

Credit Reporting Privacy Code Review: Miscellaneous issues

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Privacy Commissioner
Te Mana Matapono Matatapu
New Zealand

Note: This report occasionally quotes from submissions of credit reporters received in late-2016. Some credit reporters have since changed their names. For simplicity the report consistently refers to these companies by the names in use at the time of the submissions.

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Overview

This report complements a report issued earlier this month providing the outcome of a major review of the operation of the principal ‘comprehensive credit reporting’ (CCR) aspects of the Credit Reporting Privacy Code.¹ That report (the principal report) was focused upon whether the existing provisions of the Code were operating satisfactorily, suitably protecting individual privacy and achieving the policy goals of CCR. By contrast, this report does not address the operation of the Code as it stands but focuses upon selected issues that might offer promising future directions for the Code.

Key Points

- ❖ A conservative approach will be taken to proposals to add new categories of information to the credit reporting system until the existing CCR system has matured and has been proven to bring substantial public benefits.
- ❖ For those reasons it is considered premature to consider adding account balance information to the system. However, on a preliminary assessment there does appear to be a good case to add account balance information once the existing CCR system is fully proven.
- ❖ By contrast a good case for adding selective business tax debt information to the consumer credit reporting system has not been made out.
- ❖ There is industry support for inclusion of the NZ Business Number in the system and the Office of the Privacy Commissioner will explore with credit reporters how best this might be accommodated in the system.
- ❖ This industry has the ability to make relevant personal information available to verified individuals literally ‘at the click of a button’. The information in question is used for making important decisions affecting individuals. The Privacy Act’s default outer time limit allowing a month to give individual access is unduly long in this context and the Code should shorten the applicable time limits.
- ❖ There would be sufficient benefit for affected individuals to justify the use of the credit reporting system under tightly controlled circumstances to facilitate the return of unclaimed monies.
- ❖ The opportunity should be taken to consider whether there is any local relevance to recent regulatory developments in Australia and the USA.

¹ OPC, *Comprehensive Credit Reporting Six Years On: Review of the operation of Amendments No 4 and No 5 of the Credit Reporting Privacy Code*, 10 April 2018: <https://privacy.org.nz/news-and-publications/statements-media-releases/comprehensive-credit-reporting-not-fully-delivering-for-new-zealanders-privacy-commissioner/>

Introduction

Introduction

This report complements the report on the review of the operation of Amendments No 4 and No 5 of the Credit Reporting Code.² That review had as its principal focus the introduction of Comprehensive Credit Reporting (CCR) to New Zealand and was undertaken as required under clause 3 of the Code.

A discussion paper was issued in September 2016 to solicit stakeholder and public input to the review.³ Although the purpose of the review was to check how well the Code amendments issued in 2010 and 2011 were operating, the opportunity was also taken to invite views on whether any further changes to the Code might be desirable.

The discussion paper highlighted five areas for possible change. These 5 topics had emerged from earlier engagement with selected stakeholders. The inclusion of these ideas in the discussion paper did not indicate that the Office favoured any proposal or that there was perceived to be any imminent need for change to the Code. Some of the ideas represented a 'wish list' by certain interested parties and it was considered useful to hear what other stakeholders thought.

The 5 ideas explored in the discussion paper and on which comment was sought were:

- Account balance information;
- Tax debt information;
- New Zealand business number;
- Access time limit; and
- Unclaimed money.

The balance of this report considers those five issues.

In addition, the report also briefly references two overseas developments from Australia and the USA which came to notice too late in this process to explore in depth with stakeholders. Accordingly, those developments are simply noted and the opportunity will be taken to discuss with credit reporters whether there are any aspects that might usefully be progressed in tandem with implementation of recommendations from the principal report and this report.

² Office of the Privacy Commissioner, *Comprehensive Credit Reporting Six Years On: A Review of the operation of Amendments No 4 and No 5 to the Credit Reporting Privacy Code*, 10 April 2018.

³ Office of the Privacy Commissioner, Discussion Paper: Credit Reporting Privacy Code Review: Review of the operation of Amendments No 4 and No 5 and selected other aspects of the Code, 30 September 2016: <https://privacy.org.nz/assets/Uploads/Credit-Reporting-Privacy-Code-Review-Issues-Paper-2016-30-September-2016-A463534-A467464.pdf>

Issues examined

In this part the five ideas for change to the Code identified in the discussion paper are addressed. Three would involve adding new categories of information to the system, one would allow a non-credit related use of credit information and the other proposed a strengthening an existing consumer right.

Additional categories of credit information

The Code lists the categories of information that can be included in credit reports. This has two fundamental effects. First, it *authorises* information to be reported. Second, it *limits* the information that can be reported. The first three issues examined (account balance information; tax debt information; NZ business number) would add new categories of credit information.

In originally setting the categories, previous Commissioners have sought to meet the reasonable needs of commerce in a modern credit-based society while respecting the reasonable privacy expectations of New Zealanders. The system, now operated in a highly competitive credit reporting sector, has grown over many years of operation into a deep and wide accumulation of personal information, particularly with the addition of account information under CCR. A principal consideration in relation to any proposed addition to this already expansive information system is whether new information will significantly improve the system for predicting creditworthiness and managing risk. The Commissioner also takes account the need for reliable and undisputed factual information and social considerations such as the need to maintain public trust and avoid undue intrusiveness.

A particular consideration at this specific time is any prejudicial effect any change might have on completing the roll out of CCR. In the principal report the Office recommended:

To avoid disrupting the completion of the roll out of CCR to the remainder of the credit sector, a cautious approach should be taken in the short term towards proposals for changes to the fundamentals of CCR in so far as those changes might affect credit provider systems.⁴

This consideration is especially relevant to the discussion of account balance.

1. Account balance information

Amendments No 4 and No 5 authorised credit reporters for the first time to report detailed information about an individual's credit accounts. The Code limits the information that can be reported to certain standard categories of information. The account-related categories permitted to be reported in CCR are:

- type of credit account;

⁴ OPC, *Comprehensive Credit Reporting Six Years On*, 10 April 2018, Recommendation 1.

- amount of credit extended;
- capacity of individual (such as account holder, joint account holder or guarantor);
- status of account as open or closed (and the date of opening /closing);
- details of the credit provider;
- credit provider's client reference number; and
- repayment history information in relation to the account (i.e. for a rolling 24 month period, a coding showing whether the payments due were made each month).

The purpose of including credit account information in the credit reporting system is to provide a more complete and reliable picture than is possible under a negative-only system. In particular, account information shows the extent of an individual's borrowings and whether the borrower is able satisfactorily to service those borrowings.

