



# The Credit Reporting Bill 2012

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Department of Finance



## The Credit Reporting Bill 2012

- To meet the deadline for the publication of the Bill it was not possible to include all relevant provisions. On parliamentary counsel advice some were parked and will require further work in advance of Committee Stage.
- Stakeholders have raised issues in relation to certain aspects of the Bill. The Department will engage with them to seek to resolve any outstanding issues.
- The Minister has committed to bringing proposals for any appropriate amendments to Government for approval at Committee Stage.



## The Credit Reporting Bill 2012

The Credit Reporting Bill 2012 was published on 28<sup>th</sup> September 2012.

It contains six parts:

1. Preliminary and General
2. Central Credit Register
3. Duties of Credit Information Providers and Rights of Credit Information subjects
4. Levy and Fees
5. Enforcement
6. Miscellaneous



## Main Provisions of the Bill

- The database will be owned by the Central Bank and the Bank will be responsible for the operation of the Central Credit Registry.
- There will be mandatory reporting of a comprehensive range of credit information by credit providers.
- Credit providers will be required to meet specified reporting standards in this regard (e.g. formats, timelines etc.)
- Credit providers will be required to make mandatory credit checks with the Register for all credit applications above a threshold of €2,000.
- The Bill provides for controls with regard to access to information on the Register. By including provisions relating to access to data and security measures as well as provisions to help to deal with identity theft or impersonation as in Section 22, this legislation will inspire confidence in businesses and in the consumer.



## Main Provisions of the Bill

- Foreign credit providers can access the Register with the consent of the credit information subject to whom the information relates.
- The legislation also extends to loans acquired or issued by NAMA and to loans issued by local authorities.
- The Central Bank will ensure the robust regulation of regulated financial service providers who fall under this Bill.
- Although fees may be charged for access to information held on the Register individuals will be entitled to one free copy of their own record every twelve months.



## Changes from the General Scheme

The Bill reflects most of what is contained in the General Scheme. However the following are the significant changes which have been reflected in Bill during drafting, following advice from the Office of the Parliamentary Counsel

- The data retention period for information on the Register is now 5 years and this applies to information relating to both open and closed credit agreements.
- Access to aggregate anonymised data for portfolio analysis by new market entrants has not been provided for. An appropriate amendment may be considered for Committee Stage.
- The “independent adjudication of disputes” provision has not been included as the cost of the adjudication process could be significant.
- Access to aggregate anonymised data for portfolio analysis by new market entrants has not been provided for, as more time is needed to finalise this provision.



## Part 1 – Preliminary and General

Part 1 contains the following Sections:

- Short title and commencement
- Interpretation
- Regulations and Orders
- Expenses



## Part 2 – Central Credit Register

Part 2 of the Bill deals with the establishment of the Register, its ownership and its content. The following are the main elements of Part 2:

- The personal and credit information relating to a credit information subject to be kept on the Register
- The retention period for information held on the Register – Section 8.
- Application for amendments to information on the Register – Section 9.
- Duty and Power to access information on the Register – Sections 15 & 16.
- Purposes for which information may be used by the credit information provider – Section 17.
- Notice of suspected impersonation – Section 19.
- Section 11 applies applies the provisions of the Data Protection Acts 1988 and 2003 to credit data for individuals and bodies corporate with an annual turnover of not more than €3 million.



## Part 3 – Duties of Credit Information Providers

Part 3 of the Bill contains the following:

- Duty of the credit information provider to verify the identification of the credit information subject as well as the accuracy of the credit information.
- The credit information provider is obliged to inform a credit information subject of suspected impersonation.
- There is also an obligation on the credit information provider to ensure that credit information subjects are aware of their rights and duties under this legislation.
- Credit information providers also have a duty to inform credit information subjects at application stage that this Act requires that information be provided to the Bank in relation to qualifying credit applications and agreements.



## Part 4 – Levy and Fees

- Section 25 allows the Central Bank with the consent of the Minister to make regulations prescribing a levy to be paid to the Central Bank by credit information providers for the purpose of meeting expenses incurred by the Central Bank in performing its functions under this Act.
- Section 26 allows the Central Bank with the consent of the Minister to make regulations prescribing fees to be paid to the Central Bank for access to information held on the Register or being provided with a record of occasions on which access has been given to information held on the Register. A credit information subject will be entitled to access their own record held on the register free of charge every 12 months.



## Part 5 – Enforcement

- Section 27 sets out the enforcement powers that the Central Bank has to ensure that all regulated credit information providers comply with their obligations under the Act, and their powers in relation to other credit information providers.
- Section 28 outlines the provisions of a direction under Section 27.
- Section 29 sets out the offences under the Act.



## Part 6 – Miscellaneous

Part 6 of the Bill deals with:

- Power of Bank to produce credit scores
- Accountability of the Bank
- Prohibition on unauthorised disclosure of information
- Disapplication of Section 33AK of the CB Act 1942
- Prosecution of offences