



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

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Central Credit Register

Feedback Response to CP93



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1. Introduction

On 17 April 2015 the Central Bank of Ireland (the Central Bank) published Consultation Paper 93 – Central Credit Register seeking views on key policy areas in advance of making regulations associated with the introduction of the Central Credit Register ('CCR').

As noted in CP 93 the CCR will be a national mandatory database of credit intelligence established, maintained and operated by the Central Bank, in accordance with the provisions of the Credit Reporting Act 2013 ('the Act')¹.

Lenders (referred to as Credit Information Providers or CIPs) will be obliged to check and report information associated with credit applications and agreements on a mandatory basis so as to provide a comprehensive repository of credit information.

When operational, the CCR will act as an important support to CIPs, providing a reliable and secure source of credit intelligence, showing an accurate picture of each borrower's total loans and guarantees reported. This matching of loans and guarantees with the correct borrower to create a Single Borrower View will facilitate enhanced creditworthiness assessments and responsible lending.

The CCR will equip borrowers (referred to as Credit Information Subjects or CISs) with information on their credit profile and record. Benefits for individual borrowers will include free access to their own credit record once every twelve months upon request. The development of robust information security controls and safeguards will be a key feature of the CCR. In addition to putting in place secure and controlled access which can be monitored, the Central Bank will have significant data protection obligations in respect of personal information held on the CCR. The Central Bank will continue to engage with the Office of the Data Protection Commissioner as it manages its responsibilities in this regard, both in the design and execution and on-going operation of the CCR.

The information stored on the CCR will also be available to the Central Bank to support it in carrying out its existing functions, for example, prudential supervision or statistical analysis.

CP 93 noted that the key objectives of the CCR and the Central Bank are as follows:

- To create a comprehensive credit register through mandatory reporting requirements;
- To provide an accurate Single Borrower View of loans;
- To provide consistent and comprehensive reporting of credit agreements;
- To provide controlled access to CIPs at key points throughout the credit lifecycle, and to CISs upon request;
- To ensure that data is collected, stored and used properly and securely;
- To facilitate the Central Bank in the performance of its functions through access to credit information;
- To support consumer protection; and
- To support broader economic development.

¹ Credit Reporting Act 2013 <http://www.irishstatutebook.ie/pdf/2013/en.act.2013.0045.pdf>

The development of the CCR is an important financial sector reform contributing to financial stability and consumer protection, which will have a significant impact on CIPs and CISs.

CP93 sought views on nine specific areas. In addition respondents were also invited to raise any other comments or suggestions in relation to the implementation of the CCR, together with the supporting rationale. The closing date for submissions was 12 June 2015.

20 submissions were received in response to CP93. The Central Bank would like to thank all parties who took the time to make a submission on CP93. The submissions received can be broken down as follows:

- 9 from individual CIPs (including banks & credit unions);
- 6 from CIP representative bodies;
- 2 from consumer representatives and
- 3 from individuals and other interested parties.

All submissions received are available on the Central Bank website.

This paper summarises the feedback received on CP93 and sets out the Central Bank's considered position, including key decisions that have been made following the consultation. It is intended to be read in conjunction with CP93 and makes reference to proposals and terms used in the original consultation document, which can be found on the Central Bank's website at the following [link](#).

This feedback statement is published to promote understanding of the policy formation process within the Central Bank and is for information purposes only. This document does not alter legal or regulatory requirements for any party subject to the Act. This document does not constitute legal advice and should not be used as a substitute for such advice. It is the responsibility of all CIPs to ensure their compliance with legal and regulatory requirements.

Section 2 of this feedback statement provides an overview of the key decisions arising from the submissions received, including a summary of the Central Bank's responses to the submissions and an outline of the proposed next steps and associated timelines in respect of the implementation of the CCR.

Section 3 of this feedback statement provides details on the questions posed in CP93 along with a summary of the feedback received on each question and the Central Bank's response.

Section 4 of this feedback statement provides an overview of additional feedback received and the Central Bank's response to this feedback.

2. Overview of key decisions and next steps

2.1 Summary of feedback and key decisions

The following is a summary of the key matters raised by the respondents in their responses and the key decisions taken by the Central Bank in light of the submissions received:

Matter on which views were sought	Summary of Feedback received	Summary Central Bank response and key decisions
Reporting of CISs to the CCR		
CP93 had suggested two broad phases: Phase 1 focus on Individuals and groups of individuals including sole traders, partnerships, clubs and associations. Phase 2 focus on incorporated entities.	There was a mixed response on this matter. Some respondents favoured splitting the implementation into more discrete phases such as consumers, other groups of individuals (to include partnerships, clubs etc.) and finally incorporated entities. There was a general consensus that CIPs would be best equipped to provide detail on consumers in the first instance.	The Central Bank is proposing that: Phase 1 will focus on Consumers; Phase 2 will focus on all other CIS's to included sole traders, partnerships, clubs and associations along with incorporated entities.
Reporting of CIPs to the CCR		
CP 93 had suggested that Phase 1 covers all CIPs lending to individuals apart from licensed moneylenders and Local Authorities.	There was a range of responses on this. CIPs from the banking sector were of the view that all consumer lending by all CIPs be captured in Phase 1. Respondents from CIPs in the Credit Union sector generally expressed concerns with the absence of the suggested CIPs from phase one as these may be a significant source of credit for some CIS's. The home credit representative respondent supported the suggested approach.	The Central Bank is proposing that Phase 1 will cover all CIPs lending to <i>consumers</i> other than by licensed moneylenders and Local Authorities; which will fall to be reported in Phase 2. It is noted that the majority of loans issued by licensed moneylenders are below the current reporting threshold of €500.
Collection of Credit Application Data		
CP 93 had indicated that the legislation permitted the collection of credit application data and sought views as to the extent of credit application data to be collected.	Some respondents suggested that some limited data be collected while others were of the view that a footprint on a credit report could be sufficient. Additionally concerns were raised in respect of sharing excessive information with competitor CIPs. There was little support in respect of providing on-going updates in	The Central Bank is proposing to collect a limited amount of credit information on credit applications (product and amount of credit) in addition to personal information. This information will be useful for CIPs but will also be of assistance in determining that the CCR is being accessed for a proper purpose.

	respect of credit application status.	No requirement to update credit application status is currently proposed.
First Point of Reporting of Credit Agreements to the CCR		
CP 93 had suggested that the point of drawdown as the first reporting point for a credit agreement.	There was broad support from most respondents on this question. It was further suggested that certain specific credit agreements be reported from the date from which a credit limit or facility is available for use by the CIS, which may be before actual first drawdown.	The Central Bank is proposing that the first reporting of credit agreements be at the point of first drawdown, other than for a number of specific products such as overdrafts and credit cards; the first point of reporting for these will be date from which a limit or facility is available for use by the CIS.
Extent of Historic Data to be collected		
CP 93 had set out a number of options. The Central Bank had suggested an option that involved capturing 12 months of data (including performance data) prospectively in advance of the CCR becoming operational.	There was a range of feedback on this issue. No respondents favoured retrospective collection of data, and many supported the collection of data for a limited period of time in advance of the CCR becoming operational. Some respondents referenced the need for common standards and consistency and expressed the view that this might be difficult for data pre-dating the establishment of the CCR. In this context those respondents indicated that their preferred approach was to incrementally build up the data from an agreed point. Respondents expressed the view that CIPs should be held to the same reporting date where possible.	The Central Bank is proposing that for Phase 1 CIPs will make an initial submission of data based on the position at 30 September 2016. CIPs will be given a 6 month window in which to make their initial submission. By 31 March 2017 it is expected that CIPs will have reported existing and new credit agreements back-dated to 30 September 2016. For Phase 2, a similar approach is proposed with positions at 30 June 2017 to be reported within the following 6 month reporting window back-dated to 30 June 2017.
Single Borrower View – Accurately identifying CISs		
CP 93 had sought comments in respect of the value and scope of personal data necessary to accurately match CIS's and the verification procedures that might be to be undertaken, including in respect of PPSN.	Some respondents indicated that creating an accurate Single Borrower View was the greatest challenge for the project, and that sufficient, accurate and consistent data was required. Concerns were expressed that whatever personal data is decided upon	The Central Bank is undertaking a Privacy Impact Assessment to inform its proposals in this respect. The final detail in respect of data to be collected will be set out in the technical specifications and regulations. It is proposed that the CCR will

	<p>(including in respect of PPSN) be agreed with the other relevant statutory stakeholders including the Data Protection Commissioner, and that clear instructions or guidance be provided.</p> <p>Respondents also indicated that it would be helpful if any verification procedures would mirror existing customer identification checks.</p>	<p>collect and process PPSN to achieve an accurate single borrower view, but its collection will be subject to strict controls to mitigate against potential risks. The Central Bank will continue its process of consultation with the Office of the Data Protection Commissioner.</p> <p>The Central Bank will introduce verification procedures that complement to the degree possible existing 'know your customer' obligations.</p>
Collection of Foreign Credit Data		
<p>CP 93 sets out that the Act permits the Central Bank to place an obligation on CIPs to collect declarations from CISs in respect of outstanding foreign credit.</p> <p>The Central Bank had indicated it would seek to defer the introduction of this item.</p>	<p>The majority of respondents suggested that this provision should not be implemented as there are significant practical challenges in collecting, validating and collecting such data, which is dependent on CIS disclosure. Furthermore it was noted that there was no sanction for an inaccurate or incomplete CIS disclosure.</p>	<p>The Central Bank is not proposing to address this matter in the initial implementation.</p>
Collection of Guarantor Data		
<p>CP 93 sought views on the requirement of CIPs to report guarantor data to the CCR and sought views on whether to phase the introduction of this requirement.</p>	<p>The majority of CIP respondents while accepting the usefulness and value of this data suggested that its collection be deferred in light of the significant practical challenges that they will face in meeting this requirement.</p> <p>Others recommended that such data be included in the CCR at the earliest opportunity.</p>	<p>The Central Bank is proposing to collect this data after the implementation of Phase 2.</p>
Levies and Fees		
<p>CP 93 set out that the CCR is intended to be self-financing; the Act allows the Central Bank to develop regulations so that it can set levies and fees for users of the CCR to ensure that costs are fully recouped.</p> <p>CP 93 sought views in respect of the most equitable basis for recouping the costs of the CCR.</p>	<p>There was a range of views from respondents. Some suggested a fixed fee cost per search. They noted as customers will ultimately pay it did not make sense for customers to have a different cost for the same service from the CCR depending on which CIP they approach. Other</p>	<p>The Central Bank will introduce regulations for fees and levies to ensure that all the costs associated with running the CCR are recouped.</p> <p>The Central Bank is still considering a number of options and models in this regard including how best to strike a fair balance between</p>