The permitted categories include the 'amount of credit extended'. However, with revolving credit - such as credit card accounts - where credit is automatically renewed as debts are paid off, a focus solely on the full amount of credit extended (or 'credit limit' in credit card parlance) does not give the complete picture of either the extent of an individual's borrowings nor whether the borrower is able satisfactorily to service those borrowings.

For example, three individuals may each have a \$50,000 credit card limit. One borrower may have drawn on half of the credit several months ago and is making the minimum monthly payments. The second may have drawn on a similar amount of credit but paid off the full amount by the due date and incurred no interest payments. The third may not have used the credit card at all. All three individuals appear the same in CCR as having had \$50,000 credit extended to them and as having made all payments due on the account. However, it can be seen that there are differences in terms of how much credit remains available to utilise and how the individuals are using the credit. It has been suggested that a more complete picture would be given by permitting the reporting of 'current balance' on accounts (sometimes referred to as 'credit utilisation') to show how much credit has been used.

Decisions taken in 2010-11

The Commissioner decided not to permit the reporting of outstanding balance information when authorising more comprehensive reporting in 2010 and 2011. The discussion paper sought submissions as to whether or not that additional category of information should now be authorised. Particular considerations for the Commissioner 5 years ago included:

- The Australian Law Reform Commission had completed a major inquiry and recommended against allowing the reporting of current balance information.⁵ In essence, the ALRC considered that the reform they proposed (which was broadly similar to what the Privacy Commissioner implemented in NZ) would deliver nearly as good

⁵ Australian Law Reform Commission, *For Your Information: Australian Privacy Law and Practice*, Volume 3, May 2008, ALRC 108 (final report), 55.110-55.182: <https://www.alrc.gov.au/publications/report-108>

results in terms of its predictive value as a full file system (i.e. one adding current balance information).

- The ALRC also took the view that comprehensive reporting of the type they recommended was already a substantial diminution of privacy for Australians and full file reporting was a step too far. The ALRC report was particularly influential as being the most recent and thorough review of the issues in a jurisdiction then having a similar approach to credit reporting as NZ. The Australian approach was also relevant given the degree of economic integration of the two economies and the perceived advantage of having broadly compatible regulation on both sides of the Tasman.
- Unlike most account information which is static, current balance information would be dynamic – that is, changing month to month as notified by subscribers – and thus difficulties might be encountered in the updating process (as has sometimes been the case with updating the status of defaults). Poor updating would more easily transform into disputes and complaints than static categories of account information. It was therefore considered prudent to wait until the public had become comfortable with positive reporting and the industry had a proven track record of reliably updating repayment history (also dynamic) before contemplating authorising reporting of account balance.

Submissions

There was substantial support for inclusion of current balance information from industry submissions on the 2016 discussion paper.

Responsible lending

Some submitters suggested that inclusion of account balance information in CCR could assist credit providers to meet their responsible lending obligations. BNZ, for example, suggested that account balance information would ‘help ensure that borrowers are not placed in situations where they cannot meet their obligations’ and ‘would provide helpful information for lenders when calculating affordability assessments’.⁶ (As an aside, BNZ had not by the end of March 2018 participated in CCR.)

All three credit reporters agreed that current balance information would be useful in relation to assisting lenders to verify that individuals seeking credit are not indebted beyond their means to service their credit obligations. Centrix added that allowing a credit reporter to hold credit utilisation data could be a means to enable credit providers to dispense with needing to verify such information by having borrowers submit account statements – and thus relieve the borrower of some burden in helping the lender to meet their responsible lending obligations.⁷ Veda emphasised that current account balance information would be

⁶ BNZ submission, page 2: <https://privacy.org.nz/assets/Uploads/Bank-of-New-Zealand.pdf>

⁷ Centrix submission, page 12: <https://privacy.org.nz/assets/Uploads/Centrix-Group-Limited.pdf>

particularly important in relation to knowing the borrower's ability to repay, a 'cornerstone of responsible lending', when there is reliance upon a consumer's full disclosure of outstanding liabilities.⁸

Predicting credit risk

Current balance information was also submitted by the credit reporters to contribute significantly to the power of CCR to predict credit risk. This was expressed slightly differently in submissions although the message was the same – that this element would be an important factor, not merely a small peripheral addition to the system. Centrix noted the US experience in which the FICO score included credit utilisation as one of 5 elements accounting for 30% of the whole.⁹ Veda also estimated that credit utilisation could contribute up to 30% of a credit score.¹¹

D&B asserted that addition of outstanding balance information to the existing features of New Zealand's CCR scheme would increase the predictive capability of the credit score by 50%.¹²

The economy

In its submission Veda mentions concerns by some economists at rising indebtedness and the possibilities of a housing bubble¹³, implying presumably that an enhanced CCR system would be a prudent response to such concerns.

The Reserve Bank notes that mandatory credit reporting has been introduced in some countries following the Global Financial Crisis as a step to encourage more informed lending practices.¹⁴ The Reserve Bank also mentions the possible use of CCR in the Reserve Bank's monitoring of the mortgage market.¹⁵ The submission did not make clear whether current balance would be essential to that purpose.

D&B sees benefits from a 'macro-prudential' perspective arising from the additional information which would allow geographic, market and demographic analysis.¹⁶

Updating dynamic information

⁸ Veda submission, page 14: <https://privacy.org.nz/assets/Uploads/Veda.pdf>

⁹ Centrix submission, page 13: <https://privacy.org.nz/assets/Uploads/Centrix-Group-Limited.pdf>

¹⁰ The 'FICO Score' is the model used by most US banks and is based on information held by the three national credit bureaus. The name is derived from its originator the Fair Isaac Company.

¹¹ Veda submission, page 14: <https://privacy.org.nz/assets/Uploads/Veda.pdf>

¹² D&B submission, page 10: <https://privacy.org.nz/assets/Uploads/Dun-Bradstreet2.pdf>

¹³ Veda submission, pages 14-15: <https://privacy.org.nz/assets/Uploads/Veda.pdf>

¹⁴ Reserve Bank submission, pages 1-2: <https://privacy.org.nz/assets/Uploads/Reserve-Bank-of-New-Zealand-1.pdf>

¹⁵ Reserve Bank submission, page 2: <https://privacy.org.nz/assets/Uploads/Reserve-Bank-of-New-Zealand-1.pdf> One such example is the Central Credit Register set up under the Credit Reporting Act 2013: <https://www.centralcreditregister.ie/about/background/>

¹⁶ D&B, page 11: <https://privacy.org.nz/assets/Uploads/Dun-Bradstreet2.pdf>

The Office had been concerned in 2011-12 that current balance would be a challenging element to include as it will change each month and need to be updated. That did not of course preclude its inclusion but the concern related to the need for efficient and accurate updating processes lest this becomes a contested area with consumers undermining public trust and clogging complaints systems. It was considered prudent to let the industry establish a track record of successfully updating repayment history before considering going further.

