What happens where I have only notified that I will share positive data on some of the accounts within a Portfolio?*

In this situation, access to aggregated positive risk Scores will still be available for all accounts within the Portfolio for account management purposes, providing the requirements stipulated in Principle 2, Section 2 and Section 7 are adhered to. It should be noted that default data must be supplied on all accounts in the Portfolio, and in terms of establishing the required "Data Sharing Policy" an organisation should liaise with its appropriate CRA contact in the first instance.

#### *10.8.8 What options do I have to increase the level of positive data sharing on a split Portfolio as discussed above?*

There are a number of approaches that could be taken. Additional notifications could be provided to existing customers when they apply for new products, request a "top up" or limit increase on an existing facility, or ask for a facility to be restructured. Opportunity to do so could also be taken during a credit card reissue process, or via direct mail or telephone communication with the customer.

### **10.9 SEARCHES OR FOOTPRINTS**

#### *10.9.1 I understand that I should only leave one search per application but the product my organisation offers may result in an application undergoing a number of changes which require several searches. How should we handle this?*

Your CRA can advise you on the best process for doing this on the system that you use. This would normally be reprocessed and result in either the data being reused or the footprint being recorded as an enquiry on further iterations of the application.

#### *10.9.2 Credit search records may be used in decision making processes but how should we treat consumers shopping around for credit to minimise the risk of them being impacted by too many searches?*

Lenders should make it quite clear to a consumer that if they make a full application which will give them a decision and a commitment on the part of the lender, that a full

application search record will be created. It is important that this is made clear where the lender sets the credit limit or the rate based on the risk associated with that lending and therefore will be doing a full search in order to establish that credit risk. It is possible to do this as a quote, where a quotation search footprint may be left.

*10.9.3 I believe the shared data may be used for other purposes such as identification and employee vetting? Will this affect the consumers' ability to obtain credit?*

Either an enquiry type search or a specific search type associated with the activity should be left for these activities. They do not impact on a consumer's ability to obtain credit.

*10.9.4 I am not a subscriber of any of the shared databases because my product is a savings product and does not provide credit but I do have to comply with the Regulations on Money Laundering and identify my customers. I understand that a dispensation has been given for some of the data to be used for identification purposes.*

Yes, that is true. The identification searches are shared on a reciprocal basis and the shared data (excluding the financial elements) used to support identification through the use of ID products via the CRAs.

#### **10.10 BUSINESS RECIPROCITY**

*10.10.1 The directors / partners of a small business (e.g. 3 directors /partners or fewer) have applied for a business loan. Can I check their personal data too?*

If you qualify to access data under the terms of the Consumer/Business Reciprocity Agreement (see Section 13) and you have notified at least one of them then you are able to carry out a search.

*10.10.2 I have an application for a business loan for a start-up and the proprietor does not have sufficient standing to support the facility. He has offered a personal guarantee from his father; can I do a credit search on him as well?*

It will depend on whether you have access to consumer data under the Consumer/Business crossover rules for this Portfolio to assess the applicant. If you have you may access the same level of data for the guarantor, and leave the appropriate search footprint – enquiry unless otherwise instructed by the CRA. You will need to have notified the guarantor of your intention to carry out the search.

## 11 THE RULES FOR THE OPERATION OF CIGB

### 11.1 FUNCTION

- a. Review the Principles and the operational implementation of the Principles.
- b. Discuss and use its best endeavours to obtain agreement to amendments to the Principles from the Trade Associations, industry bodies and each CRA.
- c. Promote widespread knowledge and understanding of the Principles to data sharers.
- d. Provide advice, education, information and guidance on the interpretation of the Principles to Trade Associations, Industry Bodies, Data Sharers, CRAs and such other enquirers only where agreed by its subscription.
- e. Encourage Data Sharers to carry out internal audit procedures to ensure and confirm compliance with the Principles.
- f. Undertake a Data Sharer and CRA compliance certification process at regular intervals to assess compliance levels and examine where further improvements in data use guidance are necessary.
- g. Consider other data sharing and quality related issues as occur from time to time as directed by the subscription.
- h. Review new product developments that incorporate new uses of shared data, as requested by data sharers or CRAs.

