

**STEERING COMMITTEE ON RECIPROCITY  
(SCOR)**

**THE RULES MANAGING SCOR**

Version 5 (Final) March 2008

# **The Rules Managing SCOR**

## **DEFINITIONS**

“**The Rules managing SCOR**” shall mean this document as amended from time to time.

“**CRA**” shall mean the Licensed Credit Reference Agencies running shared credit account Closed User Groups, meeting the joining criteria for SCOR and accepted as members of SCOR.

“**Data Sharer**” shall mean a subscriber to a CRA credit account closed user group.

“**Group of Companies**” shall mean a group comprising a parent or one or more wholly owned subsidiaries or a majority interest equal to or more than 50 per cent of share capital.

“**Principles**” shall mean the Principles of Reciprocity, together with any supporting documents, regulating the sharing of credit performance data, within a closed user group at a CRA, as formulated through SCOR by the Trade Associations and the CRAs, from time to time.

“**Representative**” shall mean the nominated representative of a Trade Association or CRA on SCOR.

“**Trade Association**” shall mean an incorporated trade body representing a group of Data Sharers within the same or similar field of trade as represented on SCOR.

1. **FUNCTION**

- 1.1. SCOR shall formulate, draft and oversee the implementation of the Principles; inform Data Sharers of the purpose and scope of the Principles and provide advice and guidance; wherever required, amend the Principles; and recommend compliance with the Principles.
- 1.2. SCOR will be the forum where all the representatives of the Trade Associations and the CRAs' shall meet to manage Data sharing and Data Quality issues.

## 2. **TERMS OF REFERENCE FOR SCOR**

- 2.1. To formulate, draft and distribute the Principles to Trade Associations, Data Sharers and each CRA.
- 2.2. To review the provisions of the Principles and the operational implementation of the Principles.
- 2.3. To discuss and use its best endeavours to obtain agreement to amendments to the Principles from the Trade Associations and each CRA.
- 2.4. To determine funding requirements as they are deemed necessary and manage such funds as agreed by the members of SCOR.
- 2.5. To promote widespread knowledge and understanding of the Principles.
- 2.6. To provide advice, education, information and guidance on the interpretation of the Principles to Trade Associations, Data Sharers, CRAs and such other enquirers as may be agreed by the Representatives.
- 2.7. To encourage Data Sharers to carry out internal audit procedures to ensure and confirm compliance with the Principles.
- 2.8. To consider other data sharing and quality related issues as occur from time to time as directed by the Trade Associations or requested by the CRAs.
- 2.9. To liaise with the appropriate regulatory authorities, as directed by Trade Associations and in consultation with the CRAs.
- 2.10. To review new product developments that incorporate new uses of shared data, as requested by data sharers or CRAs.

### 3. **STRUCTURE**

- 3.1. SCOR will comprise the following Representatives or named substitutes:
  - 3.1.1. three Representatives from the British Bankers Association;
  - 3.1.2. three Representatives from the Finance and Leasing Association;
  - 3.1.3. two Representatives from the Council of Mortgage Lenders;
  - 3.1.4. two Representatives from the Mail Order Traders' Association;
  - 3.1.5. one Representative from the Consumer Credit Trade Association;
  - 3.1.6. two Representatives from the Association for Payment Clearing Services;
  - 3.1.7. one Representative from the Credit Services Association;
  - 3.1.8. one Representative from the Consumer Credit Association;
  - 3.1.9. one Representative from each CRA, currently Equifax, Experian and Call Credit.
- 3.2. The structure of SCOR may be amended in the future to include Representatives from other Trade Associations, or CRAs.
- 3.3. SCOR may invite other organisations to join the Group as appropriate. SCOR may also invite organisations to attend as observers from time to time.
- 3.4. Representation on SCOR will be reviewed if either:
  - 3.4.1. the total number of representatives reaches 25;
  - 3.4.2. more than 5 CRAs are eligible for representation.
- 3.5. A CRA becomes eligible for SCOR representation once it has established a working closed user group for shared consumer credit performance data in accordance with the terms agreed within the SCOR policy<sup>1</sup>. Prior to that, it may be invited to attend SCOR as an observer.