	<p>respondents felt it was important to differentiate based on the CIP concerned and the nature of the services offered.</p>	<p>recouping costs through either fees or levies (or both) and the most equitable basis for charging CIPs of varying size and complexity. The Central Bank will review the basis of recouping costs after a period of operation in light of actual activity in the CCR and may seek to recalibrate the charging model at that point.</p>
<p>Any other comments</p>		
<p>CP 93 asked respondents to provide details of any additional comments or suggestions in respect of the implementation of the CCR.</p>	<p>Respondents outlined a range of additional comments and suggestions which included: The expected implementation timelines – a number of suggestions were made in this respect; concerns were expressed in respect of the scale of activities in the suggested timeline. Some respondents noted that the implementation will involve substantial changes across a broad range of IT systems and processes. Suggestions were made to decouple CCR data submission and CCR data enquiry into distinct activities. Suggestions and comments were received in respect of data, including the need for clear and consistent definitions and suggestions that the data set should be incrementally developed. A number of respondents wished to understand the Governance model that the Central Bank will put in place for the CCR once operational and additionally clarifications were sought in respect of the legal liabilities of stakeholders. A number of respondents were concerned as to how the transition from any use of private credit bureaux might be managed in practice.</p>	<p>The Central Bank notes these additional submissions and suggestions. In respect of the proposed implementation timelines it should be noted that the obligation to implement the CCR stems from Ireland’s commitments under the programme of financial assistance from the EU, IMF & ECB and this matter remains subject to on-going review and assessment. The Central Bank is conscious of the significant impact that the introduction of the CCR will have on the IT systems and broader business processes of CIPs and is proposing to introduce the CCR in a number of distinct phases and functional releases. This is addressed further in section 2.3 below and again in section 4. In respect of the other issues raised including data development, governance models for the CCR, legal liability and transitional arrangements these are addressed in section 4 below.</p>

2.2 Implementation activities and next steps

As noted in CP 93 the Central Bank has during the development of the CCR undertaken a programme of consultation with significant CIP stakeholders (including banks and credit unions), CIP representative bodies and broader CIP stakeholders (such as IT service providers). Specific activities undertaken (supported by workshops) have included issuing a questionnaire, collection of sample data, development of draft data listings, associated definitions & domain values and establishment of a pilot group ; this work has helped the Central Bank develop its strategy as it proceeds with the operational implementation of the CCR.

At the same time the Central Bank has engaged with its operational partner (CRIF Ireland Limited) and is progressing with the technical design of the CCR. The output of consultation activities, including the responses received to CP 93 together with external advice have assisted and informed the CCR design process and ultimately will help to shape the final technical specifications and rules that will govern the CCR.

Furthermore the Central Bank has continued its work in drafting the regulations necessary to underpin the CCR. The Central Bank is undertaking a Privacy Impact Assessment in respect of the data that will be processed on the CCR. The outputs of the Privacy Impact Assessment will be reflected in the final CCR design and the outcomes of the key design decisions will be reflected in the final regulations made.

The next steps and associated key milestones from the Central Banks perspective are as follows:

- Completion of Privacy Impact Assessment (interim assessment);
- Finalisation of the CCR Design and associated Technical Specifications;
- Making of Regulations;
- Build and testing of CCR solution and finalisation of operational handbooks; and
- On-boarding of CIPs to enable data submission in respect of Phase 1.

The Central Bank will continue to engage with CIPs through working groups and pilot groups established as the project proceeds and will communicate more broadly to CIPs at appropriate milestones. As noted in CP 93 the Central Bank has a number of statutory obligations that are set out in the Act in making the regulations. Specifically the Central Bank must consult with the Data Protection Commissioner in respect of certain regulations and seek the consent of the Minister for Finance.

2.3 Implementation Approach & Indicative timelines

CP 93 set out that the Central Bank was considering implementing the CCR over a number of distinct phases as permitted by the legislation.

Such an approach is consistent with the Report of the Inter-Agency Working Group on Credit Histories which set out that a phased implementation would permit prioritisation and take account of the significant changes to operational and business processes, particularly for CIPs, in a realistic and pragmatic way. The development of a CCR in such a manner is also consistent with the approach adopted in other European countries, with incremental expansion and enhancement the norm.

In this context and based on the feedback received to CP 93 the Central Bank is proposing that **Data Submission** into the CCR will occur in 2 distinct phases:

Phase 1 will cover all lending by CIPs to consumers (other than lending by Local Authorities and licensed moneylenders). A consumer is a natural person acting outside his trade, profession or business.

Phase 2 will cover all other lending by CIPs within the scope of the Act. This will include all lending to non-consumers (e.g. corporates, businesses including sole traders and partnerships) together with any consumer lending by Local Authorities and licensed moneylenders.

It is proposed that CIPs will provide data in respect of Phase 1 from 30 September 2016. CIPs may commence reporting this data in the 6 month period from 30 September 2016 to 31 March 2017; any CIP that commences reporting for the first time after 30 September 2016 in respect of Phase 1 will be required to backdate data to 30 September 2016.

In respect of Phase 2, it is proposed that reporting of data will commence from 30 June 2017. CIPs may report this data in the 6 month period from 30 June 2017 to 31 December 2017; any CIP that commences reporting for the first time after 30 June 2017 in respect of Phase 2 will be required to backdate data to 30 June 2017.

This proposed approach will focus initial effort on areas of greatest interest to users of the CCR (including the Central Bank) and on sectors that CIPs have current operational experience of reporting of granular data. Such an approach will also take account of the significant operational impact that the CCR will likely have on CIPs, their IT systems and broader business processes. Furthermore some CIPs (initially banks) are likely to have additional granular data reporting obligations imposed by the European Central Bank (AnaCredit² project); the specific requirements and timelines associated with this project are emerging, and it currently appears that the main obligations and timelines associated with these are broadly similar to the second phase of the CCR as suggested. In this context harmonisation to the highest extent possible is desirable and may reduce the degree of change and the reporting burden on CIPs subject to AnaCredit reporting.

On receipt of the data from the CIPs the CCR will proceed to process and match the data, to achieve a single borrower view. As noted above for each of the 2 Phases, CIPs will have a six month period where data will be submitted. This is to facilitate the large volume of CIPs and data involved.

In respect of the timing of when users commence **Data Enquiry** from the CCR a number of factors need to be considered. As noted above CIPs will have a six month window in which to commence data submission for each of the phases. It is therefore not proposed that data enquiry will commence until this activity is complete.

Furthermore the extent and quality of the data submitted by CIPs will largely determine when the Central Bank considers that mandatory searching by CIPs of the CCR is appropriate. In this context the Central Bank is proposing that the capacity to enquire the CCR in respect of Phase 1 will exist at the end of March 2017 and that CIPs are obliged to check qualifying applications from 31 December

² The European Central Bank analytical credit dataset, 'AnaCredit'

2017. On a similar basis, in respect of Phase 2 the Central Bank is proposing that the capacity to enquire the CCR will exist at the end of 2017 and the CIPs are obliged to check qualifying applications from 30 June 2018.

As noted above the extent and quality of data submitted by CIPs and the knock on impact on the accuracy of matching will strongly influence when the CCR is fit for purpose in respect of data enquiry. The Central Bank has set out its proposals above but may revisit these proposed timelines if the data provided by the CIPs is of insufficient quality to enable the CCR to safely proceed with the data enquiry functionality.

In respect of the key milestones from the Central Banks perspective indicated above, the following are the indicative timelines:

Key Milestone	Indicative Timeline
Completion of Privacy Impact Assessment – interim assessment	Feb 2016
Finalisation of the CCR Design and associated Technical Specifications	Mar 2016
Making of Regulations	Mar 2016*
Finalisation of operational handbooks	Apr 2016
Build, test and deployment of CCR solution	Jan – Aug 2016
On-boarding of CIPs to enable data submission in respect of Phase 1	Sep 2016 – Mar 2017

* The Act sets out that the Central Bank consult with the Office of the Data Protection Commissioner and seek the consent of the Minister for Finance to make the regulations. In light of these statutory requirements, the exact timing regarding the making of regulations is not directly within the control of the Central Bank.

3. Matters on which views were sought, feedback received and Central Bank response

3.1 Reporting of CISs to the CCR

The Central Bank sought views as to what extent the pace of development of the CCR is progressed. In particular views were sought regarding how information on lending to CIS's be collected.

The specific questions on which feedback was sought are set out below in addition to a summary of the feedback received from respondents. The response of the Central Bank is set out at the end of this section.

1. With respect to the reporting of different categories of CISs to the CCR, do you favour a phased approach to the implementation?

The majority of respondents recognised the practical need for phasing of CISs, and suggested that the initial focus should be on consumers. Some respondents proposed alternative phasing arrangements for example a three stage implementation - Consumers, SMEs and then Corporates on the grounds that this smoothes the implementation impact and many CIPs already report consumer data to private bureaux.

Other respondents were against a phased approach to implementation on the grounds that in order to ensure effective operation of the CCR as early as possible and the usefulness of the CCR for credit worthiness decisions, they suggest all categories of CISs are grouped in one phase.