By way of illustration, a report by the US Consumer Financial Protection Bureau identified several areas of inconsistency that get identified in bureau screening of furnished account balance data.¹⁷ It was reported that it was “not uncommon” for furnishers’ monthly trade lines bulk files to be initially rejected by US credit reporters for errors detected through automated checks for logical inconsistencies and the like (e.g. account balances where the previous entry showed the account as closed or an account balance greater than the maximum credit line).¹⁸ Even in the mature US system, and with credit reporter data quality checks, the CFTC records that about 4% of consumer disputes involved the reporting of current account balances.¹⁹

In terms of experience under the current CCR system, Centrix noted that 10% of its 2015/16 correction requests related to CCR information and that it attributed a low rate of correction requests to the automated systems that subscribers use for submitting payment history records. It submitted that account balance updating would be similarly unproblematic.²⁰ D&B said that it did not expect any difficulties in updating.²¹

Comment

Little has changed since 2010 and 2011 in relation to the considerations that led the Australian Law Reform Commission to recommend against including current balance information in the Australian system or the Privacy Commissioner to decline to authorise the sharing of account balance information within the NZ CCR system. The decision taken in 2011 was to leave open the possibility of reconsidering the possibility of inclusion of current balance when CCR had bedded in. Waiting until that time would, it was anticipated, allow the public to see cogent evidence of benefits thereby providing a solid foundation for public trust in CCR as well as, on the compliance-side, allowing the Office to be satisfied of the industry’s reliability in relation to updating dynamic information.

¹⁷ CFPB, *Key dimensions and Processes in the US Credit Reporting System: A review of how the nation’s largest credit bureaus manage consumer data*, 2012, page 19: http://files.consumerfinance.gov/f/201212_cfpb_credit-reporting-white-paper.pdf

¹⁸ Ibid.

¹⁹ CFPB, *Key dimensions and Processes in the US Credit Reporting System: A review of how the nation’s largest credit bureaus manage consumer data*, 2012, page 31.

²⁰ Centrix submission, page 12-13: <https://privacy.org.nz/assets/Uploads/Centrix-Group-Limited.pdf>

²¹ D&B, page 11: <https://privacy.org.nz/assets/Uploads/Dun-Bradstreet2.pdf>

In relation to the benefits, the Office has not yet seen evidence of significant public benefits from CCR beyond those primarily accruing to participating credit providers²² and considers it premature to add substantial additional personal information to the system until there is credible evidence of the public benefit. This was formally recorded as the second recommendation of the main CCR review:

Until substantial evidence of benefits to individuals, their communities and the economy is available, the case does not exist to intrude further into individual privacy by adding additional classes of personal information.²³

Authorising the inclusion of current balance information would be a substantial alteration to a fundamental aspect of CCR. It would be no mere tinkering.

There is, in addition to the policy case for or against the proposal, the pragmatic question of timing. There has been a drawn out implementation of CCR in its current form which is not yet complete. The Office is reluctant to consider any major change to the content of CCR, which in turn would involve systems changes for all scheme operators and participants and disrupt the CCR roll out which appears to be on the cusp of achieving high voluntary participation rates. As earlier mentioned, the Office has formally taken the view in the CCR review report that a cautious approach should be taken towards proposals for changes to the fundamentals of CCR to avoid disrupting the completion of the roll out of CCR to the remainder of the credit sector.²⁴

The Office considers that this proposal has sufficient potential to warrant considering again when CCR is fully 'bedded in' and may be treated as 'mature'. The Office would consider this point reached 2-3 years²⁵ after achieving a high level of CCR participation.²⁶ The Office speculates that this could be as soon as 2020 depending upon when NZ's third largest bank begins participating in CCR and on progress in relation to alternative account data sources.

In the period between now and then there would be scope for the industry to take some preparatory steps in anticipation of reconsideration of this issue. On the general matter of demonstrating the public benefits, the industry could commission independent research to confirm and quantify on a cross-industry basis the public benefits of a mature CCR system.²⁷

²² This is fully discussed in *Comprehensive Credit Reporting Six Years On: A Review of the operation of Amendments No 4 and No 5 to the Credit Reporting Privacy Code*, Part 2.

²³ OPC, *Comprehensive Credit Reporting Six Years On*, Recommendation 2.

²⁴ OPC, *Comprehensive Credit Reporting Six years On*, Recommendation 1.

²⁵ The '2-3 years' refers to the period required to build a full 24 month run of repayment history information for accounts added to the system by new participants together with a period for participants to build experience of the system before moving more boldly to change their business practices in significant ways in reliance upon the new insights.

²⁶ Practically speaking, a high level of participation may be said to exist in the banking sector once the BNZ participates which would appear to take participation rates well over 90%. Participation of NZ's third largest telecommunications service provider would achieve a similar rate while the utilities sector has a little more ground yet to cover to reach a high level of participation. Refer OPC, *Comprehensive Credit Reporting Six Years On*, Part 1.

²⁷ The benefits that the Office wishes to see demonstrated are as set out in the discussion paper used in the review and as discussed in detail in the companion report *Comprehensive Credit Reporting Six Years On*. These benefits extend beyond benefits simply to the industry to encompass individuals, the community and the economy. Demonstration of some

On the specifics, the industry might work out if there is an industry consensus as to how current balance or utilisation information should be treated in data standards and in the Code.

Findings:

- 🔒 Subject to a demonstration that a mature CCR system delivers the anticipated public benefits, there would appear to be a sound case eventually to supplement the system with account balance information to accentuate those benefits.
- 🔒 It would be premature to authorise such a change yet as it would risk disrupting the completion of the roll out of the existing approved CCR system.

Recommendation:

1. The case for adding current balance information should be reconsidered by the Office when the current CCR system has matured and the public benefits of CCR have been demonstrated.

2. Tax debt information

The discussion paper outlined a series of concepts that bear upon the decisions to include information in the credit reporting system. These were summarised as being:

- Reliable.
- Available.
- Reasonable.
- Relevant (to the prediction of credit risk).