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- <sup>1</sup> A closed user group requiring members of that group to be supplying and accessing shared records.
  - A minimum 10% of shared records. Current volumes of shared records are c.250m, therefore the current requirement is for a CRA to have 25m shared records.
  - At least 50 subscribers to shared data.
  - Independent audit of security.
  - Compliance with the Principles of Reciprocity
  - Compliant with the Data Protection Act 1998 and other relevant legislation.
  - A contribution on joining to SCOR funding.

#### **4. REPRESENTATIVES**

- 4.1. The Representatives shall derive their authority solely from the Trade Association or CRA nominating them. The Representatives are required to consult with and make regular reports to those bodies and provide timely feedback to SCOR as required.
- 4.2. Unless agreed otherwise by SCOR, and confirmed in writing by the Chairman of SCOR, no Representative from the same group of companies as an existing Representative shall be allowed to serve on SCOR.
- 4.3. Unless agreed otherwise by SCOR, and confirmed in writing by the Chairman of SCOR, a maximum of one Trade Association Officer should be nominated per Trade Association as the Representative for SCOR.
- 4.4. Nominations for Representatives and substitutes to serve on SCOR shall be approved by their respective Trade Association or CRA and notified, wherever possible, to the Secretary upon not less than 14 days prior written notice. Not less than 14 days prior written notice of any permanent change of nomination must be given to the Secretary. A substitute nominee of a Trade Association or CRA may attend any meeting in the place of a Representative so long as no more than one Trade Association Officer is representing that Trade Association at any one time.



## 5. **CHAIRPERSON**

[Note: throughout Section 5, Rules applying to the Chairperson also apply to the Deputy Chairperson.]

- 5.1. The Trade Association Representatives shall elect persons to act as Chairperson and Deputy Chairperson. The positions of Chair and Deputy Chair are honorary posts.
- 5.2. The Chairperson shall be entitled to take part in and vote on the business of the meeting only if he/she is also an authorised Trade Association representative.
- 5.3. The Chairperson shall chair each meeting to ensure that the business and purpose of SCOR is conducted properly and fairly and in accordance with these Rules.
- 5.4. The Chairperson shall convene annually a meeting of SCOR to review (without limitation) the Chairperson's year, the operation of the Principles, adjudication of complaints, the Rules, Quorum requirements and voting structures, membership and composition of the Committee.
- 5.5. The Chairperson of SCOR shall be appointed to serve a term in office, which does not exceed one year. A Chairperson retiring at the end of his/her term shall be eligible for re-election to the Chair, or for nomination by his Trade Association to represent them at SCOR.
- 5.6. Election to the Chair should be agreed by SCOR not less than one full meeting before the end of the term of the outgoing Chairperson.
- 5.7. If the Chairperson and Deputy Chairperson are both unable or unwilling to attend any meeting, the Representatives may appoint any one<sup>2</sup> of their number to act as a temporary Chairperson for the duration of that meeting.
- 5.8. The duties of the Chairperson are as follows:
  - 5.8.1. to Chair SCOR Meetings
  - 5.8.2. to call meetings in line with the Rules, including the calling of meetings of specialist teams, as referred to in Clause 7.7
  - 5.8.3. to sign off SCOR Meeting Minutes
  - 5.8.4. to administer Budget and Expenditure
  - 5.8.5. to be the contact for CRA Representatives under the terms of the 'CRA Product Development Compliance Process'.
  - 5.8.6. to be the first point of contact for queries from Trade Associations, CRA's and other Data Sharing Closed User Group members

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<sup>2</sup> Excluding CRA representatives  
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regarding interpretations and clarifications of the SCOR Rules and the Principles of Reciprocity.