Furthermore some respondents noted that all providers of information on customer credit must come on board together for a particular product/business line so that there is a total view of a customer's indebtedness. It was suggested that it was important that no advantage be given to CIPs such as the capacity to check the CCR without having submitted data.

2. Are there any specific areas that based on your current practice or experience you would suggest should be excluded or deferred from either phase? If so, please set out your rationale.

Some respondents suggested consideration should be given to reducing the initial list of data fields to enable a streamlined commencement; deferring any augmentation to a later stage until that initial data has been properly established, the initial focus should be upon data critical to lending.

Concerns were raised by respondents in respect of commercially sensitive data particularly in respect of corporate customers (e.g. interest rates). It was suggested that the CCR should only hold data that it is necessary to underpin better lending quality across the credit industry. It was suggested that a wide dataset at a granular level could unintentionally reveal matters not relevant to pure credit assessment.

Other respondents reiterated the need to focus on consumers as noted above and an alternative (more limited) approach for the reporting of home credit was suggested. Furthermore several respondents suggested that the reporting of associations, clubs and groups would be problematic and that these be excluded, as the cost and difficulty of collecting, recording and reporting such data would far outweigh any potential benefits.

3. If the CCR were to cover all CISs immediately, what impact would this have on your organisation and would you be in a position to supply this information i.e. have you the capacity to deliver both on the scope of Phase 1 & Phase 2 as suggested at the same time? Do you see any advantage to the CCR, to CIPs or other parties of being able to cater for those who might wish to implement all the requirements as a single project?

Several respondents highlighted that implementing all product lines and customer categories at once is not practical and carries high risks and that phasing will be essential to balancing CCR with other priorities. It was suggested that doing all phases at once would not be feasible and that the priority be that all lenders contribute data to consistent definitions and standards.

Furthermore they highlighted a strong preference for a tiered approach to phasing. In addition, they suggested that in light of the IT and business change complexities involved in delivering such a system, the management and mapping of data and the operational risks surrounding such a transition, it would not be feasible for CIPs to comply with their reporting obligations in respect of the CCR if the CCR were to cover all CISs immediately.

It was noted by a respondent that most licensed moneylenders providing home credit would not have the capability to provide the data that CP93 envisages should be supplied. A non-CIP respondent saw advantages to having all requirements delivered in a single work stream, facilitating the single-user view across individual and business debt types. However they also noted the technical and temporal limitations on CIPs to provide such data and agreed that the phased approach proposed, is a more practical approach.

An individual respondent was concerned that any proposal to collect all CIS's at the same time would be impossible, fraught with difficulty and could increase the risk of the CCR holding potentially inaccurate information.

4. In terms of lending to groups of individuals without specific legal personality e.g. partnerships, clubs and associations, there may be challenges to capturing personal details of liable partners, trustees or members and adding these obligations to individual records. The Central Bank is aware that this will be especially challenging where the liability of any one individual is limited in some way.
 - a. Could you currently provide all the personal information of individuals who are liable in these circumstances? How do you manage these types of liabilities within your organisation as a total group or as individual liabilities?
 - b. Would you expect to see or like to see these loans on the reports of individuals from the CCR if you were considering a credit application from such an individual?
 - c. Is the incremental value to you of seeing this information (and having a comprehensive view of the total liability) worth any incremental effort you might have in providing this detail?
 - d. Would you be satisfied to report groups of individuals at a 'group' level for a period of time and supplement this with the individual detail at a later point i.e. defer the obligation to report the individual detail and therefore not see these

liabilities on an individual CCR record? Do you have a different view with respect to different types of groups of individuals e.g. partnerships as compared to clubs or associations?

- e. If you have suggestions in relation to addressing this challenge, please provide them along with supporting rationale.

CIP respondents indicated that they treat the liabilities of partnerships, clubs and associations as entities separate from the individuals associated with the entities; therefore they anticipate significant challenges in capturing all details on their systems. They also highlighted concerns as to the capacity to keep all such information accurate and up to date.

A number of other respondents while supporting the concept of developing a comprehensive single borrower view emphasised the complexity and risk associated with trying to separately identify personal liability for loans to partnerships, clubs and associations. They expressed a view that lenders may struggle to keep up to date on liability responsibility in such entities and would inevitably misreport, resulting in the CCR holding inaccurate data.

5. Please outline any further comments or suggestions you have in relation to any phasing of CISs along with supporting rationale.

A number of respondents suggested that in the absence of detailed finalised specifications it was difficult to assess the impact and timelines for the full implementation of the CCR on systems and business processes. Additionally the need for common standards and definitions that can be applied consistently by all CIPs such that the data can reliably be interpreted and used across the industry was highlighted. Those definitions for consumer data currently in use for credit data sharing with private bureaux have evolved over years and reflect a set of rules agreed between the parties. These may not serve the various requirements of CCR. Their assessment was that the implementation of the CCR would be a multi-project, multi-system and multi-year program. It was further suggested that perhaps more data is being asked for than is absolutely necessary to get the CCR up and running quickly with reliable information and that starting with an initial core dataset for consumer data would significantly simplify the initial phase.

A respondent noted concerns that “second-tier” lenders, such as utility companies (*who are specifically excluded from the scope of the CCR*), small service providers and Local Authorities, would need more intensive guidance on reporting under the Credit Reporting Act, 2013 in order to fully populate the CCR and suggested that supports are provided where necessary and such that reports are received within specified timelines. It was also suggested that the CCR consider concessions for CIPs that due to size or value of loans struggle to meet requirements.

Central Bank Response

The Central Bank is proposing two distinct phases in respect of CISs to be submitted to the CCR as follows:

Phase 1 will focus on consumers;

Phase 2 will focus on all other CIS's; to include sole traders, partnerships, clubs and associations along with incorporated entities.

As noted in CP 93 the Act sets out a very broad scope for the CCR. The concept of a phased implementation of the CCR is consistent with the Report of the Inter-Agency Working Group on

Credit Histories which preceded the legislation. This recommended that the implementation be divided into different phases³. The Central Bank believes the approach proposed above will allow CIPs to effect changes to their existing data policies & procedures and IT systems in an incremental manner.

The Central Bank is committed to achieving a comprehensive CCR reflecting a complete and accurate view of all loans but is of the view that there would be significant and unacceptable operational risks to the project if an attempt was made to collect the entire scope of potential data at the same time. The data to be collected will be incrementally built up and in the first instance partnerships will be treated as distinct entities with additional detail gathered in future. The treatment of partnerships is also addressed in section 4.

As noted by some respondents the principle of reciprocity is not provided for in the legislation. Submission and enquiry are governed instead by the rules and thresholds established in the Act; however in the practical and technical operation of the CCR CIPs are likely to have to prove capacity to submit data prior to being able to enquire.

With respect to the suggestion that the CCR consider concessions for CIPs that due to size or value of loans struggles to meet requirements, the Central Bank may have some limited discretion in this regard, however the Central Bank is dedicated to ensuring the CCR is as complete and comprehensive as possible.

3.2 Reporting by CIPs to the CCR

The Central Bank sought views as to what extent the pace of development of the CCR is progressed. In this section views were sought regarding how information on lending by CIP's be collected.

The specific questions on which feedback was sought are set out below in addition to a summary of the feedback received from respondents. The response of the Central Bank is set out at the end of this section.

1. With respect to any phasing of different CIPs, do you favour a phased approach to the implementation?

The majority of CIP respondents were not in favour of phasing of CIPs into the CCR and the most significant common theme was that there should be equal treatment in terms of when and who are obliged to report. It was suggested that the priority must be given to building a comprehensive consumer register embracing all lenders – rather than a subset of CIPs. Each phase or sub-phase must include all lenders in the market. It was suggested that anything less is sub-optimal, weakens the integrity of the register and is not in consumers' interest.

Furthermore some respondents were concerned that a CIP is allowed to not contribute data and yet access enquiries to support their lending. Equally, it was suggested that it should not be possible for a CIP to delay going live with either data provision or enquiries as that would enable some lending to go 'under the radar' which could impact on the quality of decisions for other lenders.

Differing views were expressed on the proposal to defer the inclusion of Local Authorities and licensed moneylenders until phase 2. Some respondents cited the lack of experience of using credit register systems, and that small CIP businesses also lack staff with the requisite knowledge to enable

³ Recommendation (r) of Report of the Inter-Agency Working Group on Credit Histories

them to participate in the reporting process and/or to set up the systems and procedures required. Concerns were highlighted in respect of gathering data from customers, data which they do not currently collect. It was suggested that the additional time proposed was necessary to acquire the technical and practical skills and to make the system and procedural changes required.

Other respondents acknowledged the rationale for proposing to omit licensed moneylenders and Local Authorities from Phase 1, but noted that consumers borrowing from licensed moneylenders and Local Authorities may be a particularly vulnerable group and requested that the Central Bank give due regard to this in considering an appropriate timeframe for further development of the CCR.

A further cohort of respondents expressed views that all CIPs including Local Authorities and licensed moneylenders should be included in the initial phase and it was suggested that exemptions or exclusions were undesirable and that inability to report or lack of investment in technical capability to report data are not persuasive arguments.

2. Can you please outline any further comments you have in relation to the phased approach outlined above? If you have any suggestions please provide them along with supporting rationale.

Some respondents referenced the resources available to CIPs; and that this maybe a relevant factor in determining the phasing and capacity of CIPs to report to the CCR. It was further recommended that special concession is given where a CIP can demonstrate that due to its size and its participation in low value loans it would be unable to meet the reporting requirements. The concession would allow an extension of time to comply with the reporting requirements.

One respondent referenced the Report of the Inter-Agency Working Group on Credit Histories which identified the specific needs of those accessing high-cost credit with regard to a CCR In the context of licensed moneylenders. While acknowledging the difficulties some small moneylenders may have in reporting to a CCR, it was recommended that the longer term aim should be the total credit capture and improved access to mainstream credit.

3. It is suggested that licensed moneylenders and Local Authorities are omitted from Phase 1. Please outline any comments you have in relation to this approach? Are there any other categories or classes of CIP that you consider should be deferred or excluded? If so please provide your rationale.