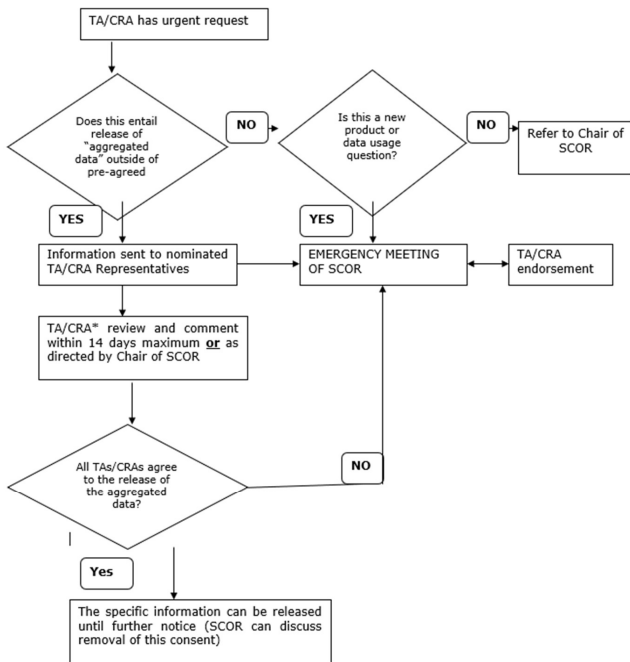
### 11.2 STRUCTURE

Please Refer to Board Composition Policy

### 11.3 SUBSCRIPTION REQUIREMENTS

All applicants for CIGB subscription must hold a direct contract with CIGB and must comply with the terms of the Subscriber contract.

## 11.4 PROCESS FOR THE IMMEDIATE RELEASE OF AGGREGATED DATA NOT COVERED BY THE PRINCIPLES



*\*All CRAs can see the proposed aggregated data report except when commercial confidentiality is involved in relation to a CRA product or report. The release to other CRAs should be agreed on a case-by-case basis.*

## 12 CRA PRODUCT DEVELOPMENT COMPLIANCE PROCESS

### 12.1 BACKGROUND

The procedures below have been prepared in order to provide clarity around the process under which new CRA products and services, which utilise shared data, are brought to the marketplace. The process has been designed to recognise the importance of both:

- Ensuring that all new CRA products/services comply with the PoR
- Innovation, together with the commercial sensitivity attached to such developments

### 12.2 Process

- Through documented internal consultation, the CRA compliance team should reach a decision as to whether the proposal represents a NEW use of shared data. The CIGB representative may not necessarily be from within the compliance team, but he/she must be involved in such a consultation. (All new CRA products/services, which use shared data, must have internal compliance sign-off).
- If it is concluded that the proposed use of shared data is already covered by the PoR, or an existing Policy Recommendation, then no formal reference needs to be made to CIGB. However, the CRA may wish to discuss the proposal informally with the CIGB Chairman and/or other representatives.
- In the case that the proposal is seen to represent a NEW use of shared data, or if there is some doubt that it fully complies with the PoR, then a brief summary of the proposal should be prepared and forwarded to the Secretary of CIGB.
- The Secretary should then include the proposal for discussion at the next available meeting of CIGB, in the absence of other CRAs.
- However, where a decision is required more urgently, the CRA may choose to forward (via the Secretary) a written proposal to all CIGB representatives (except those from other CRAs).
- If the course of action discussed at 5 above is followed, the proposal should then be reviewed by each Trade Association and industry body representative, who should respond within two weeks (see notes) as follows:

APPROVE: the proposed use of shared data is already covered under the PoR

REVIEW: Needs to be debated at CIGB and/or within Trade Associations and industry bodies

Notes: The process for “APPROVE” assumes that Trade Associations and industry bodies are comfortable that their CIGB representatives are mandated to make this decision.

It is recognised that, with holidays etc, responses within two weeks will not always be possible. However, this should be the target turnaround time.

Following debate at the CIGB meeting (in the absence of those from other CRAs), a decision should be reached as follows:

- The proposed new use of shared data is RECOMMENDED by CIGB
- The proposed new use of shared data is DECLINED by CIGB as it stands, but will be RECOMMENDED if certain changes are made to the specification of the product/service and acceptance of these changes is confirmed in writing to the Board of CIGB.
- The proposed new use of shared data is DECLINED by CIGB

No Policy Recommendation will override the contractual relationship between the individual subscriber and their CRA(s)

### 12.3 Policy Recommendation

From time to time, the review of a proposed new use of shared data will lead to a “Policy Recommendation” from CIGB. In such circumstances, it is imperative that all CRAs are made aware of the Policy Recommendation, in order to maintain a competitive “level playing field”. Such advice should not divulge any commercially sensitive information,

but must focus specifically on how shared data will be used. Policy recommendations will be advised to all CRAs, via the CIGB Secretary, after a period of 6 months, which protects innovation and avoids any CRA being discouraged from approaching CIGB.

#### Note

ALL policy recommendations must be subject to formal Trade Association and industry body ratification.