5.8.7. to be a key point of contact for complaints processing and resolution, as referred to in Section 10, the Complaints Process.

5.9. The duties of the Chairperson are limited to acting on behalf of SCOR members. For clarity, the Chairperson's role is constrained by the following, unless specifically so authorised:

5.9.1. the Chairperson has no individual decision-making mandate

5.9.2. the Chairperson has no devolved powers

5.9.3. the Chairperson cannot bind SCOR to any actions or decisions

5.9.4. the Chairperson must refer all enquiries and requests for information, from the media and similar organisations, to the Trade Associations and / or the CRA's, who will provide a response on their own behalf where appropriate. All formal responses from SCOR must be ratified by SCOR prior to issue.

6. **THE SECRETARY**

- 6.1. A secretary may be engaged by SCOR on an individual contract.
- 6.2. The Secretary shall be responsible for:
  - 6.2.1. preparing and distributing the agenda and all necessary supporting papers;
  - 6.2.2. taking minutes at meetings;
  - 6.2.3. administering and regularly reporting on SCOR's funding.
- 6.3. If the Secretary is unable or unwilling to continue in that capacity the Representatives shall recruit a replacement on a similar contractual arrangement.
- 6.4. The Secretary will provide administrative and secretarial support to the Chairperson and members of SCOR.
- 6.5. Other duties of the Secretariat are included in the Service Level Agreement attached:

<b>Item</b>	<b>Task</b>	<b>Measure</b>
Agenda	<ul style="list-style-type: none"> <li>• Produce agenda.</li> <li>• Send to all attendees.</li> </ul>	Minimum 5 working days before the meeting.
Minutes of meetings	<ul style="list-style-type: none"> <li>• Take full and clear minutes of the meeting.</li> <li>• Annotate with action points and responsibilities.</li> <li>• Retain copy for records</li> <li>• Obtain sign off to minutes by chairman.</li> <li>• Distribute to members of SCOR and named alternates and Trade bodies secretariat.</li> </ul>	Minutes to be distributed to the chairman maximum 5 working days after the meeting and all members maximum 10 working days after the meeting.
Arrange Meetings	<ul style="list-style-type: none"> <li>• Book regular SCOR meetings 12 months in advance with members contacting named alternates if appropriate and confirm date at the previous meeting</li> <li>• Liase with host regarding numbers and names of attendees, and timings.</li> </ul>	Regular meetings with minimum 66% attendance.
Treasurer	<ul style="list-style-type: none"> <li>• Monitor bank account.</li> <li>• Settle bills as appropriate.</li> <li>• Prepare an annual report on expenditure for agreement by SCOR.</li> <li>• Ensure mandate for account is kept up-to-date</li> </ul>	Yearly report to SCOR.  Accounts balance to statements. Budgets signed off by SCOR.
Maintain master copy of: <ul style="list-style-type: none"> <li>• Minutes</li> <li>• Principles of Reciprocity and supporting documents, and all other relevant documentation</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible for amendments and updates to the Principles of Reciprocity and all supporting documents</li> <li>• Maintain a record of changes.</li> <li>• Communicate with Trade Bodies when new versions are agreed.</li> <li>• Maintain a record of policies agreed with individual CRA's, in line with the CRA Product Development Compliance Process. Ensure the policy is included in the 'SCOR Interpretations Document'</li> </ul>	
Education	<ul style="list-style-type: none"> <li>• Maintain material</li> <li>• Act as a focal point to co-ordinate any requirements</li> </ul>	Feedback to SCOR as required.
Complaints	<ul style="list-style-type: none"> <li>• Log complaints and liaise with chairman to determine action.</li> <li>• Maintain file on each complaint.</li> </ul>	
Security	<ul style="list-style-type: none"> <li>• All records to be kept confidential at all times.</li> </ul>	Maintenance of confidentiality of information to all parties including within secretariat provider.
Administration	<ul style="list-style-type: none"> <li>• Provide support for chairman as required.</li> <li>• Maintain record of committee membership.</li> <li>• Provide points of contact for general communication providing responses or escalation as appropriate.</li> <li>• Provide handover to next Trade Association as instructed.</li> </ul>	No complaints from annual survey of members and trade bodies.