As noted above there was a range of views expressed by respondents. Some articulated the view that any omission is a gap in the CCR coverage for credit assessment purposes and therefore undermines the single view of customer indebtedness. Others strongly recommended the omission of moneylender home credit from Phase 1. Another respondent noted that there may be some small CIPs that fall within the scope of phase 1 whereas larger licensed moneylenders would be deferred. Other respondents suggested that the suggested approach was reasonable.

Central Bank Response

The Central Bank is proposing that Phase 1 will cover all CIPs lending to consumers other than licensed moneylenders and Local Authorities; which will fall to be reported in Phase 2.

In adopting this approach Phase 1 will cover CIPs which generally have experience handling and

processing personal and granular credit data. With respect to licensed moneylenders, the Report of the Inter-Agency Working Group on Credit Histories noted that the majority of licensed moneylenders in Ireland lack the financial and technical capacity⁴ to become members of the CCR, and the Central Bank would be concerned with proceeding on commencement with a cohort of CIPs unfamiliar and unproven in granular data reporting and the knock on impact this might have for the operation and implementation of the CCR.

Furthermore the Central Bank notes that as the Act was progressing through the Oireachtas, this matter was subject to detailed consideration (including the reporting threshold) and the approach proposed by the Central Bank is consistent with statements in the Oireachtas⁵ that banks and credit unions would be the first CIPs to be phased in.

The Central Bank also notes that the majority of loans issued by licensed moneylenders are below the current reporting threshold⁶. Furthermore as was noted in the Oireachtas, the Minister for Finance has the power to amend the threshold and the Central Bank agrees it would be more appropriate to determine if the threshold should be changed after a period of practical operation of the credit register⁷.

3.3 Collection of Credit Application Data

The Central Bank sought views as to whether and to what extent Credit Application data is collected by the CCR.

The specific questions on which feedback was sought are set out below in addition to a summary of the feedback received from respondents. The response of the Central Bank is set out at the end of this section.

1. Can you please provide your opinions on the extent of application data that should be collected? Please outline any rationale you have for your proposal.

There was a mixed response to this question. The majority of respondents appeared satisfied with the collection of a limited data set in respect of credit applications; some expressed an interest or saw a value in collecting further information.

Some CIP respondents indicated they do not favour collection of credit application data and updates in respect of the credit application status. They prefer to continue with the capture of necessary personal information to create a limited search footprint only, rather than collect credit or status information about the application itself.

It was suggested that only a record of searches made at the time of application should be collected rather than any data about the application itself (which was deemed to be commercially sensitive). This information should be available to other searchers on an anonymised basis (i.e. who made the enquiry should not be visible). It should not be updatable in any way. A number of respondents gave suggestions as to the specific fields that should be collected to include only identifying information

⁴ Section 5.6.5 of the Report of the Inter-Agency Working Group on Credit Histories

⁵ Credit Reporting Bill 2012 – second stage debate Seanad Éireann 11 December 2013

⁶ Report on Licensed Moneylending Industry, published by the Central Bank in November 2013, key findings included that the most common loan amount is €200-€500 (conducted by Amárach Research)

⁷ Credit Reporting Bill 2012 – second stage debate Seanad Éireann 11 December 2013

(e.g. name, DOB, address), date/time of search, details of the product applied for and date/time of application.

Other respondents expressed some support for capture of more extensive credit application data. For these the preferred option was for CIPs to provide personal and some credit information to give a clear picture of debt exposure. However some of these respondents did state that they do not see any merit in the CCR collecting data in relation to the credit application stage as they have never experienced problems with multiple applications to different institutions to access credit simultaneously. Furthermore competitive risks associated with such data being available to other lenders, especially when borrowers are shopping around, were highlighted.

2. If additional credit data was collected at this point, would there be significant benefits from a CIP perspective in seeing and understanding credit applications on a real time basis?

As with the initial question there were a range of responses to this question. Some respondents did not see significant benefits in collecting additional credit application data on a real time basis. It was suggested that the only real time requirement is that all searches are logged and searchable in real-time. Some suggested “real time” recording is quite unrealistic and would be of little significant benefit.

Other respondents held a different view that such information would be of value and it would provide a more timely illustration of the debt exposure. It was suggested that real time application data would be of benefit to CIPs in ensuring that multiple applications for credit were not being made contemporaneously by the same borrower. However, the possibility that a borrower shopping around for the best interest rate on a loan would be seen as attempting to gain multiple loans and be denied approval was a concern. Furthermore, it was suggested that for real time data gathering to be effective, all CIPs must adhere to specific timelines for reporting of application data.

A respondent also suggested that the Central Bank should at least consider longer term issues now on certain trends and future developments; examples of these suggested including on-line real time systems, whether to store declined cases, the access by consumers to their credit information by smart phone and portable devices and extension to non-lender data participants.

Central Bank Response

The Central Bank is proposing to collect a limited amount of credit information on credit applications (product and amount of credit) in addition to personal information.

The Central Bank is of the view that collecting data on credit applications will be of use to CIPs in gaining greater understanding of their potential customers credit record. Furthermore this information will be useful for CIPs but will also be of assistance in determining that the CCR is being accessed for a proper purpose; the circumstances in which a credit record has been accessed will be clearer to all users.

No requirement to update credit application status is currently proposed, but the Central Bank may consider this in conjunction with other emerging trends and developments as suggested.

3.4 First Point of Reporting of Credit Agreements to the CCR

The Central Bank sought views as to the first point of reporting to the CCR.

The specific questions on which feedback was sought are set out below in addition to a summary of the feedback received from respondents. The response of the Central Bank is set out at the end of this section.

1. Please outline any comments you may have in relation to the timing of the first point of reporting of data to the CCR? Please outline any rationale you have for your suggested proposal.

The majority of respondents suggested that drawdown was an appropriate point at which credit agreements ought first to be reported to the CCR. This was suggested to be the point at which the lender would have undertaken all the necessary procedural and verification checks.

Several respondents suggested that the first point of reporting for the majority of their credit facilities should be at the point where the credit is made available to the customer i.e. upon the setting up of the internal limit on their system/s, such that the customer has access to the funds and when customer identification has been completed. This was viewed as the most consistent starting point across their systems and that there is no exposure or liability up to the point the account is created and established on their systems.

They further raised a concern in relation to the application of the above principle for larger commercial, and in particular, corporate customers. They indicated that such customers may have very significant credit limits in place, due to the nature of their business; however, they may not draw down such amounts in certain periods. The reporting of limit information for these customers could be highly commercially sensitive. In addition, it would be commercially disadvantageous if information in relation to such a cohort of customers would be available to other CIPs in the market.

In this regard, it was proposed that consideration be given to the creation of separate provisions in relation to different classes of CISs such as these.

Another respondent suggested that data should be collected at the point when facilities become committed rather than drawn. This would enable the CIP to make a more informed decision concerning the advancement of credit as the CIP would be able to see the number of applications made by the CIS to all CIPs

2. As a CIP, would you support reporting to the CCR at some point before drawdown and could your organisation currently meet any such requirement?

A number of respondents as set out above supported reporting prior to drawdown for specific products such as credit cards and overdrafts.

In line with their responses to the first question on this topic the majority of respondents did not believe any such reporting was necessary, it would require additional changes to their systems and would result in additional costs.

Additionally it was noted that it is not necessary to report to the CCR at any point before draw down if the CIP is already obliged to report credit application data. Should it be decided not to capture credit application data reporting before draw down would be relevant to avoid multiple credit applications simultaneously.

3. Please provide any comments or suggestions you may have in relation to the reporting of undrawn committed credit facilities to the CCR? You may wish to cross refer to your response to questions on section 3.3.

A number of respondents supported the reporting of undrawn committed credit facilities. However, this was in the context of having a clear definition of the meaning of this term to ensure consistent applications. Additionally some respondents saw a value to this but not in the context of their own business.

Another respondent expressed concern that if data is recorded prior to drawdown and then the individual does not drawdown the funds, the financial institution has to make two reports – one to report on the initial agreement, and then a second report to clarify that the contract is no longer in place. In this context they suggested it would be most practical to record data only after drawdown.

A further respondent submitted that undrawn committed credit facilities should be reported in line with other reporting obligations placed on CIPs to ensure that affordability could be accurately assessed.

The opposite view was taken by another respondent who suggested it should not be compulsory to report what may in essence be an enquiry about credit facilities. They further suggested that there is no liability until the agreement is entered into and the monies drawdown and that should be the trigger for reporting.

4. As stated above, the Central Bank believes there may be some concern to recording credit card approvals on a CIS record when they have not yet utilised the facility. Please provide any comments you may have.

A number of respondents carried through the points made earlier in this section and suggested that credit cards should be included irrespective of whether they have been utilised. It was suggested that once a credit card is issued and the associated account set up and the limit is above the €500 threshold, it should be reported at the first available opportunity. They did not favour reporting credit approvals where a limit is not yet in force and accessible by the customer.

Others carried through their earlier views that reporting should only be at drawdown and only the amount drawn. Another respondent suggested there should be reporting only where the credit card has been used and at that point all details including the total facility be reported.

Central Bank Response

The Central Bank is proposing that the first reporting of credit agreements be at the point of first drawdown, other than for a number of specific products such as overdrafts and credit cards; the first point of reporting for these will be date from which a limit or facility is available for use by the CIS.

In arriving at this position the Central Bank notes that at the point of drawdown CIPs will have verified the personal data they will be submitting to the CCR and consequentially the CCR could be

more confident in processing the personal data for the purpose of matching records. The Central Bank has considered the feedback that suggested that the first point of reporting for various facilities should be at the point where the credit is made available to the customer i.e. upon the setting up of the internal limit on their system/s. Some respondents viewed this as the most consistent starting point across their systems and that there is no exposure or liability up to the point the account is created and established on their systems. The Central Bank will produce guidance to address these specific aspects in further detail.