## 13 RECIPROCITY BETWEEN BUSINESS AND CONSUMER CLOSED USER GROUPS

### 13.1 Background To The Crossover Agreement (updated 2021)

The agreement covers reciprocity between the CAIS/Insight/Share databases of consumer data and one or more databases of commercial data, including CCDS, in respect of small traders and SMEs that are now held discretely from the consumer database. Originally, both CAIS and Insight contained commercial transactions for sole traders, SMEs and small partnerships until the ICO instructed the CRAs to separate the personal and “business” data for consumers. They contended that this is required to satisfy the fair processing requirement.

Shortly after this occurred the controls and rules covering the sharing of data on commercial organisations matter was discussed at SCOR during the latter part of 1999, at the request of the FLA who had been working on the issue for some months. In November 1999 the rules were agreed in principle but never finalised or incorporated within the PoR or the Policy Rules Governing SCOR.

As a result, lenders are unable to gain a full “picture” of the credit behaviour of individuals that derive their income from businesses in which they hold a significant interest. For the purposes of this document we will refer to the two datasets as Consumer and Commercial.

On the instructions of the ICO, the CRAs have already declared that the respective consumer databases should not knowingly contain business data although inevitably there will be some that is included as a result of confusion or misrepresentation on the part of the consumer.

The EU Directive includes provisions for guarantees to be included in shared databases as well, should this progress, provision will have to be made to hold such information and for the time being it is assumed they will be held on Consumer or Commercial as appropriate.

As the Consumer and Commercial data used to be contained within a single database, there is already a strong justification for these crossover rules to be implemented, on the basis that full consumer-commercial reciprocity was the status quo before the ICO’s instruction for separation. Thus the crossover proposal currently on the table should not be seen as a change to the PoR, rather it should be viewed as a clarification and return to reciprocity as previously understood, which has been interrupted by the ruling from the ICO, and is now being restored.

This proposal actually carried two strands:

- That the distinction between consumer and commercial shared data should be formally acknowledged and the boundaries recognised.
- That the inter-dependencies between the two should also be formally recognised and the subscription of the Closed User Groups of both types of transaction should be formally agreed together with the level of acceptable interaction.

For the avoidance of doubt, nothing in this Section seeks to override the rules that govern access to CCDS or the processing of CCDS data by the Designated CRAs.

### 13.2 The Proposal In Detail

#### *What type of user?*

- The definition of consumer and business parties are contained in Section 4.1
- Commercial credit providers offering services, that are comparable to consumer products, to sole traders, partnerships or independent<sup>10</sup> commercial companies of 3 directors<sup>11</sup> or fewer, may access consumer data on one or all of the directors/partners/sole traders to check applications and to manage accounts from their commercial customers
- Consumer credit providers offering services to consumers may access commercial data from the mainstream commercial CRAs and/or from CCDS to check the company/business behaviour of a director/partner/sole trader
- Credit providers offering services to both consumers and commercial organisations may access both consumer and commercial data from the mainstream CRAs and/or from CCDS on both consumer and commercial customers
- CRAs offering consumer but not commercial may partner with other providers of data.

#### *What types of credit?*

Categories of credit that might occur in both the consumer and the commercial environment such as<sup>12</sup>:

- Hire Purchase

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<sup>10</sup> Not subsidiaries of larger groups

<sup>11</sup> The reference to 3 directors or fewer is because the ICO have agreed that, in the case of companies of 3 directors or fewer, it is sufficient to notify 1 director on behalf of others if they suitably mandated. Furthermore, the ICO considers that it is unusual for personal data to be relevant when making decisions on larger companies.

<sup>12</sup> Some of these categories are not yet available in CCDS as at June 2021.

- Credit cards
- Mortgages
- Loans
- Communications (mobile phones etc)
- Utilities
- Leasing
- Factoring and Discounting
- Other revolving credit

*What data will be supplied by lenders and what level of access may they have?*

- Data is supplied and accessed on a Portfolio by Portfolio basis
- Commercial lenders providing a single product to commercial and consumer customers must share data with both commercial and consumer databases(which, in the case of commercial data, can be CCDS) in order to access
- Commercial lenders providing a single product to commercial customers only may access consumer data as long as data is supplied to the mainstream CRA commercial database and/or CCDS
- Consumer lenders providing a single product to consumers only, may access commercial data from the mainstream CRAs and/or from CCDS as long as data is supplied to consumer database
- Data may be accessed at the same level as is supplied, i.e. default or full

Example: A lender has 3 products:

- A credit card available to consumers and sole traders

Data is shared with the consumer database only. They may only access consumer data on the consumer transactions. They may not access commercial data at all and neither may they access consumer data on sole trader transactions. If they were to share commercial data (which could include sharing CCDS) they could access commercial data for sole trader applications and consumer data for them too. They could also access commercial data on consumers that are also sole traders. Data must be shared with both commercial and consumer databases in order to access both datasets.

