

No Credit? Credit Explained

This leaflet is part of a series of nine leaflets which explain your rights under Data Protection Law and how to enforce those rights.

This leaflet deals with the use of personal data for credit purposes and what to do if it goes wrong.

This guidance relates to both the Data Protection (Jersey) Law 2005 and the Data Protection (Bailiwick of Guernsey) Law, 2001.

Where the Laws differ and to show differences between the two jurisdictions the page will be split as shown below.

Jersey

Commissioner = Information
Commissioner

a = article within the Law

Guernsey

Commissioner = Data Protection
Commissioner

s = section of the Law

Where numbering of passages from the Laws are the same it will be shown as a/s.

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Section 1 – How do lenders decide if they will offer me credit?

Introduction

It is important to remember that no-one has a right to credit.

Before giving you credit, lenders such as banks, loan companies, catalogue companies and shops want to be confident that you will repay the money they lend.

To help them do this, they may look at the information held by companies called credit reference agencies and may also use credit scoring.

See below for more about credit reference agencies. See page 4 for more about credit scoring.

Q What are credit reference agencies?

The three main consumer credit reference agencies in the UK are Callcredit, Equifax and Experian. There are similar agencies in Jersey and Guernsey. They are listed towards the end of this document.

These agencies hold certain information about most adults in Britain. This information is called your credit reference file.

The agencies get their information from lenders, from information in the public domain like the electoral roll, and from other sources. See Section 3 for more detail about the types of information the agencies hold.

When you apply for credit a lender may look at your credit reference file to help it decide if you are likely to repay. If you have a financial link such as a joint account with someone, a lender may look at information about this link and about that person's credit history.

Credit reference agencies do not hold blacklists and do not tell a lender if it should offer you credit – that is for the lender to decide.

Q *What is credit scoring?*

When you apply for credit, some lenders use credit scoring to help them decide if you are likely to repay. Credit scoring enables lenders to look at each credit application in the same way. Lenders should tell you if they are going to use credit scoring.

To work out your credit score, lenders may look at your application form and give points to some of the information on it, such as your age, your job and if you own your own home. Lenders may also give points to some of the information on your credit reference file.

Each lender will have its own credit scoring system and will decide how many points to give each piece of information. For example if a lender believes that people in a certain age group are more likely to repay, the scoring system will reflect this. Each lender will also decide how many points you need to reach its own 'pass mark'. If you score above the pass mark, you are more likely to be offered credit. So you may find that you can be refused by one lender but accepted by another.

Q *What can I do if I am refused credit?*

If a lender uses credit scoring and you are refused credit, you can ask the lender to explain the main reason why. For example there may be information on your credit file that the lender thinks is negative. Or perhaps you did not reach the lender's pass mark. Lenders may also try to make sure that they do not offer credit to people who may not be able to afford it. So even if you repay your existing credit accounts on time, a lender may not want to overburden you with more. You should be aware that lenders do not have to give you details of how their credit scoring works.

If a lender refuses you credit because it worked out your credit score just by using a computer, you can ask it to review the decision.

If a lender did not just use a computer to work out your credit score and you have other relevant information that you think will alter the decision, you can ask the lender to review it.

Even if a lender reviews its decision, it may still turn you down.

Sometimes a lender will turn you down as you are not recorded on the UK electoral role. Section 6 provides information on how to overcome this.

Section 2 – How do I get my credit reference file?

By law you can write to any of the credit reference agencies and ask for a copy of your credit reference file. You can use the sample letter shown on page 6. Each credit reference agency is allowed to charge a fee of £2.

In your letter you should include:

- your full name – also give any names you used to be known by, such as a maiden name (your name before marriage);
- your full address, including postcode;
- any addresses you have lived at over the past 6 years;
- your date of birth; and
- a cheque or postal order for £2, made payable to the credit reference agency. You should keep a copy of your letter and you may want to send it by recorded delivery.

When the credit reference agency receives your letter and the fee, it has 7 working days to send you your file.

Sometimes credit reference agencies need more information from you before they can send you your file; for example they may need proof of your name and address. This is important to make sure that no-one else gets your file by mistake or to check that no-one else has fraudulently applied for your credit reference file. The agencies do not have to send you your file until they get this information.