The submissions received from credit reporters, businesses and their representatives and Inland Revenue favoured this proposal. The individuals who made submissions opposed it. One civil society group was neutral, foreseeing no benefits but being open to be persuaded if it contributed to responsible lending.

Reliable

Information in the credit reporting system in general comes from two sources: subscribers and publicly available records. The proposal here does not neatly fit into either category and that potentially could affect normal expectations of reliability.

Reliability is sought to be assured in relation to information supplied about individuals by subscribers through obligations included in subscriber agreements. Thus the typical subscriber is contractually bound to comply with the credit reporters' direction and

aspects of these benefits may need cross-industry research as they may extend beyond a single credit reporter to the entire credit reporting sector as well as the lending, utilities and telecommunications sectors as well as aspects of the community and economy.

requirements. It is, for example, liable to be audited ('reviewed') by the credit reporter and is contractually obliged to cooperate with credit reporters' investigations into disputes on accuracy.

Reliability in relation to publicly available records is somewhat different. The records on public registers and judgments are, in effect, deemed to be official and correct. What appears on the credit reporting system is the same as in the public record that anyone could check for themselves.

What is sought to be added is not subscriber information about a credit transaction nor a publicly available record. Thus arrangements under the Code may be imperfectly attuned to ensuring reliability in this context. That is not to suggest that Inland Revenue's records are unreliable but no large organisation operating in such a complex field can be considered immune from error.²⁸ Even where information is accurate, error can also creep in through matching information in the credit reporting system. Expecting Inland Revenue to be subjected in the same way as subscribers to the direction of credit reporters on complaints and audits may be problematic and unreasonable. Conversely, it may also be problematic to treat information extracted from Inland Revenue's administrative records as if it had the unchallengeable status of a judgment or an entry on a public Register.

The Office would foresee some issues arising from the proposal that might require consideration of adaptation of existing reliability-related processes of external checking and challenge by the subject.

Available

Non-public administrative information in government department record systems is not currently included in New Zealand's privately operated credit reporting system. Nor is such information generally found in consumer credit reporting systems overseas.^{29 30}

Traditionally information held by the New Zealand tax authorities was secret or confidential and thus not 'available' in any sense. In an April 2016 issues paper, officials from Inland Revenue and Treasury floated the idea of overriding the presumption of tax secrecy to allow

²⁸ For a case study, now of mere historic interest, regarding concerns raised in earlier years in relation to IRD's information practices see: Report of the Finance and Expenditure Committee, *Inquiry into the Powers and Operations of the Inland Revenue Department*, 1999: <https://taxpolicy.ird.govt.nz/sites/default/files/1999-other-inquiry-ird-fec.pdf>

²⁹ See International Finance Corporation (World Bank Group), Credit Bureau Knowledge Guide, 2006: Figure 2 <http://www.ifc.org/wps/wcm/connect/2867f3804958602ba222b719583b6d16/FI-CB-KnowledgeGuide-E.pdf?MOD=AJPERES&CACHEID=2867f3804958602ba222b719583b6d16>

³⁰ Some tax debt information appears to have been included in the US credit reporting systems but by way of 'tax liens' which are a form of public record presumably akin to a judgment or registered charge and not by extracting information from a closed administrative record. It may further be noted that the majority of tax lien data has been removed from the US system over the last 12 months with the balance expected to disappear this month due to the difficulties of accurately matching the information with bureau information in accordance with industry standards. See https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_consumer-credit-trends_public-records_022018.pdf

the release of certain tax debt information about businesses to credit reporters.³¹ While the issues paper focuses only on businesses, Inland Revenue proposes also to disclose certain tax debt information about individuals as well as corporates to credit reporters. In this sense the information might for current purposes be considered ‘available’.

However, in another sense the information must be considered at best only partially available – or indeed generally unavailable. Inland Revenue proposes to restrict disclosure to a subset of the tax debt information it holds. The restrictions would be for public policy reasons (including to maintain taxpayer trust) not necessarily connected with the statistical usefulness for predicting credit risk. For example, one of the limits is that the debt be ‘significant’. This would be defined by certain general (but for the purposes of credit reporting essentially arbitrary) characteristics such as being a debt overdue by a set period (such as 18 months) and being greater than a set percentage of a person’s income or assets or liabilities, or being over a set threshold (such as \$150,000).³²

Put another way, tax debt is *not* proposed to be made available in the way that credit defaults are. Only certain high value or protracted tax debt would be released. The provision for disclosure of tax debt is, in effect, a tactic to get that debt paid - if a debtor were to negotiate an arrangement to pay off their debt it would not be reported.³³ In one sense it might be argued this limited availability would diminish the impact on individuals. However, looked at in another way this limited availability reduces whatever marginal utility the additional information offers to a system that already seeks to capture most defaults and monthly repayment history on all credit accounts.

To be likely to have any chance of adding significant and measurable value to a credit reporting system that already fairly comprehensively collects and reports defaults and account repayment history, Inland Revenue would perhaps need to make all or most tax debt available, a step that Inland Revenue has not proposed and that might be considered a step too far.

Reasonable

It is clear that the case made by Inland Revenue was firmly focused upon businesses not consumers. The tax debts being focused upon are of a nature and scale to be incurred or built up only by people in business. The disclosure is reckoned by Inland Revenue to contribute to the protection of other people doing business with the tax debtor.

³¹ Inland Revenue and the Treasury, *Making Tax Simpler: Better Business Tax: An Officials’ Issues Paper*, April 2016, pages 58-61, see: <https://privacy.org.nz/assets/Uploads/Credit-Reporting-Privacy-Code-Review-Issues-Paper-2016-30-September-2016-A463534-A467464.pdf>

³² Inland Revenue and the Treasury, *Making Tax Simpler: Better Business Tax: An Officials’ Issues Paper*, April 2016, page 59: https://www.makingtaxsimpler.ird.govt.nz/sites/default/files/files/mts_businessstax_issues_paper.pdf

³³ See, for example, IRD News, ‘Auckland company becomes first to have tax debt reported’, 24 October 2017: <https://media.ird.govt.nz/articles/auckland-company-becomes-first-to-have-tax-debt-reported/>

Inland Revenue's newly implemented scheme³⁴ to disclose to credit reporters tax debt information in relation to corporate bodies has already been implemented by an amendment to tax law and does not raise any issues for privacy or the Code.³⁵ The Privacy Act is concerned only with information about individuals. Inland Revenue's crackdown on companies can proceed regardless of any Privacy Act considerations in the context of individuals. It appears that if the Inland Revenue's initiative brings benefit to IRD or businesses generally they will almost certainly be found predominantly in the area of corporate behaviour and credit reporting.