With respect to the suggestions that a different approach be adopted in respect of large commercial or corporate borrowers, the Central Bank would note that this is a Phase 2 deliverable. As the project develops and as the design work associated with Phase 2 is finalised the Central Bank will have an open mind as to what information will be collected and what information will be shared in respect of corporate borrowers but will consider a range of factors including internal Central Bank and ECB requirements. This matter is also addressed in section 4 below.

3.5 Extent of Historic Data to be collected

The Central Bank sought views as to the extent of any historic data to be supplied at the point of commencement of the CCR operations. The legislation is not prescriptive on this matter but the CCR will require sufficient data such that the CCR is useful to all CCR users. All data stored in the CCR must be supplied by CIPs and the extent of data supplied needs be weighed against the capacity of CIPs to deliver this consistently and accurately.

The specific questions on which feedback was sought are set out below in addition to a summary of the feedback received from respondents. The response of the Central Bank is set out at the end of this section.

1. Do you have any comments on the suggested approach? Do you believe the extent of data suggested is sufficient? If not, what additional information can you provide?

A range of responses were received in respect of the options presented. The majority of respondents favoured collection of data for a period of time prior to the CCR becoming operational. No respondents suggested that the CCR collect data retrospectively (i.e. in advance of the establishment of the CCR). Concerns cited included significant operational risks and challenges associated with retrospective data capture as well as potential legal or compliance issues with supplying data that was provided by the customer for a different purpose, legacy system restrictions, challenges in engaging with customers retrospectively and the likelihood of an incomplete data suite.

Some respondents referenced the need for common standards and consistency and expressed the view that this might be difficult for data pre-dating the establishment of the CCR. In this context those respondents indicated that their preferred approach was to incrementally build up the data from an agreed point in time. Respondents expressed the view that CIPs should be held to the same reporting date where possible.

Some respondents advocated an alternative option to those outlined in the CP 93 involving a two phased approach; the first phase being the provision of data to the CCR and the second phase being the enquiry functionality becoming operational.

There were differing views as to the extent of data that was required before the CCR would be useful to CIPs in terms of searching the database. Most respondents suggested that if there was data covering the previous 12-24 months this would be sufficient. Others suggested that a much longer period was necessary such as 3-5 years to support consistent credit decisions.

2. Do you envisage any difficulties in collecting the data for periods suggested? Please outline any concerns you may have?

Several respondents noted that capturing historic data would be problematic and the quality may not be consistent, data may not have been collected to the strict rules and standards expected of the CCR. Furthermore it was suggested that authentication of this data could prove very problematic which when coupled with the potential for major gaps in the data may render the data unreliable and so, of little value. It was also highlighted some 'gaps' could not be filled (e.g. CIS left jurisdiction, business closed down etc.) Additionally it was suggested there may be legal and data protection implications relating to provision of customer data retrospectively that would need clarification.

Several respondents also highlighted the potential additional costs and technical challenges associated with the collection of historic data. Furthermore sufficient time to prepare systems would need to be provided for. Additionally some CIP respondents indicated they may not be in a position to provide such information and suggested that this might be a common problem.

One respondent was anxious to see the CCR become fully operational in the shortest timeframe possible; however foresaw difficulties with CIPs collating the relevant data. Another noted the link between the extent of data collected and the capacity of the CCR to develop scoring and other potential services.

3. If required, what difficulties if any are associated with collecting data, including monthly performance data, retrospectively, for example, for 3 years?

There were consistent responses in the range and extent of difficulties that would be encountered in trying to retrospectively capture data. Many of these have been outlined in the previous responses above but respondents cited practical, IT and data protection concerns and that these together with the potential costs associated with such collection made any suggestions in this area unfeasible.

Several specifically cited difficulties in being able to recreate historic data accurately to new definitions and standards not in force at the time of original collection. It was noted that recreating historic data is extremely complex and could be unreliable and so of limited value. It was suggested that verifying the historic data – much of it on manual files or to be collected from customers – would be a huge task with no guarantees that it can be reliability gathered. Furthermore, any inaccurate recreation of historical data to the new standards provided by CCR could leave individual CIPs open to litigation by other CIPs or CISs.

Respondents also noted that certain data fields may not be captured on existing systems and would highlight the limitations in varying IT systems and processes that might not be able to cater for any such retrospective request. Furthermore respondents were concerned with the legal basis and data protection implications of any such request.

Central Bank Response

The Central Bank is proposing:

For Phase 1 - CIPs to commence reporting with an initial submission based on position at 30 September 2016, with CIPs been given a 6 month window in which to make their initial submission, but if this occurs after 30 September 2016, CIPs are obliged to report all relevant detail from 30 September 2016.

For Phase 2 – a similar approach is proposed with positions at 30 June 2017 to be reported within a 6 month reporting window.

In considering this approach the Central Bank acknowledges and agrees with many respondents that there are significant legal, data protection and operational challenges associated with any effort to retrospectively collect data. The Central Bank would also share the concerns expressed that it may be difficult and indeed legally challenging to hold all CIPs to the same standard of data quality.

In this context the Central Bank is proposing to collect data as outlined above; thereby best positioning the CCR to collect data consistently and to a similar quality.

A related aspect arises in respect of the extent of data required on the CCR prior to it being useful for CIPs to enquire. As noted above a range of views were expressed by CIPs. Under the proposed approach above regarding Phase 1, there will be 15 months of data prior to CIPs being obliged to check the CCR (based on enquiry from 31 December 2017). Some respondents have suggested this is too little data, others that this will be sufficient to commence with. The Central Bank does not believe it is feasible or desirable to delay or defer enquiry by CIPs until there is 3-5 years history on the CCR as advocated by some banks. Furthermore the mandatory enquiring of the database enhances the data held on the CCR. This matter is considered further in section 4 in the topic 'Project Implementation Timelines' on which the Central Bank received significant additional feedback.

3.6 Single Borrower View – Accurately identifying CISs

The Central Bank sought views as to the specific personal information to be provided by CIPs such that the CCR would be in a position to achieve a single borrower view. Additionally the Central Bank sought views in respect of any verification procedures that it might set in respect of personal data to be collected by CIPs.

The specific questions on which feedback was sought are set out below in addition to a summary of the feedback received from respondents. The response of the Central Bank is set out at the end of this section.

1. Do you have any comments or views on the value or scope of personal information to be collected?

Some respondents indicated that creating an accurate Single Borrower View was the greatest challenge for the project, and that sufficient, accurate and consistent data was required. Concerns were expressed that whatever personal data is decided upon (including PPSN) it should be agreed with the other relevant statutory stakeholders including the Data Protection Commissioner, and that clear instructions or guidance be provided. Furthermore some respondents were concerned notwithstanding the legal position or mandatory nature of the CCR, consumers might have concerns with respect to the extent of the data collected. Some respondents suggested that the personal data

to be collected could be excessive but offered no alternative as to how a single borrower view might be achieved.

2. Please advise the extent to which you currently store or process the personal fields identified in the legislation (reproduced in Appendix 1)? If you do not currently store what operational challenges you would face in collecting these from CISs?

Several respondents gave detailed responses in terms of the personal data that is currently processed and indicated that there could be significant challenges in collecting this information. Some of the challenges identified by respondents included:

- Telephone number may be difficult to maintain up-to-date on CCR;
- Mother's maiden name may not always be available;
- All previous addresses may prove difficult to retrieve electronically;
- PPSN is not currently widely utilised or accessible on systems;
- Customer reluctance to provide retrospect data;
- Accounts may be closed, relationships terminated; and
- Refusal to provide data may mean incomplete data on the register.

With respect to the PPSN, many respondents noted there was currently only limited processing as permitted by law; some queried as to whether similar restrictions to its processing would apply for the CCR as with some existing processing. A respondent also highlighted that some non-mainstream lenders do not fall within the remit of the provisions of the Anti-Money Laundering legislation and so the data suggested would constitute a significant change.

3. Do you have any specific comments in respect of operational challenges you may face regarding the collection and reporting of PPSN?

As noted previously much of the feedback from respondents, particularly CIPs and their representatives centred on the need for a clear legal basis and associated guidance with regard to the processing of PPSN and that this be agreed to by all relevant stakeholders including the Data Protection Commissioner. Furthermore these respondents were concerned with engaging with consumers and recommended that strong public information and support from the Central Bank be made available.

In this context there was support for the use of PPSN as a unique identifier for borrowers by the majority of CIP respondents and their representatives. Other respondents had concerns as to whether the collection was PPSN excessive notwithstanding the legislative basis set out in the Act and suggested it should be avoided.

It was highlighted in one response that if PPSN is to be processed there needed to be equal treatment amongst CIPs in this regard so that its processing did not become a distinguishing feature between credit providers.

4. Do you have any comments on using, to the extent possible, existing Anti-Money Laundering procedures as the basis for CIS verification regulations?

The majority of respondents indicated that it would be helpful if any verification procedures would mirror existing customer identification checks to the highest extent possible. It was suggested in one response that consideration be given to changing legislation to extend the purposes to which the CCR might be accessed to include undertaking Anti-Money Laundering procedures. Other responses highlighted that existing Anti-Money Laundering procedures are set out in guidelines whereas the CCR procedures will be by way of regulation and noted that whilst mainstream lenders will be familiar with the data requirements of existing Anti-Money Laundering legislation and procedures, there are other lenders who will not and will not have ready access to such information for reporting purposes. It was suggested that a base-line of commonly held personal data be identified across lender types on which to develop reporting requirements.

Central Bank Response

The Central Bank is undertaking a Privacy Impact Assessment to inform its proposals in respect of how best to achieve a Single Borrower View and how best to balance the need for and right to an accurate record as well as data protection and privacy rights.

The final detail in respect of data to be collected will be set out in the technical specifications and regulations. It is proposed that the CCR will process PPSN to help achieve an accurate Single Borrower View, but its processing will be subject to strict controls, based on those currently set out by the Revenue Commissioners for various reporting by banks and credit unions⁸.