When you apply for your credit file, if you are a sole trader or partnership you may be able to get information about your business too. You may find that the agencies offer you other services, such as allowing you to ask for your credit file over the phone or to look at your file online. There may be a different fee for these extra services.

123 Any Street
Anytown
A45 6EC

23 April 2016

Dear Credit Reference Agency

Jersey

Under Article 7 of the Data Protection (Jersey) Law 2005 please send me a copy of my file containing the information that affects my financial standing. I enclose a postal order or cheque for £2.

Guernsey

Under Section 7 of the Data Protection (Bailiwick of Guernsey) Law, 2001 please send me a copy of my file containing the information that affects my financial standing. I enclose a postal order or cheque for £2.

I have lived at the above address for three years. Before that I lived at 789 High Street, Anytown, A43 9DF.

I expect you to respond within 7 working days of receiving this letter.

Yours faithfully

Adam Neil Other
Date of birth 1 January 1969

Section 3 – What is on my credit reference file?

Public record information

The electoral roll (or voters roll)

- Credit reference agencies in the UK are allowed to use the UK electoral roll for certain limited purposes. This is not permitted in the Channel Islands, although local agencies are permitted to inspect the electoral roll at the Parish Halls, the town library and the Greffe.

Petty Debts Court Judgments

- Local credit reference agencies obtain most of their data from judgments made by the Petty Debts Court. Most are supplied with a list of judgments, although some agencies sit in court and listen to each case heard. The Petty Debts Court is a public court to which anyone can attend.

Bankruptcy

- This may stay on your credit reference file for 6 years from the date of your bankruptcy (even if you have been discharged (freed) from bankruptcy).
- If your bankruptcy has been discharged, you may need to send the credit reference agencies a certificate of discharge.
- Any account(s) included in your bankruptcy may show on your credit reference file as being in default. The date of the default(s) should not be later than the date of the bankruptcy order.
- If your bankruptcy has been annulled (cancelled), you will need to send proof to the credit reference agencies.
- If you need help with your bankruptcy, you should obtain independent legal advice.

Information from lenders

- Many lenders pass information about your credit account(s) to the credit reference agencies to show whether you have been making the correct payments and on time. If you have a history of paying on time, this is likely to help you get further credit.
- If a lender is going to pass information to the credit reference agencies, it should tell you. You would normally see this stated on the application form under the data protection notice.
- Some lenders do not record information with every credit reference agency, so you may find that the information on your credit reference file at one agency differs from the information on your file at another.
- Your credit reference file may show the following:
 - A live account. This may show on your credit reference file until the account is settled or closed. It may then show on your file for 6 years.
 - A settled or closed account. This may show on your credit reference file for 6 years from the date it was closed.
 - A defaulted account. This may show on your credit reference file for 6 years from the date of the default. A default normally occurs when the terms of a credit agreement have not been met and the account is 3–6 months in arrears. When the debt is repaid, the entry on your credit reference file should be marked as settled or satisfied.
 - An arrangement to pay. Sometimes, if you cannot make the full payments for your credit account, the lender may allow you to pay a different amount for a short time. This will be shown on your credit reference file as an arrangement to pay. The credit reference agencies may show arrangements to pay in different ways; the leaflet the agency sent to you with your credit reference file should explain how that particular agency records that information.

Other information

Search information

- When an organisation looks at your credit reference file, a record of the 'search' is made. This will show the name of the organisation, the date it searched your file and the type of search.
- Organisations normally search your credit reference file when you apply for credit. If an organisation sees a lot of credit application searches made in a short space of time, it may think an individual is in financial difficulty or that someone has been applying for credit fraudulently.
- Organisations may also search your credit reference file while you are 'shopping around' for the best credit or insurance deals. These searches are called quotation searches and do not indicate that you have applied for credit.
- Sometimes organisations also need to look at part of your file for other reasons, such as to check your identity or to prevent money laundering. These enquiries would not be seen by anyone except you.
- Experian keeps search information for 1 year.
- Equifax and Callcredit keep search information for 2 years.

Alias or association information

- You may see a list of any other names you have used in the past, for example a maiden name. This is known as 'alias' information. Financial information in your other names will show on your credit reference file.
- If you have a joint account or have made a joint application for credit, the name of the other person(s) will show on your credit file as a financial association. Your file will show the name of the organisation that gave this information and when. The other

person's name will stay on your credit reference file until you write to the credit reference agencies telling them that you are no longer financially connected. This is called disassociation.

