



Consultation: Credit reference agency access to information

JULY 2023

Summary:

Government is consulting on its plans to provide UK credit reference agencies (“CRAs”) with information on Jersey residents, to facilitate the use of the CRAs for the performance of affordability checks and customer due diligence (“CDD”) checks in accordance with relevant money laundering obligations. To perform this, Government is proposing an amendment to the Register of Names and Addresses (Jersey) Law 2012 (the “RNA Law”) to extend the statutory purpose of the register to allow specified information on Jersey residents to be provided to CRAs.

Ahead of publication of this policy, the Government has worked with representatives of the three main CRAs in the UK to inform the proposal.

Date published:

17 July 2023

Closing date:

25 August 2023

Background

1. Recently Government has been working closely with banks to understand the decline in the number of credit card providers and the barriers to providing services to new customers in Jersey. This engagement has consistently flagged the absence of electoral register equivalent data for CRAs as a key barrier to extending credit card offerings to new applicants on island. Acknowledging this, Government is committed to delivering a solution as soon as possible to remove the frictions to delivering this service to islanders.
2. Financial institutions have invested in the streamlining of their onboarding processes, utilising digital solutions to make both improvements to service quality and efficiency. This draws upon data held by CRAs, when product applications are received, to support the performance of affordability checks and customer address verification. At present certain public information is not made available to credit reference agencies for Jersey residents, as such certain products applied for through these processes are not available for new customers from Jersey.
3. This consultation proposes a solution which will enable Government to securely deliver data to UK CRAs for such specified purposes.

How CRAs use information

4. CRAs are independent organisations that securely hold data about customers with the primary purpose to provide lenders with a range of information on a potential customer. Lenders will then use this information to make decisions about whether to provide a product or not. In absence of CRAs, companies have to apply more cumbersome and potentially less effective processes to collect information on consumers each time applications for credit are made.
5. The information held by CRAs is obtained from both financial institutions and public records to build consumer reports. This information will include how well you have maintained your credit and utility accounts, as well as personal details including your address history. A key source of information permitted under UK law is the UK electoral register, this providing information on your current address. The Jersey electoral register is not provided to the CRAs as it is not permissible under Jersey law. This consultation is providing access to this source of information.

Proposal – provision of information from the Register of Names and Addresses (“RNA Register”)

Information to be provided

6. The RNA Register, commonly referred to as the People Directory, holds core personal and demographic information on individuals that engage with Government,

amounting to over 100k+ records for residents and non-residents (e.g., non-resident taxpayers). This information is held for the specific purposes of facilitating public administration and customer service by public authorities.

7. Through the delivery of this proposal, the permitted use of the RNA Register will be extended to permit the provision of information, limited to specific fields for Jersey residents 18 years and over, to CRAs.
8. It is not intended to provide the CRAs with all data fields maintained within the RNA Register as this will go beyond that which is necessary. Government has considered the minimum information requirements of the CRAs, through engagement with the three main UK CRAs Equifax, Experian and TransUnion, and proposes the following fields of data are provided:
 - a. Full name
 - b. Residential address
 - c. Full date of birth

Means of provision

9. The proposed amendment will allow for the provision of information to CRAs which are specified in a Ministerial Order made by the Chief Minister. This will be limited, in the first instance, to those which are authorised and regulated by the UK Financial Conduct Authority. Extension to CRAs from other jurisdictions will only be permissible in future where there is authorisation, supervision and data protection in place equivalent to the UK.
10. The definition of a CRA will be aligned to that currently used under Financial Ombudsman Law.
11. Information will be extracted from the RNA Register and securely provided on a monthly basis. This will ensure that the information maintained by the CRAs is the most current and reasonably captures changes of address. This will further reduce the risk of persons who have moved to the island or those who have become 18 years of age having to wait extended periods of time before establishing a credit profile.
12. It is proposed that the information will be provided subject to an administrative fee, this in accordance with the provision of information by UK Electoral Authorities. This will be established by the Chief Minister and specified within a Ministerial Order.

Limitation of use

13. Given the nature of the information proposed to be shared, CRAs in receipt of the information will be limited by clear purposes for use which will be established within the law. These purposes will be to facilitate:
 - a. The performance of affordability and credit checks
 - b. Meeting anti-money laundering obligations (e.g., the performance of CDD)
 - c. The performance of statistical analysis of credit risk assessment whereby the individuals are not referred to by name or made identifiable. Note that this entails broader analysis which often provides a relevant context for the initial primary purpose, the performance of credit checks.

14. It is proposed that the sharing of data will be provided subject to Data Sharing Agreements being put in place with the CRAs, these clearly specifying the purposes for use. It is further highlighted that UK CRAs will be subject to UK data protection compliance under the UK Data Protection Act 2018, this recognised by Jersey as being an adequate third country for data transfer purposes.

Conclusion

Government seeks to ensure that the necessary information is provided to CRAs to effectively support the performance of affordability checks and CDD verification checking, and facilitate continued improvements driven by banks and credit service providers through the digitalisation of their processes. This will in turn support the continued provision of key service to islanders. Government welcomes any additional general comments on the proposals to provide CRAs with information from the RNA Register.