As an aside, the comparable initiative currently being pursued in Australia authorises the release of tax debt information on entities in business to credit reporting bureaus but does not affect the regulation of consumer credit reporting on individuals under the Australian Privacy Act 1988.³⁶ The Australian proposals anticipate special processes for the resultant disputes and the removal of the listing of tax debt from the credit reporting system once the debt is cleared and not after 5 years as might be the usual credit reporting practice.

The focus of the Code is upon credit obligations assumed by individuals and their performance or non-performance. It would be a significant departure from the assumptions underlying the Code to start incorporating details from government holdings of non-public personal information regarding citizens' behaviour, such as their compliance with statutory obligations.³⁷ The credit reporting system does not seek to be any kind of comprehensive database of non-credit related liabilities (and nor, for that matter, of income or assets).

Any credit reporting system involves the pooling and sharing of confidential and sensitive information and thus involves a departure from some of the normal presumptions of information privacy. However, the Office has sought to reconcile credit reporting and privacy as far as possible by keeping the needs of the credit cycle at the centre (whereby the likelihood of repayment of an individual loan is impacted by prior and subsequent credit obligations incurred by that borrower) and accepting that the credit reporting system reduces the information asymmetry between borrower and lenders. Even if selected state-held tax debt information were to have some marginal utility, its inclusion would be unconnected to the credit cycle and leave an unclear basis for setting appropriate limits to

³⁴ See Tax Administration Act 1994, section 85N.

³⁵ This plan is unaffected by the Privacy Act and any considerations mentioned here and is proceeding separately.

³⁶ See Australian Tax Office, Improve the transparency of tax debts, updated 15 January 2018 and including draft legislative and supporting material and a link to ongoing on the administrative approach that might be taken:

<https://www.ato.gov.au/General/New-legislation/In-detail/Other-topics/Improve-the-transparency-of-tax-debts/>

³⁷ It might be observed that this kind of conceptual limit (further explored in the next paragraph) represents an approach fully in keeping with the usual international norms of privacy and data protection regulation. Even in the USA, where the credit reporting system has become more expansive and pervasive than would typically be allowed in most countries having privacy law, enforcement action supported and implemented by collective industry action is in the process of bringing the US system back much closer to this conceptual limit. Clause III(A)(1)(c) and (d) of a settlement agreement between state Attorneys General and national CRAs obliges credit reporters to stop collecting, and to remove from their systems, "debt that did not arise from any contract or agreement to pay (including, but not limited to, certain fines, tickets, and other assessments)". See <http://www.ag.ny.gov/pdfs/CRA%20Agreement%20Fully%20Executed%203.8.15.pdf> and <http://www.nationalconsumerassistanceplan.com/highlights/>.

the credit reporting system. An 'anything goes' approach would undermine public confidence in the regulation of credit reporting.

The Office foresees some difficulty in dealing with tax debts in the credit reporting system in the same way as other debts. Issues of audit and dispute resolution have already been mentioned. As noted, in Australia the tax authority would have tax debts removed from the credit reporting system earlier than other defaults. The Office anticipates that if it were to explore the mechanics of the proposal in depth there might be other areas in which accommodation of a statutory body like IRD in the scheme may require special handling.

The Office does not consider the proposal a reasonable addition to the credit reporting system.

Relevant (to the prediction of credit risk)

The credit reporting system does not attempt to capture every single scrap or type of information having any potential relevance to an individual's creditworthiness. It seeks to create an extensive and robust set of reliable information on the credit active population to confidently assist in making predictions about the likelihood that a loan will be repaid (or, to express it another way, the risk of default). The credit reporting system does not, for example, contain information on an individual's income or assets, criminal convictions, domestic status, or number of dependants.

Nor does the system even need to capture every single instance of default or unpaid debt to be highly effective. We have in New Zealand a system that is fully mature in relation to capturing defaults and similar default-related public records (judgments, insolvencies). We are rapidly reaching a point at which we'll have coverage of repayment history on nearly all credit accounts, although that aspect of the system has yet to mature.

The correct question to answer in the Office's view is not whether a particular individual's tax debt in isolation might be a good thing for a prospective lender to that individual to know but, rather, would adding this new category of data to consumer credit reporting add a substantial marginal benefit to the CCR system already established? The marginal benefit must be assessed in the light of the fact that tax debt disclosure now already occurs in relation to businesses.

To express this another way: Given that this business-oriented IRD initiative has already been introduced to credit reporting on businesses will, there be additional substantial benefits to measuring creditworthiness in extending this business-oriented disclosure regime to individuals? The Office view is that there will not be substantial marginal benefits. In the Office view any potential benefits will be, at most, minor.

Why might the marginal benefits be unlikely to be substantial? First, because IRD has already introduced the disclosure regime to corporates where we expect the benefits would

principally arise. The substantial debts in contemplation in the IRD scheme incurred in capacity as an employer or business would be unlikely to arise with unincorporated entities. Second, because we consider that the negative reporting system as enhanced by CCR already offers a more comprehensive source of information that will give earlier and more relevant information for lenders than the rare and ad hoc tax debt disclosures.³⁸ While the occasional tax debt disclosure will certainly undermine a credit score – as would a default or insolvency event – we think it is likely that debts that have escalated to the stage that IRD is willing to disclose them to credit reporters will already have been signalled through CCR. Finally, the disclosure scheme has (understandably) been developed to meet the needs of the department rather than the needs of the credit reporting system. A scheme devised with credit reporting as the key consideration would have the department disclose all business tax debts which could be scored with other data. Instead the department plans selectively to disclose some debts based upon maintaining leverage to get IRD's debts paid and to maintain the impression of taxpayer secrecy and hence public trust.

Inland Revenue suggests in its submission that a 'recidivist taxpayer' might choose to operate in business as an individual rather than in corporate form in order to avoid disclosure of tax debt through the corporate scheme now in place.³⁹ This kind of fanciful speculation falls far short of the credible evidence the Office seeks in evaluating the case for adding this class of information. In any case, we expect that this is a highly unlikely scenario given the advantages of trading in corporate form. If a person in business were so motivated, we think it is likely that any poor credit behaviour will soon be manifested through the CCR system.

At this stage the Office sees no meaningful benefit in adding this class of information to the system, substantial detriment and some technical challenges. The Office would be open to reconsider the merit of the case at a later date if there were to be, for example, the disclosure regime in the corporate sector were to be shown to be an unalloyed success. If a case were to be made, the Office would wish to be presented with cogent evidence showing that adding this class of information to consumer reporting would add a substantial marginal benefit to the CCR system.