- You can use the following sample letter to request disassociation.

123 Any Street
Anytown
A45 6EC

23 April 2016

Dear Credit Reference Agency

Your reference 123456-7890

Thank you for sending me my credit reference file.

The information on it about Alice Natalie Other relates to my ex-wife. We are now divorced and no longer have any financial connection.

Please disassociate us, so that financial information about her no longer appears on my file, and information about me does not appear on hers.

Yours faithfully

Adam Neil Other
Date of birth 1 January 1969

Linked addresses

- A linked address may be created when an account moves between addresses, such as when you move house, or when a lender checks your records at your previous address, or if you tell a credit reference agency about a previous or forwarding address.
- A linked address may stay on your credit file for 6 years after the link has been created.

CIFAS (the UK's fraud prevention service)

- This is a system used by the credit industry and other organisations to prevent fraud.
- If a lender believes it may have detected a fraud or attempted fraud, a CIFAS marker may be put on your credit reference file. It is intended to warn lenders and to protect innocent consumers.
- The information filed may not directly relate to you but, for example, may show that someone has tried to use your name without your permission.
- No-one should be refused credit just because of a CIFAS marker, and these markers are not included in your credit score. A CIFAS marker simply means the lender should take extra care to make sure that the person applying for credit is who they claim to be and that the information they have given on their application form is correct. Only members of CIFAS see this information.

GAIN (Gone Away Information Network)

- Participants of GAIN pass information to the credit reference agencies when customers have not kept their account repayments up to date and then move without telling the lender their new address. Only participants of GAIN see this information.
- This may stay on your credit reference file for 6 years.

Section 4 – When things go wrong...

Q Should I use a credit repair company?

You should think carefully before deciding whether to use a credit repair company. These companies may promise to remove information such as court judgments from your credit reference file to improve your credit rating. They will charge a fee for doing this.

If information such as a court judgment has been accurately recorded on your credit reference file it normally cannot be removed until after a set period.

This section of Credit Explained tells you what you can do when you think information on your credit reference file is wrong. There is also a list of useful addresses for organisations that may be able to help you free of charge.

Q I requested my credit reference file over 7 working days ago but I have not got it yet. What should I do?

You should send the credit reference agency a follow-up letter explaining when you asked for your file.

If you sent your letter by recorded delivery, you should give the reference number.

If your cheque has been cashed, it may help if you can tell the credit reference agency when this was done. If after doing this you still do not get your credit reference file, you may wish to contact the Commissioner. See Section 5 for who the Commissioner is and how to make a complaint.

Q I have paid my court judgment or decree but my credit reference file has not been updated. What can I do?

There are different ways to update your credit reference file, depending on where the judgment was issued.

If you think the information given about a judgment is wrong, you should contact the court for help. The entry on your credit reference file will name the court.

UK and Jersey Judgments

- If you fully repay a judgment within 1 month, it should not show on your credit reference file.
- If you fully repay a judgment after 1 month, you need to get a certificate of satisfaction from the courts.
- The court should send your certificate of satisfaction to Registry Trust Ltd (which keeps a Register of judgments against individuals). Registry Trust Ltd will pass it to the credit reference agencies, which will then mark the judgment entry on your credit reference file as satisfied. This will stay on your file for 10 years (with effect from 1st May 2011) from the date of the judgment for Jersey judgments and 6 years for UK judgements.

Guernsey Judgments

- If you fully repay a judgment, you are advised to obtain something from the person/organisation to whom you have paid the sum to confirm that the payment has been made.
- This should then be sent to the local credit reference agencies who will update their records to show the judgment as satisfied.
- The judgement will remain on your file for 6 years.

Q I have my credit reference file but some of the information is wrong. What can I do?

You can write to the lender or the credit reference agency. If you write to the credit reference agency, it will normally need to contact the lender and ask it to investigate your complaint. You may therefore find it quicker to write directly to the lender yourself. It will also save you

having to write to each of the agencies that hold the information you think is wrong.