Responses may be provided online using the Smart Survey facility provided on [gov.je/consultations](https://www.gov.je/consultations) or alternatively via:

- email to economy@gov.je
- or post to: Thomas Wright, Associate Director of Financial Services
Department for Economy,
19-21 Broad Street,
St Helier,
Jersey JE2 3RR

Should you wish to find out more about how credit reference agencies use a consumer's information or how you can access the information on your credit reference file, see **Appendix A** below.

Appendix A – Frequently Asked Questions

What is a credit reference agency?

Credit reference agencies are independent organisations that securely hold data about customers with the primary purpose to provide lenders with a range of information on a potential customer.

In the UK there are three main consumer credit reference agencies - Equifax, Experian and TransUnion.

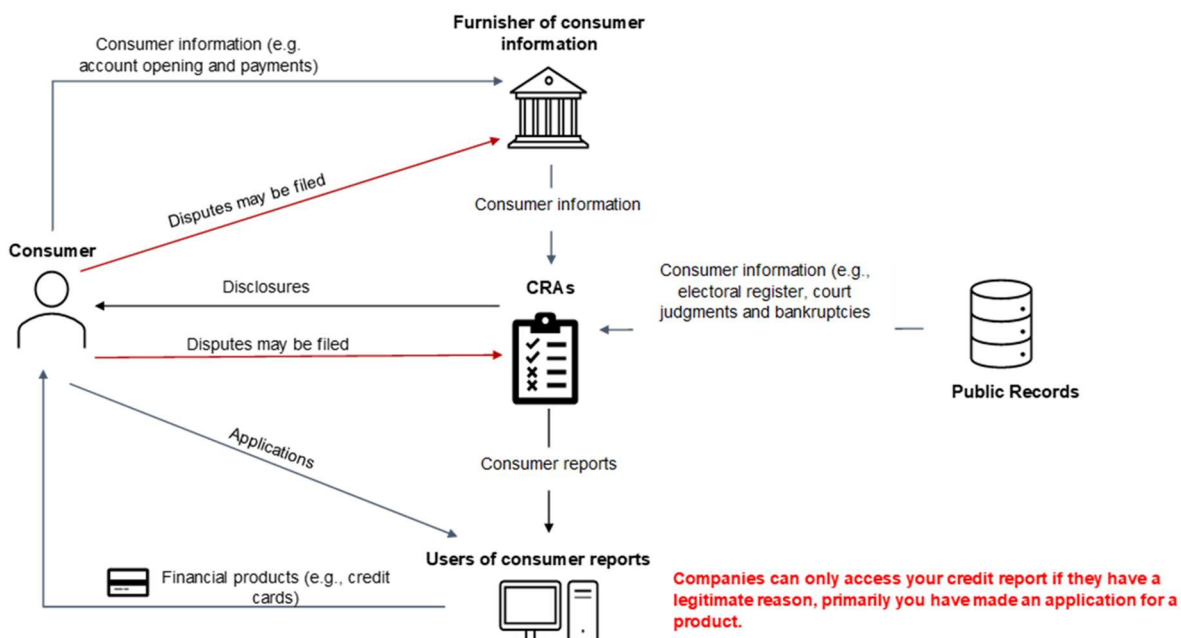
The activity of providing credit references in the UK is subject to regulation by the UK Financial Conduct Authority.

Most of the information held by the credit reference agencies relates to how you have maintained your credit and service/utility accounts. It also includes details of your previous addresses and information from public sources on address, court judgements and bankruptcy and insolvency. This information is used to support affordability checks performed by lenders when assessing an application for credit.

The information held by credit reference agencies is also used for verification of identity, age and residency, for the purposes of identifying and tracking fraud and combating money laundering.

Companies can only access your credit report if they have a legitimate reason, this primarily being the vetting of an application for a product.

An illustration of how credit reference agencies use information is provided below.



What rights do Jersey residents have to access their information held by credit reference agencies?

Jersey residents have the right to request a copy of the information held from any of the credit reference agencies. Making this request is free of charge and can be made either verbally or in writing.

If you find that your consumer data is inaccurate, you can raise this directly with the credit reference agency. It is highlighted that in some instances the inaccuracy may not lie with the credit reference agency but with the original lender whom you will need to contact for correction.

If neither are willing to correct an inaccuracy you may wish to contact the Jersey Office of the Information Commissioner. For further information please see [Jersey Office of the Information Commissioner - Home \(jerseyoic.org\)](http://jerseyoic.org)

Can credit reference agencies do anything else with my information?

Many of the credit reference agencies have business functions that go beyond the specific purposes for which the information from the Register of Names and Addresses will be provided.

The information Government will be providing will be treated as equivalent to the UK full electoral register, not the open (edited) register, and thus it will not be permissible to use it for broader business functions or purposes which extend beyond those specified within the proposal.

For further information on credit reference agencies, please see their websites:

- Equifax - www.equifax.co.uk
- Experian - www.experian.co.uk
- TransUnion - www.transunion.com