7.

## **BUSINESS OF SCOR**

- 7.1. SCOR shall meet as often as its business shall require and not less than twice per annum.
- 7.2. Emergency meetings of SCOR may be requested by any Representative upon written notice to the Secretary stating the grounds and giving justification for such a meeting. The Secretary shall convene an emergency meeting as soon as possible and in any event within 14 days of receipt of notice. The meeting can be either physical or virtual e.g. via teleconference.
- 7.3. The Quorum for any meeting of SCOR shall be Representatives from at least five from the full member total of Trade Associations and all CRAs, with Representation from at least 3 Trade Associations.
- 7.4. Proposals from CRAs and others, which are of a confidential nature, such as those relating to new product proposals, may be heard by a reduced Quorum at the request of the applicant in order to protect confidentiality.
- 7.5. Each Trade Association Representative shall have one vote.
- 7.6. Any changes to the Principles and associated documents, Funding, Membership and any other material matters which SCOR nominate must be agreed and ratified by **all** Trade Associations and CRAs before they may be adopted. Disagreements will be resolved through negotiation until a unanimous agreement is reached. The day-to-day business of SCOR shall be conducted and votes decided by **simple majority** of the Representatives present at the meeting.
- 7.7. SCOR may convene a working party comprising representatives as appropriate. The representatives will be people with a direct interest in or relevant technical skill for the working party and be either an existing member of SCOR or nominated by a member of SCOR. A chairperson for the working party will be selected from within this group and will agree any new members as appropriate. Working Parties will report to SCOR and make recommendations for ratification by SCOR.
- 7.8. A Representative, Trade Association or CRA wishing to raise at any meeting a matter or proposal relating to the Principles shall, wherever possible, circulate and discuss details of the matter or proposal with other Representatives, and whenever possible, provide the Secretary with details of the proposal and supporting documents at least seven days before a meeting. SCOR may agree from time to time protocols for the raising of issues.
- 7.9. Observers having legitimate interests in data sharing may attend a meeting of SCOR upon prior approval of the Chairperson. The Chairperson via the Secretary will ensure that all Representatives are given not less than 14 days prior written notice of any application by a prospective observer and given reasonable opportunity to object before permission to attend is given by the Chairperson. Observers will not normally be eligible to attend sub

attend sub group meetings unless expressly authorised by SCOR to so attend.

- 7.10. A fast track approval process exists for the immediate release of aggregated data not covered by the Principles, as detailed in Appendix A.