Writing to the lender

- Give your full name and address. It may also help to give any relevant account numbers or reference numbers to help them find your information.
- Explain what information you think is wrong and why.
- Provide any proof you have to show the lender why the information is wrong.
- Keep a copy of any letters you send.
- Give the lender a reasonable time to reply, say at least 28 days. This will enable it to investigate the problem.
- If you do not get a response, you should send the lender a follow-up letter.

Writing to the credit reference agency

- Give your full name and address. It may also help to give your credit reference file number.
- Clearly explain what information you think is wrong and why.
- Provide any proof you have to show why the information is wrong.
 - Keep a copy of any letters you send.
- UK law requires that the agency must tell you within 28 days of your letter if it has:
 - removed the entry from your file;
 - amended the entry;
 - taken no action.

- If the entry is amended, the agency will send you a copy of the amended entry. The agency will also send the details to any lender who has searched your credit reference file in the last 6 months.

Q The credit reference agency has not replied to my letter within 28 days, or it has replied to my letter but taken no action. What can I do?

You can ask the credit reference agency to add a notice of correction to your credit reference file. You can also write to the Commissioner.

What is a notice of correction?

This is a statement of up to 200 words which you can write. It will be seen by anyone who looks at the entry on your credit reference file and should be taken into consideration if you apply for credit.

- The notice should clearly and accurately explain why you think an entry on your credit reference file is wrong.
- If the agency thinks your notice of correction is incorrect, defamatory (affecting someone's reputation), frivolous or scandalous, or is for any other reason unsuitable for publication, it must pass the notice to the Commissioner. The Commissioner will then make an order to say what notice, if any, should be added to your credit reference file. See Section 5 for who the Commissioner is and how to make a complaint.

Section 5 – The Office of the Commissioner

Q *Who is the Commissioner?*

The Commissioner enforces the Data Protection Law

The Data Protection Law gives you the right to ask for a copy of your credit reference file and to correct any information that is wrong.

Q *When should I contact the Commissioner?*

There are three main reasons why you might need to contact the Data Protection Commissioner:

1. You asked for a copy of your credit reference file but still have not got it.
2. You wrote to the lender(s) because the information on your credit reference file is wrong. You have given them at least 28 days to reply and have sent a follow-up letter but they have not replied, or they have replied but the information is still wrong.
3. You wrote to the credit reference agencies because the information on your credit reference file is wrong. You have given them 28 days to reply but they have not replied, or they have replied but the information is still wrong.

Q *What should I provide to the Commissioner?*

- Your full name and address.

If you:

a) asked for a copy of your credit reference file but have still not received it, you should send:

- a copy of your letter asking for your credit reference file; and
- a copy of your follow-up letter; and
- proof that your cheque has been cashed, if it has;

b) wrote to the lender or credit reference agency because the information on your credit reference file is wrong, you should send:

- an explanation of what you think is wrong and why;
- copies of letters sent to or received from the lender or agency; and
- any proof you have to show why the information is wrong;

Q *What happens next?*

The Commissioner will consider the information you provide and may decide to contact the lender or the credit reference agency for their comments.

The Commissioner will then decide what action, if any, to take.

You can get more information about the Commissioner and her role from our website: www.dataci.org

Section 6 – What to do if turned down for credit as not on the UK electoral role

Introduction

The Jersey and Guernsey electoral rolls are not supplied to the credit reference agencies in the same way that they receive the mainland registers. Therefore Islanders may be refused credit because the credit reference check notes 'no trace' in respect of an electoral roll check, commonly used to verify the address details given on an application for credit.

Following consultation between the Islands' Governments and the three principal UK credit reference agencies an agreement has been reached to enable Islanders to provide proof that their name is inscribed on the local electoral roll.

How to get your credit reference information updated

Step 1

You should apply to the UK credit reference agencies for a copy of your credit reference file. This will enable you to check the details they hold and whether when an electoral roll search was done 'no trace' was returned.

Each credit reference agency may hold different details and so you are advised to check with all three. There is a £2 fee for such a check. A sample letter is given on page 6 and the contact details of each agency can be found towards the end of this document.

The next steps differ depending on if you are a Jersey or Guernsey resident and are listed separately on the following page.

Jersey Residents

Step 2

Once you have your credit reference file check to see if 'no trace' is recorded against the electoral roll check. If it is, this could be why you have been turned down for credit.