The Office considers that there would need to be a particularly compelling case in terms of improvement to the measurement of risk to justify adding this new category of information given the Office's concerns over the reasonableness of adding non-public information from government records that are unrelated to credit transactions.

³⁸ The Inland Revenue Department acknowledges that 'very rarely does a business struggle to pay Inland Revenue but have no other creditors'. (Submission, page 2: <https://privacy.org.nz/assets/Uploads/Inland-Revenue.pdf>). Arguable, CCR is likely to act as an earlier warning sign in respect of those other accounts for lenders rather than any eventual tax debt disclosure.

³⁹ Inland Revenue submission, page 2: <https://privacy.org.nz/assets/Uploads/Inland-Revenue.pdf>

Findings:

- ⊗ There is no compelling evidence that the proposal to add selected tax debt information would bring substantial marginal benefits to CCR.
- ⊗ To add selected state tax debt information to the credit reporting system would not necessarily be straightforward and might require changes to normal approaches to handling debt information.
- ⊗ Including non-public administrative information from a government department that is unconnected to a credit transaction is unprecedented and not justified in principle.

3. New Zealand business number

The New Zealand Business Number (NZBN) was established by the New Zealand Business Number Act 2016 after the last major review of the Code. Given the business-focus of the NZBN most individuals listed by credit reporters will not possess this number. However, self-employed people would be eligible to have a NZBN.⁴⁰

A number of submitters supported the inclusion of the NZBN in the credit reporting system including various credit providers⁴¹, credit reporters⁴² and industry groups.⁴³ Submissions were quite brief and expressed views of the merits in quite general terms without explaining in detail how those stakeholders thought that NZBN would assist credit reporting or work in the context of the Code. The typical assertion was that the NZBN would help in correctly identifying businesses without explaining how this would happen.

Reassuringly, several submissions expressed confidence that credit reporting systems could be modified to integrate the NZBN ‘easily’ (Centrix), without ‘significant difficulties’ (D&B) or ‘problems’ (FSF). More cautiously RCANZ considered the number ‘useful’ but that inclusion ‘will cost time and money’.

Although not opposed to the merits of introducing the NZBN into the credit reporting system, the Office remains a little more cautious than submitters about the merits, practicality and potential problems. In particular, the credit reporting system covers individuals in a range of capacities some of which might carry a NZBN and some of which will not. For example there will be individuals with an NZBN in business (sole traders) and those in business without an NZBN. There will be those who are not in business on their own account (consumers and employees). Even where a NZBN has been issued in relation to an individual there will be information drawn into the credit reporting system that does not include that detail (for example in relation to a consumer transaction such a personal credit

⁴⁰ See <https://www.nzbn.govt.nz/about-nzbn/what-are-nzbns>

⁴¹ Submissions: ANZ page 10; BNZ page 2.

⁴² Submissions: Centrix page 15; D&B page 12. Veda’s submission did not express direct support but notes the usefulness of the NZBN in relation to company information.

⁴³ FSF 3.3, RCANZ pages 31-32.

card or the record of a transaction pre-dating issue of a NZBN). The use of NZBN for matching an entity in these circumstances is not without problems.

Furthermore, identifiers can sometimes create information problems of their own when, for example, the wrong identifier is added to a document and entered into a system.

This is not to argue against the inclusion of the NZBN. However, the notion that inclusion of an identifier necessarily increases accuracy overall or in all cases needs to be challenged.

The Office also notes that it will not suffice to simply change credit reporters' systems to provide for this new information element. The practices of subscribers are also implicated. For instance, the Code was changed several years ago to allow the use of the (hashed) driver licence number as an additional identifier for matching. The driver licence number is available for far more individuals than the NZBN. The recent review found that many subscribers did not make use of this facility meaning that the authority to use the number has not achieved its potential to improve accuracy.

The Office accepts the desire of the industry to add the NZBN to the system. Some further work with the industry on the detail will be required prior to making a code change to ensure that suitable rules on the reassignment of this unique identifier and its use in identification can be devised.

Finding

- Industry supports inclusion of the New Zealand Business Number in the credit reporting system.

Recommendation

2. The New Zealand Business Number should be permitted to be included in the credit reporting system.

4 Access: Outer time limit

An individual is entitled to request access to information held by a credit reporter. If an individual requests credit information from a credit reporter the credit reporter must provide the information as soon as reasonably practicable, but in any case not later than 20 working days after receiving the request.

The credit reporting industry is set up in today's environment to quickly retrieve and disclose credit information to its subscribers. Allowing a maximum timeframe of 20 working

days is much longer than necessary in this context. Indeed, the industry generally already provides responses to requests much more quickly than this outer limit.⁴⁴

Under the Australian Privacy Act 1988, credit reporters in Australia are required to respond to an individual's request for access to credit information within a reasonable period "but not longer than 10 days, after the request is made".⁴⁵ By contrast, the Australian Privacy Act does not impose a 10 day response time for general access requests outside the credit reporting sector.⁴⁶

A credit reporter cannot charge for access to credit information unless an individual requires the information within 5 working days. In this case a credit reporter may charge no more than \$10.

Submissions from credit reporters highlighted fluctuations in demand from consumers which can, in busy times, mean that it takes longer than usual to process access requests. A submission from a civil society group providing budgetary advice noted that their clients are often in crisis and access to information swiftly, within 10 rather than 20 days, would be supported.⁴⁷

The requirement to verify the identity of individuals was mentioned as a factor that can delay some requests. However, while that is certainly true, this is an issue dealt with in the Act in section 45 (by which access is appropriately withheld until the requester satisfies the agency of the individual's identity in accordance with appropriate procedures set in place by the agency) rather than by time limits.

The Office takes the view that there is a good case in the special circumstances of this industry to reduce the outer time limit for access to a period shorter than applies in other contexts. We note that this case has also been recognised in Australia. The Office takes the view that reduction to 10 working days is appropriate (a period that is longer than the 10 days specified in Australia). This remains an outer limit and the obligation will remain "as soon as reasonably practicable" which we expect will often mean a quicker turnaround.

The halving of the outer time limit for access, with the underlying expectation of prompt access overall, suggests a need to reconsider the time limit for especially prompt access for which a charge may be made. The Code provides that a credit reporter may not charge for

⁴⁴ For example, see Office of the Privacy Commissioner, Spot checks on credit reporter compliance, May 2015: <https://privacy.org.nz/news-and-publications/commissioner-inquiries/spot-check/>

⁴⁵ Privacy Act 1988 (Cth), section 20R(3): <https://www.legislation.gov.au/Details/C2018C00034>

⁴⁶ Privacy Act 1988 (Cth), Australian Privacy Principle 12.4 imposes no express outer limit on a "reasonable period" standard on request to organisations and allows for 30 days for agencies to respond to requests.