The Central Bank will introduce verification procedures that complement to the highest degree possible existing obligations.

The Central Bank will continue its process of consultation with the Office of the Data Protection Commissioner and the regulations will be made subject to the consent of the Minister for Finance.

The Central Bank will issue clear operational guidance for CIPs in respect of these matters. Furthermore as part of its Public Awareness and Information activities the Central Bank will make clear the information that is to be collected, from when and for what purpose it is to be used.

3.7 Collection of Foreign Credit Data

The Central Bank sought views as to the whether it should introduce, and if so when, regulations placing an obligation on CIPs to collect declarations from CISs in respect of outstanding foreign credit.

The specific question on which feedback was sought is set out below in addition to a summary of the feedback received from respondents. The response of the Central Bank is set out at the end of this section.

1. Do you believe there is any benefit for capturing foreign credit data and that these outweigh the practical challenges embedded in the current requirements? Please outline any comments you may have in relation to the possible exclusion of this information?

⁸ Return of Payments (Banks, Building Societies, Credit Unions and Savings Banks) Regulations 2008 (S.I. No. 136 of 2008) & Return of Payments (Banks, Building Societies, Credit Unions and Savings Banks) (Amendment) Regulations 2009 (S.I. No. 254 of 2009) - Guidance Notes for Financial Institutions

The vast majority of respondents believed there was little or no benefit to introducing this additional reporting requirement.

It was suggested by some respondents that the proposal was completely impractical and unworkable. Respondents highlighted that at the moment there is no sanction on the customer for the inaccurate reporting of foreign credit data and that it was completely dependent on the good faith of the CIS. Given this limitation and the obvious difficulties in validating this information, respondents saw little benefit. Furthermore there were serious concerns as to how information would be maintained accurately. It was suggested that false or inaccurate data was more damaging than no data.

A small minority of respondents saw some value in the inclusion of foreign credit data so that the CCR can be as comprehensive as possible from the outset. It was suggested if this was not considered practical, then consideration should be given to the inclusion of such data at the earliest possible date. Further responses suggested that developments in this area be linked to any sharing of information across national CCRs.

Central Bank Response

The Central Bank is not proposing to address this matter in the initial implementation.

As noted in CP 93 and in the majority of responses received placing an obligation on CIS's to volunteer details of foreign credit is impractical and dependent on the honesty of CIS's. Furthermore it is unclear how such data would be kept up to date.

The Central Bank may at an appropriate point in the context of on-going European developments explore the potential for reciprocal sharing of CCR data with other national European CCRs in accordance with existing international protocols.

3.8 Collection of Guarantor Data

The Central Bank sought views as to the benefit and when, it might introduce obligations in respect of collecting and supplying information in respect of guarantors.

The specific question on which feedback was sought is set out below in addition to a summary of the feedback received from respondents. The response of the Central Bank is set out at the end of this section.

1. Do you believe there is significant benefit to capturing guarantor data? Please outline any comments you may have in relation to the possible scope or timing of inclusion of this information?

The majority of CIP respondents while accepting the usefulness and value of this data suggested that its collection be deferred in light of the significant practical challenges that they will face in meeting this requirement.

A number of respondents cited the challenges associated with getting the necessary personal information on to IT systems as much of this detail may not be held electronically. A number of CIP respondents also indicated that there would likely be gaps between data held on paper files and that

required for the CCR and that there may be cases where the appropriate detail is not present or not up to date as it may have been gathered as a one-off at a point in time in the past. It was suggested that this is particularly pertinent for term loan facilities and mortgages.

Respondents highlighted that there may be other logistical issues associated with identification and reporting of guarantors, for example, individuals may be solely acting as a guarantor. Individuals may be acting as a guarantor and a borrower. In addition, corporate entities may also act in various capacities such as a guarantor and/or a borrower. It was suggested that how these relationships are recorded and reported needed consideration.

Respondents noted that there would likely be significant development and cost required to be able to capture and share all of this data in a manner that would be useful to a CCR and other lenders. It was also noted that the Central Bank may be seeking to establish a robust register of guarantor/collateral data as part of the AnaCredit project and this is something that will need to be considered when setting the CCR deliverables.

In summary the majority of CIP respondents and their representatives saw no significant cost/benefit case for the electronic capture of guarantor data in the near term. They advocated that the timing in respect of requirements on CIPs to report such data should be after the initial phases of implementation are completed which should focus on the borrowers as opposed to guarantors as a priority.

Others respondents noted that the omission of guarantor data is a significant deficiency of the current system (in private bureaux) and such data should be included in the CCR at the earliest practical opportunity. It was noted that a guaranteed debt is a contingent debt of the individual concerned, and that it was important that it should form part of the Single Borrower View in order to provide CIPs with sufficient information to assess creditworthiness. It was noted that aligning the relevant data with that currently held in respect of primary borrowers may require additional time and it was suggested that this be done as soon as possible to achieve the aims of a CCR.

Notwithstanding the express legislative provision in respect of collecting guarantor detail, one respondent suggested that this detail should not be collected. They also suggested that collection was impractical since providing a guarantee does not constitute execution of a credit agreement; the guarantor is not in debt. They noted that guarantees are only enforceable when a debtor fails to repay their debt and not even always in that eventuality. They suggested that this matter be reconsidered and certain thresholds applied when reporting becomes mandatory.

Central Bank Response

The Central Bank is proposing to collect this after the implementation of Phase 2.

It was broadly acknowledged and accepted that the inclusion of details in respect of guarantors is a valuable and useful piece of credit intelligence currently not available.

The challenges that CIPs face in delivering this detail have been clearly articulated and it is clear that many will need additional time to validate, record and systemise the data required such that they will be in position to deliver the necessary data consistently and to the required quality and standard.

Furthermore as the project proceeds the Central Bank will also monitor and be cognisant of emerging ECB reporting requirements including in respect of the Anacredit Project.

3.9 Levies and Fees

The Central Bank sought views in respect of the regulations that it will make in respect of fees & levies that will be charged to finance the development and operation of the CCR.

The specific questions on which feedback was sought are set out below in addition to a summary of the feedback received from respondents. The response of the Central Bank is set out at the end of this section.

1. With respect to different classes of credit information providers and users, please outline any comments you may have in relation to the possible introduction of any levies or fees? If you have suggestions, please provide them along with supporting rationale.

There was a range of views expressed in response to these questions but there was broad acknowledgement that the CCR would be self-financing. Divergent views were expressed by various CIPs and their representatives in how the costs associated with the CCR should best be recouped.

Some of these suggested that fees be allocated on a service/enquiry basis. It was suggested that given that searches will now be mandatory for all applications above a certain limit under the Act, (i.e. presumably the volume of searches will increase) they expected that if there is a fixed fee cost per search that this will be lower than that currently payable to private bureaux. They suggested that since costs, such as the CCR enquiry fees, will ultimately be paid for by customers, it does not make sense for customers to have a different cost for the same service from the CCR depending on which CIP they approach.

Other respondents took a different position and urged that the Central Bank takes into account the structure and nature of CIPs, their business model and the profile of those who access their services when regulating levies and fees. Specifically it was suggested that the introduction and scale of levies and fees should be based on the size and scale of the CIP (and the credit approved). Furthermore it was suggested that whether a CIP was profit making or operate with a not-for-profit ethos should be a distinguishing factor in determining fees, particularly in respect of credit unions. It was suggested that the charge for smaller loans should not be at the same rate as an application for a large once-off loan such as a mortgage application. Concerns were expressed in respect of the potential dual cost of searching the CCR and other private bureaux and it was suggested that the no fees be imposed until such time as the CCR has sufficient data to warrant a search.

Another response specifically suggested that costs should be allocated on some combination of usage and average loan size. A non-CIP respondent cited the Report of the Inter-Agency Working Group on Credit Histories in advocating more favourable terms to small scale lenders than those offered to larger mainstream credit providers. It suggested a flat rate may act as a deterrent to small lenders to reporting to or making use of the CCR, thereby possibly resulting in questionable lending decisions.

2. Do you have views as to whether all CCR costs should be recouped entirely through either a levy or a fee, but not both? For example, should all costs be recouped only through access fees (i.e. 'user pays' principle) with no levies imposed?

Again there were a range of responses in relation to the question posed. Some respondents suggested that the most equitable basis for recouping costs is to charge fees on an enquiry/service basis.

Other respondents again raised concerns that it would be unfair to adopt a “one-size-fits-all” approach, with small CIPs paying the same as large CIPs regardless of the loan size. CIP respondents who supported this view also advocated for a levy to be applied depending on the size of the CIP.

A non-CIP respondent noted that borrowers should be able to access their credit records free of charge to empower them to make informed borrowing and repayment decisions and had concerns with respect to a user pays approach with no levies imposed on lenders who, in most cases, will have the “deepest pockets”.

3. Is there another more equitable basis for recouping the costs of the CCR such as based on size of CIP, product specific charges or any other basis?

In addition to the various suggestions outlined above, some respondents again advocated that only fees based on the number of searches or other services taken from the CCR by a CIP are fairest and most equitable to the CIPs and their end customers (i.e. CISs).

Other respondents suggested a hybrid scheme based on the size of the CIP, capability to pay, plus a very low “user fee” capped by the volume of small loans approved. In the absence of this they suggested there would be a totally disproportionate cost for small CIPs. Another respondent suggested a charge based on overall volumes and scale of CIP would be appropriate.

Central Bank Response

The Central Bank will introduce regulations for fees and levies to ensure that all the costs associated with running the CCR are recouped.

The feedback received in relation to this matter was in many ways similar to feedback which the Department of Finance received as the legislation was being developed.

Respondents from larger financial institutions and their representatives generally advocated a flat fee for every search (with volume discounts based on activity) regardless as to the CIP making the search. This approach would be similar to the model currently used in the largest Irish private bureau which is owned by banks and finance houses.