If this is the case, complete the Electoral Roll Subject Access Request form (located on our website) and send it to your local Parish Hall, together with £10. The form will be completed to show if you are on the electoral roll and returned to you.

Step 3

Once returned, if it is confirmed you are on the electoral roll, send a copy of the form to each UK credit reference agency, quoting their reference number and request that your record be updated. The agency will update your record within 28 days of receipt of your form.

If you are not on the electoral roll contact your local Parish Hall to discuss how to be added.

Guernsey Residents

Step 2

Once you have your credit reference file check to see if 'no trace' is recorded against the electoral roll check. If it is, this could be why you have been turned down for credit.

If this is the case, phone 717000 to check that you are on the electoral roll or call in to Sir Charles Frossard House where printed copies of the roll are available for inspection.

If you are not on the roll contact the Electoral Roll Office to discuss how to be added (tel 717000).

Step 3

Once content that you are on the electoral roll, complete the Application for an Electoral Roll Registration Confirmation (located on our website) and send it the Electoral Roll Office.

You will receive four signed and stamped copies of the certificate confirming your registration on the electoral roll.

Step 4

Send a certificate to each UK credit reference agency, quoting their reference number and request that your record be updated. The agency will update your record within 28 days of receipt of your certificate.

Other publications in this series...

Each leaflet sets out what your rights are and, where possible, includes examples of letters and notices to send to the data controller. You will also find information to help you if you decide to take legal proceedings against a data controller.

Your Rights and How to Enforce Them

Subject Access - A guide for data subjects

Help! How can I stop them processing my personal information?

Incorrect information - What can I do?

Stopping unwanted marketing materials

Preventing decisions based on automatic processing of my personal information

Claiming compensation

Taking a case to court

All the leaflets and other publications produced by the Commissioner referred to in this publication may be obtained from our website www.dataci.org or by contacting the Office (details found on the last page of this document).

Credit Reference Agencies

UK

Callcredit Plc

Consumer Services Team, PO Box 491, Leeds, LS3 1WZ
or call 0870 060 1414
or visit www.callcredit.co.uk

Equifax Ltd

Credit File Advice Centre, PO Box 1140, Bradford, BD1 5US
or call 0870 335 0550
or visit www.equifax.co.uk

Experian Ltd

Consumer Support Centre, PO Box 8000, Nottingham NG80 7WF
or call 0870 281 800
or visit www.experian.co.uk

Channel Islands

Cashback Ltd

Kedros, La Rue de la Devisse, St Ouen, Jersey, JE3 2AG
or call 01534 481108

Channel Islands Data Services (CIDS) Ltd

PO Box 379, St Peter Port, Guernsey, GY1 3YZ
or call 01481 713050

Integrichack Ltd

3 Clos des Blanchés, St Clement, Jersey, JE2 6PB
or call 01865 461533

RC Services

Cornerways, Les Gigands Road, St Sampson, Guernsey, GY2 4YU

Useful contact information:

Jersey

Citizens Advice Bureau

The Annexe
St. Paul's Community Centre
New Street
St. Helier
Jersey
JE2 3WP

T: 0800 7350249 (Freephone)
W: www.cab.org.je
Email: advice@cab.org.je

Jersey Law Society

PO Box 493
St Helier
Jersey
JE4 5SZ

T: +44 (0)1534 613920
F: +44 (0)1534 613928
W: www.jerseylawsociety.je
Email: admin@jerseylawsociety.je

Jersey Advisory & Conciliation Service (JACS)

Trinity House
West Centre
Bath Street
St Helier
Jersey
JE2 4ST

T: +44 (0) 01534 730503
F: +44 (0) 01534 733942
W: www.jacs.org.je
Email: jacs@jacs.org.je

Guernsey

Citizens Advice Bureau

Bridge Avenue
The Bridge
St Sampson's
Guernsey
GY2 4QS

T: +44 (0)1481 242266
W: www.cabguernsey.org

The Guernsey Bar

c/o Mathew Newman
Bar Secretary
Ogier House
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA

W: www.guernseybar.com
Email: barsecretary@ogier.com

Contact the Commissioner

Enquiries and publication requests

Jersey

Office of the Information Commissioner

Brunel House
Old Street
St Helier
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