⁴⁷ NZFFBS submission, page 6: <https://privacy.org.nz/assets/Uploads/New-Zealand-Federation-of-Family-Budgeting-Services-Inc.pdf>

access to credit information unless an individual requires the information within 5 working days in which case a credit reporter may charge no more than \$10. To maintain relative proportion between the two limits it would be appropriate to reduce the period from 5 working days to 2.5 working days. Since we would not wish to reference half a working day and thus propose reducing the chargeable period to 72 hours (the equivalent of 3 days).

Recommendations:

3. The outer time limit for a credit reporter to give the individual concerned access to credit information should be reduced from 20 working days to 10 working days.
4. The '5 working days' reference in clause 7(2)(b) should be replaced with '72 hours'.

5. Unclaimed money

Sometimes an agency holds money owed to an individual but is unable to pay the money out as they lack current contact details. It has been suggested that credit reporters be permitted to use credit information to provide a service to trace people to enable return of unclaimed monies.

Such a use would involve the use of credit information for a purpose other than the one for which it is held. However, for the individual concerned the proposed use could be a beneficial one.

Most submissions, including those from the credit reporting and finance industries, supported the possibility of using the credit reporting system in appropriate ways to trace individuals to return unclaimed money. One submission from a civil society organisation expressed concern that while the proposal seemed innocuous the use of the system to track people for their benefit could be a precedent for tracking them to their detriment and thus they held a fear of 'function creep'.⁴⁸

The Office generally discourages the use of the credit reporting system for secondary business uses unrelated to credit reporting. However, it accepts that some limited secondary uses in the public interest or in the interests of individuals can be accommodated without unduly undermining public trust in the credit reporting system. The Office accepts the case for using the system to enable the return of money to individuals in cases where that money is unlikely to be reunited in any other way. There will be a number of matters of detail to work through to design a suitable system.

Scope

⁴⁸ NZFFBS Submission, page 6: <https://privacy.org.nz/assets/Uploads/New-Zealand-Federaton-of-Family-Budgeting-Services-Inc.pdf>

The discussion paper did not define the scope of the proposal beyond referring to the use of the credit reporting system to return “money owed to an individual”. The phrase “unclaimed monies” was mentioned which was taken by at least one submitter to be a possible reference to the Unclaimed Money Act 1971 although the echo of that Act’s title and terminology was purely coincidental.

Some submissions gave examples of the situations where difficulties in returning money had been encountered such as:

- Bonus Bonds;⁴⁹
- Telephone accounts left in credit;⁵⁰
- Dividends and superannuation;⁵¹
- Failure to cancel an automatic payment on expiry of a loan.⁵²

Veda mentioned that it was aware of media reports suggesting the quantum of unclaimed funds as being “an estimated \$136 million ... belonging to 260,000 people and organisations”.⁵³ We have not verified those figures.

Conditions under which such a function might appropriately operate

Were this use of the credit reporting system be permitted, safeguards would need to be put in place to ensure it was not misused to trace individuals for purposes other than the return of unclaimed money or undermine trust in the credit reporting system. There would need to be some clarity as to the appropriate circumstances for system’s use, steps to be taken before and after invoking this service, the processes to be followed, the obligations of parties and what information is to be used, released or withheld.

Several of the credit reporter and industry groups sketched out in their submissions the kind of steps they thought might be suitable.⁵⁴

The Office considers that further work is needed to sketch out all the elements of a workable system. Drawing upon the submissions, and adding some issues or questions of our own, we expect that a suitable scheme might be likely to address the following elements:

- *Who might access the tracing system:* This might also involve specifying obligations on credit reporters relating to verification. Whether an ‘all comers’ approach is to be

⁴⁹ ANZ submission, page 11: <https://privacy.org.nz/assets/Uploads/ANZ.pdf>

⁵⁰ Spark submission, page 6: <https://privacy.org.nz/assets/Uploads/Spark-New-Zealand.pdf>

⁵¹ RCANZ submission, page 34: <https://privacy.org.nz/assets/Uploads/Retail-Credit-Association-of-New-Zealand.pdf>; Centrix submission, <https://privacy.org.nz/assets/Uploads/Centrix-Group-Limited.pdf>

⁵² FSF submission, 3.5: <https://privacy.org.nz/assets/Uploads/Financial-Services-Federation-Inc-.pdf>

⁵³ Veda submission, page 18: <https://privacy.org.nz/assets/Uploads/Veda.pdf>

⁵⁴ See Veda. Pages 18-19: <https://privacy.org.nz/assets/Uploads/Veda.pdf>; RCANZ page 34: <https://privacy.org.nz/assets/Uploads/Retail-Credit-Association-of-New-Zealand.pdf>; FSF, 3.5: <https://privacy.org.nz/assets/Uploads/Financial-Services-Federation-Inc-.pdf>; Centrix pages 15-16: <https://privacy.org.nz/assets/Uploads/Centrix-Group-Limited.pdf>

taken or if the service is open only to subscribers. Will the service be open to intermediaries who see to take a percentage of the money? Will a special access agreement be required and what would its terms be (this question applies to all the elements mentioned)?

- *For what purpose might tracing be permitted:* The basic proposal is to enable return of unclaimed money but as the submissions show this might potentially arise in various circumstances. How broad should the scheme seek to go?
- *How the scheme relates to other law:* The scheme must be consistent with the Unclaimed Monies Act. Are there any other laws of potential relevance? Are there any special issues under law in relation to groups like minors or deceased people?
- *What steps must be taken before accessing the scheme:* Is it to be a first resort or a last resort? Submissions have suggested that the subscriber should be required to demonstrate that steps have been taken without success to contact the individual (for example, by failed attempts in contacting the individual at the address they gave).
- *How the scheme addresses accuracy of information:* What obligations would be imposed to require or check the accuracy, completeness and relevance of information to promote a successful match? What happens when there are several possible matches? What degree of probability is acceptable to allow the use or release of information?
- *Arrangements for release or use of information:* The choice may be between permitting release of lists of confirmed (in the sense of high probability) address information for successfully matched identities to the subscriber that has initiated the trace or, perhaps, creating a process whereby a notice in pre-approved terms is sent to the individual inviting them to make contact with the subscriber to claim the money if they wish. The first alternative may be seen as more convenient and useful from a subscriber's perspective. The second alternative is more privacy-respectful involving no disclosure to the subscriber and leaving contact as a matter of choice for the individual. If there is to be disclosure to the subscriber there will be a question about which data elements to release e.g. should that include former addresses or identity details associated with the match that the subscriber did not previously hold (e.g. date of birth)?