Respondents from smaller financial institutions and their representatives (and non-CIP respondents) generally advocated an approach that would take account of the size of the CIP, or the nature of the product in question. Their view is that a single flat fee would be unfair. Such an approach would acknowledge the suggestion in the Report of the Inter-Agency Working Group on Credit Histories that more favourable terms for small credit providers be considered⁹.

The Central Bank is still considering a number of options and models in this regard including how best to strike a fair balance between recouping costs through either fees or levies (or both) and the most equitable basis for charging CIPs of varying size and complexity.

The determination of an equitable basis for recouping the costs associated with running the CCR is a

⁹ Section 5.6.8 of the Report of the Inter-Agency Working Group on Credit Histories

difficult task, particularly in the absence of detailed information in respect of usage, including by class of CIP or by product. This detail is not currently available and can actually only be known after a period of operation of the CCR. Therefore the Central Bank will review the basis of recouping costs after a period of operation of the CCR and may seek to recalibrate the charging model.

Fees and levies will be set out in regulations which the Central Bank makes after obtaining the consent of the Minister for Finance.

The Central Bank notes that individuals are entitled to one free report per annum upon request.

4. Other feedback and comments

In addition to the specific questions posed, CP 93 also invited respondents to set out any other comments or suggestions they had in relation to the implementation of the CCR together with the supporting rationale. Set out below are additional matters raised by respondents in their submissions and the Central Bank response to them.

Other comments and feedback	Central Bank response
<p>Project Implementation Timelines</p> <p>The expected implementation timelines were highlighted by a number of respondents. A number of detailed suggestions were made in this respect and concerns were expressed in respect of the scale of activities that would need to be completed in the suggested timeline. Respondents noted that the implementation will involve substantial changes across a broad range of IT systems and processes.</p> <p>Some respondents from banks and their representatives suggested a three phased submission approach (consumers, groups of individuals, large corporates) with an accumulation of 3-5 years data with sufficient time to build and test prior to any enquiry becoming mandatory.</p> <p>Some other respondents noted that there is no homogenous credit union operating system in operation across the sector. It was suggested that this will present a number of challenges to ensure that all credit union systems are capable of participating in the CCR effectively and efficiently within the timeframe suggested.</p> <p>Non-CIP respondents were generally keen to see the CCR established and operational as soon as practicable.</p>	<p>In respect of the proposed implementation timelines it should be noted that the obligation to implement the CCR stems from Ireland’s commitments under the programme of financial assistance from the EU, IMF & ECB and this matter remains subject to on-going review and assessment.</p> <p>The Central Bank is conscious of the significant impact that the introduction of the CCR will have on the IT systems and broader business processes of CIPs.</p> <p>In this context the Central Bank is proposing to introduce the CCR in a number of distinct phases and functional releases. Having considered that feedback and based on guidance from our technical partners the Central Banks approach will involve:</p> <ul style="list-style-type: none"> • Initial focus on collecting consumer information; • Decoupling the obligations around data submission and data enquiry; • Introducing a six month window during which initial submission can commence & postponing initial submission date by 3 months; and • Continued engagement with key IT technical suppliers in the credit union sector. <p>The Central Bank does not consider that it can reasonably wait for a period of 3-5 years after initial submission before searches are made. The Central Bank will continue to engage with CIPs and their representatives, through established channels as the implementation proceeds.</p>
<p>Data & Definitions</p> <p>A number of suggestions and comments were received in respect of data requirements and associated definitions.</p> <p>A number of respondents cited the need for clear and consistent definitions and suggestions were made that the data set should be incrementally developed.</p>	<p>The Central Bank agrees with respondents in that having clear definitions and consistent application by CIPs is an important goal of the CCR and would represent an important improvement from current arrangements.</p> <p>The Central Bank also agrees in principle that a measured and incremental built up of the data set</p>

<p>It was acknowledged that while it is sensible to phase in data on the basis of clearly defined sectors, the ability to deliver on such phasing is currently difficult to determine in the absence of a formal data functional specification.</p> <p>It was suggested that the Central Bank should provide detailed functional specifications which clearly outline the expected CCR data fields and accompanying definitions to ensure the development of a reliable and secure source of credit intelligence which will facilitate enhanced credit assessment and responsible lending.</p>	<p>to information to be collect represents a sensible approach to be adopted in respect of the development of the CCR.</p> <p>The Central Bank has engaged with CIP working groups (involving all the significant retail banks and a representative sample of credit unions) in holding data definition workshops.</p> <p>The Central Bank is currently engaged in detailed design activities and will make the technical specification available when finalised.</p> <p>The Central Bank will continue to work with stakeholders in trying to get a consensus on operational aspects where possible, but ultimate authority for establishing specifications rests with the Central Bank.</p>
<p>Governance Model</p>	
<p>A number of respondents wished to understand the governance model that the Central Bank will put in place for the CCR once operational.</p> <p>Furthermore respondents suggested that the standard rules of engagement need to be clearly set out outlining how the CCR is to be governed once operational.</p> <p>Suggestions included the establishment of strong central governance structures with committee meetings with broad CIP representation together with a detailed bottom up plan informed by bilateral feasibility discussions.</p>	<p>The Central Bank notes the various contributions and the Central Bank is committed to continuing its consultative approach in respect of the development of the CCR.</p> <p>The Central Banks notes that it has sole legislative authority and responsibility for the establishment and operation of the CCR under the Act.</p> <p>The Act clearly sets out the responsibilities and obligations of both the Central Bank and the CIPs. Further detail will be included in regulations and the operational guidance that the will be produced will give clear instructions in respect of how CIPs are expected to engage with the CCR.</p> <p>Additionally it is expected that CIPs will submit an implementation plan within 3 months of publication of final requirements and submit progress reports on their plan. Support will be provided to CIPs through the guidance manual and FAQs. Key issues will be addressed within established working groups on a regular basis.</p> <p>Beyond that the Central Bank is open to establishing consultative forums for banks, credit unions and other interested parties. However unlike some private sector bureaux that CIPs may currently engage with, ultimate authority and responsibility for the operation of the CCR rests with the Central Bank.</p>
<p>Legal Liability</p>	
<p>Several respondents sought clarity in respect of the legal liabilities of stakeholders.</p> <p>Clarity was sought in respect of where the legal burden lies in terms of any liability that may arise due to reliance on information</p>	<p>The Central Bank notes that the Act sets out the legal responsibilities and obligations of various parties, including the obligation that CIPs supply accurate information to the CCR.</p> <p>Furthermore CIPs and the Central Bank will be data</p>

<p>taken from the CCR which proves inaccurate, or the responsibility for any remediation which may be required.</p>	<p>controllers and subject to relevant data protection law. The Central Bank may address these and other related matters in operational guidance published, however it will be for each CIP itself to satisfy itself regarding its own legal compliance.</p>
<p>Transition from using existing private bureaux services</p>	
<p>A number of respondents highlighted that they are currently members of the Irish Credit Bureau Limited and rely on that system to undertake searches as a key element of their credit risk assessment process. A number advocated that the transition to relying on the CCR needs to be carefully planned as part of the central CCR implementation programme, so as to ensure a smooth transition avoiding any significant disruption and to mitigate against the risk of compromised credit decisioning. In this respect, it was suggested that consideration needs to be given to Irish Credit Bureau Limited plans, alongside those of the CCR. Additionally the possibility of dual searching needs to be fully examined.</p>	<p>The Central Bank notes that the Irish Credit Bureau Limited, is a private company largely owned by banks and finance houses who avail of its services and some of whom are active in its governance. The Central Bank has no role or authority in how it manages its affairs, but acknowledges that an unplanned cessation of activities as suggested by some respondents could diminish the overall credit intelligence market. The Central Bank also notes the statement in the Irish Credit Bureau Limited most recent set of publicly available financial statements where its directors outlined that while the company was not successful in its tender to run the CCR ‘it is reassured of its members need to have the service continued and that the company will remain as a going concern for the foreseeable future’. The Central Bank notes that dual searching of different private bureaux is established practice in other jurisdictions. This is beyond the scope of the Act and the Central Bank has no role in such activity. As regards the CCR, CIPs will be aware that there are strict uses to which CCR data may be put; these are prescribed in the Act. Furthermore any searching of additional sources of credit intelligence is a matter for each CIP and would be subject to existing data protection obligations.</p>
<p>Thresholds</p>	
<p>There were a number of remarks set out in respect of the reporting thresholds (credit agreements in excess of €500) and mandatory checking threshold (credit applications in excess of €2,000). One respondent noted that revolving accounts such as credit cards and overdrafts are held by a significant number of individuals and will have zero or small balances to start with and that these will be hidden. In suggesting that the thresholds be lower they noted that wise lending can start with low limits and build gradually and that small balances absent from the CCR could in total</p>	<p>The Central Bank notes these comments and would highlight that these thresholds are established under the Act. The establishment of these thresholds were informed in the development of the legislation by the Report of the Inter-Agency Working Group on Credit Histories. In the Oireachtas debates that arose as the legislation was being developed it was noted that the thresholds for the CCR are at the lower end of the range of thresholds that apply in other European national CCRs. Furthermore the Central Bank notes that there is provision under the Act for the Minister for Finance (following consultation with the Central Bank) to</p>