8. **FUNDING**

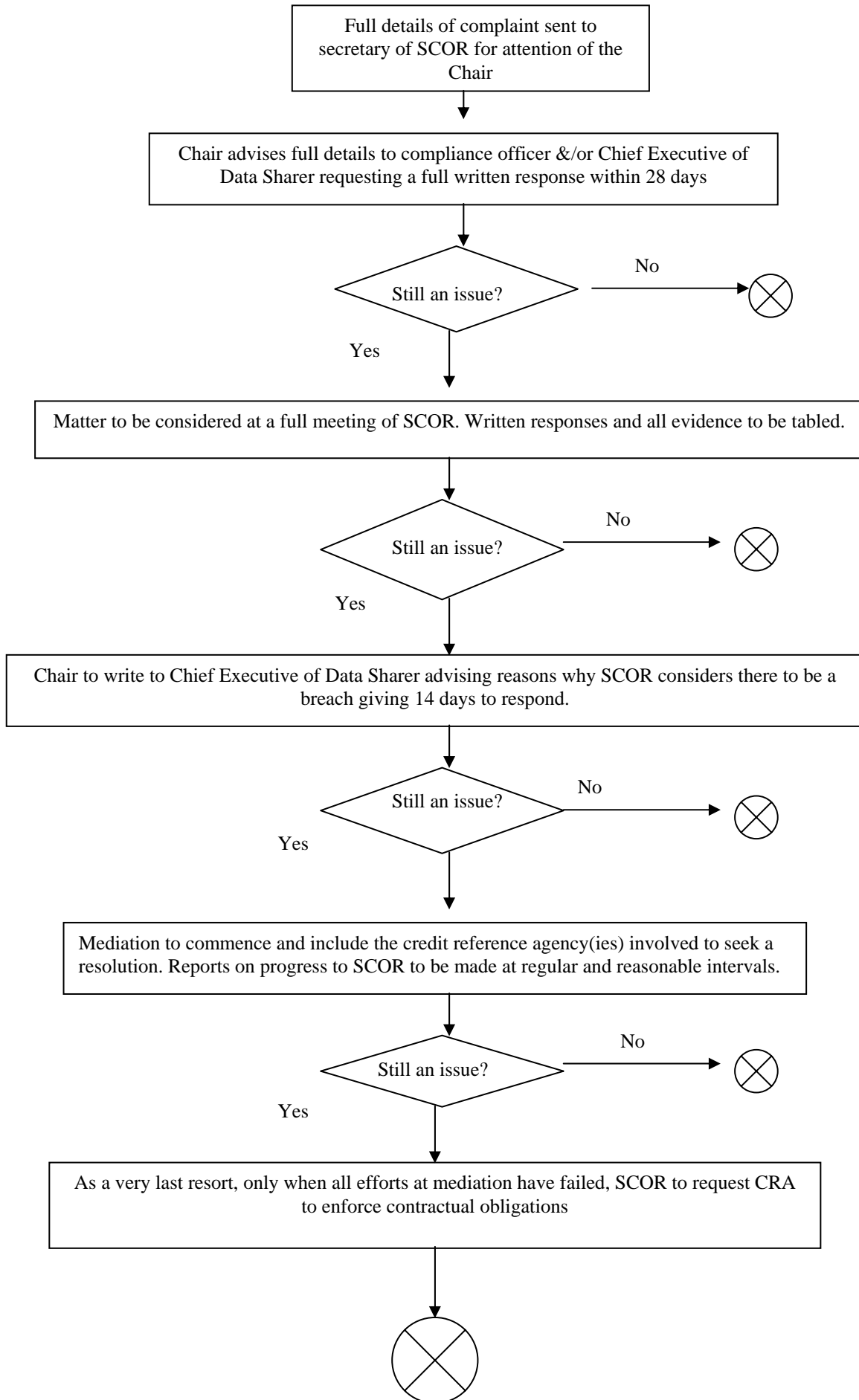
- 8.1. SCOR will be funded as agreed by the members from time to time.
- 8.2. A funding formula will be agreed by SCOR annually.
- 8.3. In the event of the dissolution of SCOR, any funds remaining will be proportionately returned to the most recent contributors. Any shortfall will be borne proportionately by the most recent contributors.