The Office strongly discourages the use of the credit reporting system for secondary business uses unrelated to credit reporting. However, this is a case where there is direct financial benefit to the individuals concerned and, although it would be a small new business line for credit reporters, it is not driven as a money-making venture for subscribers but seeking to address a genuine business problem. Although there will be a number of matters of detail still to work through, the Office is confident that this can easily be achieved and the privacy issues can be suitably managed.

Finding:

- Ⓜ There is a significant problem with returning sums of money to individuals who have lost contact with institutions holding money on their behalf and there is scope to allow the credit reporting system to be used, in certain conditions and subject to appropriate controls, to address this problem.
- Ⓜ Submissions have found industry support for permitting some use of the credit reporting system for returning unclaimed money to the individuals concerned.

Recommendation:

5. The Code should provide for a scheme to allow the tracing of individuals in appropriate circumstances, and subject to controls, to enable the return of money to which the individuals are entitled.

6. Two developments in credit reporting regulation overseas

Despite the relative maturity of the practice of credit reporting, it continues to evolve as does the regulation of the practice. The opportunity is taken briefly to record two noteworthy regulatory developments in other jurisdictions and to signal that the Office will take the opportunity in forthcoming engagement with the industry to seek to find out if there are any useful lessons for New Zealand.

Independent review of the Australian Privacy (Credit Reporting) Code 2014

During 2017 the Office of the Australian Information Commissioner (OAIC) engaged PricewaterhouseCoopers (PwC) to conduct an independent review of the Privacy (Credit Reporting) Code 2014 (CR Code).⁵⁵ The CR code supplements the provisions contained in Part IIIA of the Privacy Act and the Privacy Regulation 2013. The CR Code is a mandatory code that binds credit providers and CRBs. A breach of the CR code is a breach of the Privacy Act. The PwC report was completed in mid-December 2017 and subsequently made publicly available.⁵⁶

On 2 April 2018 ARCA began a public consultation on proposed amendments to the CR Code to give effect to the PwC report.⁵⁷ The Office has only had a short while to consider aspects of the PwC report and ARCA code amendment. In the principal review report we picked up on the recommendation to make the prohibition on developing 'tools' to facilitate

⁵⁵ For more information about the review, including to obtain the issues paper and submissions, go to: <https://www.oaic.gov.au/engage-with-us/consultations/independent-review-of-the-privacy-credit-reporting-code-2014/>

⁵⁶ See <https://www.oaic.gov.au/resources/engage-with-us/consultations/independent-review-of-the-privacy-credit-reporting-code-2014/pwc-report-review-of-privacy-credit-reporting-code-2014.pdf>

⁵⁷ See <https://www.arca.asn.au/news/privacy-credit-reporting-code-cr-code-variation.html>

subscriber's direct marketing clearer⁵⁸ but otherwise it appeared to the Office that the PwC report was focused on technical and drafting issues that may have no counterpart in NZ.

However, given some of the parallels between credit reporting regulation in Australia and New Zealand, the Office signals that it welcomes the industry drawing any particular PwC recommendations to its attention if there may be benefit in New Zealand following a similar course.

USA removes certain public records from credit reports

It has been reported that from 16 April 2018 new accuracy standards for US credit reports will result in the removal of nearly all civil judgments and tax lien records from credit reports.⁵⁹ The removal of these records may affect credit scores although there remains debate about how much.⁶⁰

These developments are the latest in a series of measures undertaken by the US credit reporting industry, through the vehicle of the National Consumer Action Plan (NCAP),⁶¹ following settlement agreements between the 3 nationwide credit reporters and 30 State Attorneys General.⁶²

We understand that at the heart of the latest development has been the difficulty of consistently and accurately associating civil judgment data with the correct individuals given the lack of certain standard US identification data in judgments and liens.

It is possible that these particular data quality issues are peculiarly American given the complexities of a federal system, the existence of multiple court systems and the use of the Social Security Number as an identifier; three issues that do not apply in New Zealand. However, the fundamental need accurately to reliably identify individuals associated with public records entered into the credit reporting system is a common one and accordingly the Office will welcome exploring with the credit reporters whether there is anything to be learned from the latest US developments. The Office notes that this is merely one aspect of NCAP and we will be interested in whether there are other aspects of NCAP having lessons for NZ.

Recommendation:

6. The Office should discuss with the credit reporters whether there are aspects of the

⁵⁸ See OPC, Comprehensive Credit Reporting Six Years on, Recommendation 10.

⁵⁹ See Credit scores may jump starting this month: <https://www.cnbc.com/2018/04/12/credit-scores-may-jump-as-tax-liens-disappear-from-reports.html>

⁶⁰ See CFPB, Quarterly Consumer Credit Trends: Public Records, February 2018: https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_consumer-credit-trends_public-records_022018.pdf

⁶¹ See: <http://www.nationalconsumerassistanceplan.com/about/>

⁶² See <https://ag.ny.gov/press-release/ag-schneiderman-announces-groundbreaking-consumer-protection-settlement-three-national> and <http://www.ag.ny.gov/pdfs/CRA%20Agreement%20Fully%20Executed%203.8.15.pdf>.

Australian PwC report or the US NCAP having lessons for NZ that should, in their opinions, be further examined. If any such issues are identified consideration should be given to whether they ought to be progressed in tandem with implementing recommendations arising from the review or be handled in any other way.

Summary of recommendations

1. The case for adding current balance information should be reconsidered by the Office when the current CCR system has matured and the public benefits of CCR have been demonstrated.
2. The New Zealand Business Number should be permitted to be included in the credit reporting system.
3. The outer time limit for a credit reporter to give the individual concerned access to credit information should be reduced from 20 working days to 10 working days.
4. The '5 working days' reference in clause 7(2)(b) should be replaced with '72 hours'.
5. The Code should provide for a scheme to allow the tracing of individuals in appropriate circumstances, and subject to controls, to enable the return of unclaimed money to which the individuals are entitled.
6. The Office should discuss with the credit reporters whether there are aspects of the Australian PWC report or the US NCAP having lessons for NZ that should, in their opinions, be further examined. If any such issues are identified consideration should be given to whether they ought to be progressed in tandem with implementing recommendations arising from the review or be handled in any other way.