<p>be material. They also suggested that from a financial inclusion viewpoint – consumers with little or no information held on the CCR can easily be deemed un-creditworthy if small balances are not recorded.</p> <p>Another respondent took the opposite view and were concerned that any mandatory obligation below the current threshold, particularly with the associated operational and reporting burden of significant volumes of personal data would have an adverse impact on credit availability and consequent negative economic impact.</p>	<p>specify different threshold amounts by way of Ministerial order.</p> <p>This is a matter that the Central Bank may revisit after the current implementation plans have been executed and the CCR established and in operation.</p>
<p>Increased Competition</p>	
<p>One respondent noted that a fully effective CCR will enable CIPs to better understand the credit profile of sub-segments of the credit markets, in some cases on an anonymised basis. It was highlighted that this could be an important public policy deliverable and enable increased competition in the market, and on this basis the respondent was of the view that restrictions or deferrals on reporting by certain CIPs was undesirable.</p>	<p>Once established and sufficient data has been provided by CIPs, the CCR will be a valuable source of credit intelligence and information and could provide the basis for greater understanding and analysis of the Irish credit market.</p> <p>The Act permits the Central Bank to prepare general reports, analyses and statistics from the data held on the CCR which may be published or sold. This creates the potential for increased market information being made available which may be of interest to existing CIPs, potential new market entrants or other interested parties.</p>
<p>Closed books of business or loans that have been sold</p>	
<p>A number of respondents addressed the issue of closed loan books or loans that have been sold as part of their submission. One sought clarify and asked that it be made clear if loans that are sold would fall to be reported to the CCR.</p> <p>Another respondent noted that there had been significant levels of activity in the market in this area during the course of the financial crisis. Their concern was in the context of there being potential data gaps particularly in respect of partnerships and they suggested that the collection of such data should be deferred to a later stage.</p> <p>Another was concerned from a consumer perspective and was of the view that such detail needed to be recorded and such third parties should be obliged to report.</p>	<p>With respect to closed books of business or loans that have been sold by the original CIP, the Act makes clear provision that these are still credit agreements that fall within scope of the legislation.</p> <p>The Act sets out that where a person has acquired the rights of a CIP under a credit agreement that person is with respect to the rights acquired the CIP, instead of the person whose rights have been acquired.</p> <p>The absence of significant and material books of business from the CCR would lead to a diminution in the value of the CCR for all users. The vast majority of borrowers with good payment histories would be denied acknowledgement for their good record.</p> <p>The question in respect of collecting data on partnerships is addressed in the next topic below.</p>
<p>Partnerships</p>	
<p>Although covered in another area of the consultation paper one individual respondent</p>	<p>In respect of the issues identified the Central Bank acknowledges the challenges that will arise in</p>

<p>highlighted the substantial difficulties and potential risks associated with the collection of data in respect of partnerships. They highlighted that much of the data necessary would not be stored in digital format on CIP systems, furthermore they highlighted the complexities in establishing the liability of the individual partners. The respondent was concerned with the potential for errors and the impact on individuals who have either limited or no liability for particular loans but who are recorded as being a party to a loan dating back to its inception.</p>	<p>respect of getting data of sufficient quality. CIPs in their responses have also highlighted these challenges. In this context and as indicated previously it is proposed that Phase 2 will focus on gathering detail on partnerships as a distinct entity and that CIPs will be obliged to furnish the details in respect of the individuals connected to the partnership as part of a further functional release of the CCR. This approach is considered pragmatic and is considered to be a workable basis on which to address the challenges identified.</p>
<p>Amendments process for borrowers and consumer rights</p>	
<p>A number of respondents highlighted that consumers should be allowed to challenge the accuracy of any data that is incorrect and request that such data be amended. It was submitted that an amendments process should be devised that allows consumers to easily query the data contained on the CCR through the Central Bank with the CIP. It was further suggested that a consumer’s data should not be viewable on the CCR until the request for amendment has been resolved. Another respondent recommended that a clear and sustained information and awareness campaign to educate consumers in relation to the implications and benefits of the CCR be put in place and that consideration be given to conducting consumer research in order to fully inform such a campaign. One respondent sought clarity as to whether there will be a facility on the CCR to allow borrowers to add a narrative to their credit record to explain anomalies or errors caused by circumstances beyond their control.</p>	<p>Data accuracy is a fundamental right that all data subjects are entitled to. The Act furthermore makes specific provision in respect of how inaccuracies and requests for amendments are dealt with. The Central Bank will introduce clear amendment procedures but would also note that CIPs are data controllers in respect of the information they process and that underlying data in CIP systems will need to be corrected in addition to any amendments in the CCR, as CIPs will have on-going reporting obligations. The amendments process will clearly lay out the process and options available to borrowers. The Central Bank is likely to flag a record as being ‘under dispute’ or ‘amendment sought’ rather than concealing the disputed data as suggested; such flagging is specifically provided for in the Act. The Central Bank will undertake further public awareness and information activities when the final design and operational functionality of the CCR is finalised. To date it has undertaken some market research in respect of the CCR and published some material on the Central Bank’s website. The Central Bank confirms there is a specific legislative provision giving CIS’s the right to include an explanatory statement of not more than 200 words on their record and this functionality will be available to all borrowers.</p>
<p>Use of data on the CCR by the Central Bank</p>	
<p>One respondent noted that data held on the CCR may be used by the Central Bank to carry out their prudential supervisory function. The respondent raised concerns about how this information will be used to assist the</p>	<p>The Act sets out that the Central Bank may use any information held on the CCR in the performance of any of its functions. In practical day to day operation it is expected that only anonymised data (with no personal data) will</p>

<p>Central Bank in their prudential supervisory function and whether or not there would be a conflict of interest between the Central Bank maintaining this register and using it for its other functions.</p> <p>They suggested that a full outline of how the data will be used should, would be helpful to ensure transparency.</p> <p>Additionally they noted if the Central Bank intends using the credit information in respect of the fitness and probity regime there should be full insight as to how a rating is viewed and what presumptions will be made and furthermore a full consultation with the industry on the new requirements should take place prior to the CCR been used for this purpose.</p>	<p>be transferred from the CCR to the Central Bank in the context of it carrying out other functions such as prudential supervision or statistical analysis. Data, again on an anonymised basis may be used for onward reporting to the ECB.</p> <p>The matter of Central Bank use of CCR data will also be considered as part of the Privacy Impact Assessment that is being undertaken.</p> <p>Other than the operation of the CCR itself, it is not expected that significant personal data will be processed by Central Bank. If there is to be any further use it is likely that clear policies and procedures will be established and made clear.</p>
<p>Access to data including by third parties</p>	
<p>A number of respondents who act as intermediaries for CIS's in relation to mortgages or who advocate on consumers behalf in the context of Debt Relief Notices etc. raised the issue of their need for access to the credit reports on the behalf of CIS's.</p> <p>They highlighted that their work would be greatly facilitated if they could obtain access with the consent of their client and that in many cases this would be in the CIS's interest. They also highlighted that access of this nature was not currently available and that the reports issued by private bureau could not always be depended upon given the voluntary nature of their services.</p>	<p>The Central Bank notes that the Act makes provision for a CIS to give consent to another party to access information held on the CCR, which relates to that CIS.</p> <p>The Central Bank would propose to allow for such access in the final regulations however the Central Bank is likely to put in place strong controls around the identification and verification of both the CIS and third party in question and the nature of the consent the is likely to be for a one-off access to the CCR.</p> <p>The Central Bank is mindful that in other jurisdictions such access has been abused by third parties who have obtained consents from poorly informed consumers and often imposed significant charges on these consumers for providing services of little real value such as 'credit record repair' or other analysis services.</p> <p>As noted previously CIS's can access the CCR at any point to check their record and individuals may access the CCR once per annum for free, upon request.</p>
<p>Future services</p>	
<p>A number of respondents sought further detail in respect of any additional future services that the CCR might offer and that it would be helpful to set out timely plans for expansion of data services or uses.</p> <p>Another respondent expressed the wish that the CCR should evolve to match services provided by commercial credit bureaux in the</p>	<p>All services provided by the CCR will be governed by the CCR legislation and priority will be given to getting core service operating early. Any use of CCR data for additional services outside the scope of the Act will require policy discussions and approval of legislative changes by the Oireachtas.</p> <p>The Central Bank noted that those respondents who advocated the evolution of services in the CCR</p>

<p>UK, to include such services and use as identity verification, fraud notifications, customised credit data analysis and additional scores.</p>	<p>to match services in private bureaux in other markets were also those who advocate taking the most measured approach in respect of delivering the core aspects of the CCR.</p>
<p>Credit scores</p>	
<p>A number of respondents referenced the use of credit scores or ratings in their responses, generally in the context of future services that might be provided by the CCR or it was assumed and expected by some respondents that the CCR will produce credit scores or ratings</p>	<p>The Central Bank is considering this matter but it notes that the Act permits the CCR to produce credit scores and other analyses as part of its operation of the CCR.</p> <p>The Regulations that the Central Bank will make will include provisions that will permit credit scores to be included on credit reports.</p> <p>It is likely that it will be a number of years before there is sufficient data held in the CCR to support the generation of credit scores, and as part of its public awareness and information activities the Central Bank will provide the necessary explanations and supports to users so as to better understand any scores produced.</p>
<p>Corporate Borrowers</p>	
<p>A number of respondents (banks and their representatives) highlighted specific concerns in respect of providing commercially sensitive information to the CCR which relates to large corporate customers.</p> <p>Concerns cited included that any perception that the data supplied to CCR for corporate customers could be used to reveal or imply aspects of their commercial activities not relevant to any credit decision in hand, could deter engagement with Irish banking or influence borrowers decisions about where to conduct business.</p> <p>It was suggested that it could be commercially disadvantageous if information in relation to such a cohort of customers is available to other CIPs in the market</p> <p>Consideration should be given to restricting the amount of data that should be available for other CIP's to view on the CCR.</p>	<p>With respect to the collection of information relating to corporate borrowers, as indicated earlier in the feedback statement this will fall within scope of the CCR and be collected as part of Phase 2 activities.</p> <p>The CCR will collect information in respect of all CIS's that will be both private and confidential. The CCR will safeguard all data equally. It should also be noted that there are purposes to the CCR other than the provision of information to CIPs to make credit worthiness decisions. The Central Bank will for example use data for prudential supervision, statistical analysis and reporting to the ECB.</p> <p>The Act permits the Central Bank to develop a modified set of information for distinct classes of CIPs or CISs.</p> <p>As the project develops and as the design work associated with Phase 2 is finalised the Central Bank will have an open mind as to what information will be collected and what information will be shared in respect of corporate borrowers but will consider a range of factors including internal Central Bank and ECB requirements.</p>