- A credit card available to consumers only

Data is shared with the consumer database but at default level only. They may access both consumer and commercial data, from the mainstream CRAs and/or from CCDS, for applications from sole traders, but at default level only.

- A credit card available to limited companies only. Data is fully shared with the mainstream commercial or CCDS database. For applications from companies with 3 or less directors they may access full consumer data on one or all of the directors as long as they notify at least one director mandated on behalf of all.

*What data will be supplied by CRAs – is any data excluded?*

- Data is supplied and accessed on a Portfolio by Portfolio basis.
- Individual banks may exclude positive consumer current account information but will continue to share default data. Banks exercising this option may only access default data on commercial accounts for proprietors applying for consumer current accounts.

*For what purpose may the data be accessed?*

- Data accessed under this agreement whether from the consumer or the mainstream commercial CRA database will be accessed for the purpose of application risk assessment and existing customer management only.
- Consumer data accessed in this way on commercial transactions is covered by PoR and may not be used for marketing or cross selling of consumer products. It can however be used for the purpose of suppressing commercial entities from a prospect list. The data is only available as an “Adverse Risk Indicator” and can only be used to remove these entities known to be, or deemed to be in danger of being, in financial difficulties, or no longer believed to be at an address. What notification should be given to the commercial applicants? The standard notification clauses must be used and, in the case of SMEs, with 3 or fewer directors, at least 1 suitably mandated director should be notified of the intention to carry out a search.

*What quality and reciprocity controls are in place?*

- CIGB covers both reciprocity on the consumer databases, and reciprocity with the corresponding commercial databases. The CRAs will be responsible for the day to day management of reciprocity.
- The CRAs will operate reciprocity on commercial databases on broadly similar basis to consumer.
- The CRAs will ensure quality standards are comparable to the consumer database requirements.

*What transitional arrangements will there be?*

It was recognised that a small number of organisations were currently accessing consumer data under a temporary agreement and that it would be some time before they would be in a position to share the commercial data required under this agreement:

- For existing users only a transitional period of a maximum of 5 years was agreed from the date of initial ratification of this agreement, being 16 September 2004, unless the organisation concerned applied for and met the criteria for an extension until March 2010 (see 5.8.3). Such extension must have been sought by 31 August 2009 and permitted access to commercial data for the purposes of application risk assessment and also customer management notwithstanding the fact that commercial data was not yet supplied to the CRA database. However, suitable “fair processing” notification to allow data to be shared should have been implemented immediately such that when the organisation is in a position to supply data, they may supply data on historic accounts as well as new.
- For new subscribers the period between access and supply will be 3 months, in accordance with the PoR

*What record of searches will be left on the databases?*

Consumer applications

- A consumer credit application footprint will be registered on the consumer database for consumer transactions
- A consumer enquiry footprint will be registered on the commercial database for consumer applications.

Business applications

- A business application enquiry footprint will be registered on the consumer database for commercial transactions
- A business credit application footprint will be registered on the commercial database for commercial applications.

*How will the data be delivered by the CRA?*

The Delivery medium will be agreed between CRA and client.

*How will the additional data be priced?*

The price structure of the additional data will be agreed between the supplying CRA and the client.

What additional considerations are there when applying the crossover rules to CCDS?

Where a mainstream CRA is providing consumer data to a Designated CRA, the Designated CRA acting as processor on behalf of the mainstream CRA must comply with the crossover rules as set out above. Accordingly, any client of a Designated CRA wishing to obtain consumer data is subject to the principles and rules of the PoR, including for the avoidance of doubt reciprocity, permitted usage and the certification process, regardless of whether the data is obtained from a mainstream CRA or a Designated CRA.

As the Designated CRAs and their clients may not be familiar with the PoR and its application to shared consumer data, a mainstream CRA providing a Designated CRA with access to the consumer data must ensure that the Designated CRA is aware of the roles and responsibilities of itself and its clients under the PoR. This particularly includes those aspects of the PoR which differ from CCDS rules, such as the timescales for commencing data sharing (see section 3.5 above). The mainstream CRA will impose appropriate contractual terms on the Designated CRA accordingly.

### 13.3 Commercial Data Sharing

CIGB acknowledges that CCDS data contribution is governed under a separate regime. However, in the spirit of paragraph 10.3.2, CIGB encourages commercial subscribers to share their data with each of the Designated CRAs, especially where those subscribers are seeking to access consumer data under these crossover rules