9. **COMPLIANCE PROCESS**

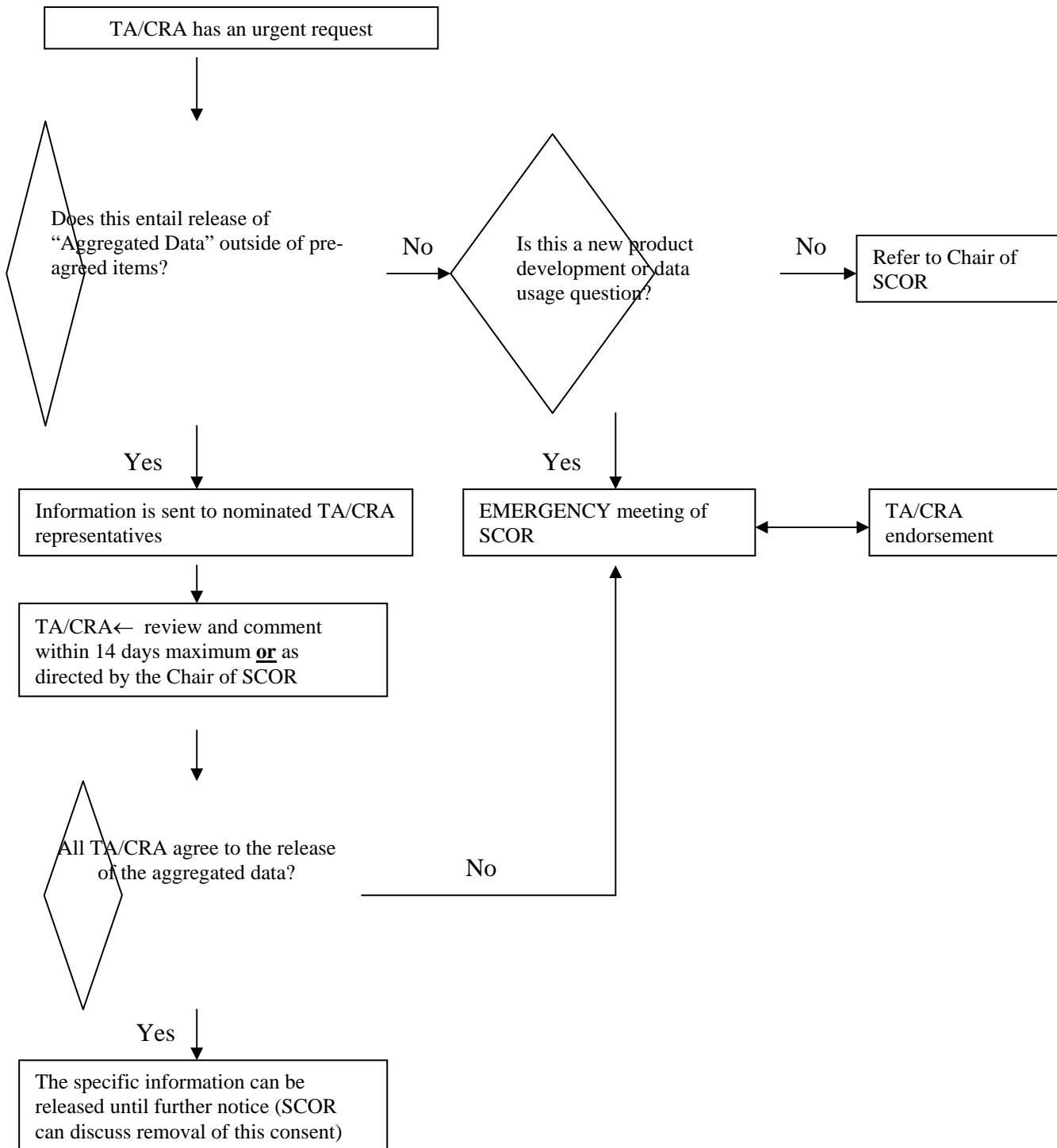
- 9.1. Within 28 days of adopting the Principles each Data Sharer will be asked to nominate an appropriate senior point of contact within their respective organisations, to act as a compliance officer for the purposes of implementing and complying with the Principles and will notify their chosen CRA of the name and address of this person.
- 9.2. SCOR through the CRAs may seek confirmation from time to time, from the chief executive (or other senior officer) of each Data Sharer of compliance with the Principles.



10. **COMPLAINTS PROCESS**



**APPENDIX A- SCOR FAST-TRACK PROCESS  
FOR THE IMMEDIATE RELEASE OF AGGREGATED DATA NOT COVERED  
BY THE PRINCIPLES**



← All CRA's can see the proposed aggregated data report.