

THE STEERING COMMITTEE ON RECIPROCITY

*Kathy Lewis, Secretary,
2 Keswick Road,
West Wickham,
Kent BR4 9AT
Tel: 020 8777 8262*

15th May 2006

Dear

Credit Data Sharing Governance

This letter is being sent on behalf of the Steering Committee on Reciprocity (“SCOR”) through your Credit Reference Agency to you as a subscriber to a credit account closed user group. The purpose of this letter is to share with you information about recent developments in the governance of credit data sharing.

As you will be aware, the profile of credit data sharing has risen dramatically in the last two years, not least as a result of the close interest shown in the subject by the House of Commons’ Treasury Select Committee. This has prompted renewed consideration of the governance arrangements for data sharing as well as the ‘accessibility’ of the rules governing such data sharing, currently set out in the Principles of Reciprocity, supplemented by a number of related documents (“the PoR”). While the present arrangements are rightly regarded as an exemplar, concerns have been expressed as to how (i) the robustness of those governance arrangements and (ii) shared credit data users’ compliance with the PoR can both be demonstrated.

This has given rise to discussions around credit data sharing governance over the last twelve months, led by the British Bankers’ Association. These discussions have been held with a number of trade associations and latterly have involved the credit reference agencies. The result of these discussions has been the identification of two principal work streams which are being taken forward at a cross-industry level by a body named the Data Sharing Governance Stakeholder Group. This group is drawn principally from participants in SCOR and includes the credit reference agencies.

The two work streams are:

(1) INTERIM CERTIFICATION PROCESS

As a baseline exercise, shared credit data users are to be asked to complete a questionnaire assessing their compliance with the PoR *in its present form*. This is intended to provide an early insight into current levels of understanding and positive affirmation of compliance with the existing PoR in line with current contractual obligations.

(2) RESTATEMENT OF THE PoR

An examination is underway to assess how best to tackle the complex task of bringing this diverse set of evolving documentation into a single and concise document that is more readily accessible.

Any changes to PoR will be ratified in accordance with the existing governance procedures.

We are conscious that not all data sharers are members of the trade associations represented on SCOR, if members of trade associations at all. Accordingly, we thought it would be helpful to advise you of these activities if you were not already aware of them. Naturally, your trade association or credit reference agency will keep you informed as both these initiatives progress and either your trade association or CRA will be happy to talk through any developments with you.

We will be writing to you again shortly to ask you to review your processes for data sharing and confirm your compliance with the current version of the PoR.

A copy of this letter has been sent directly to the contact within your organisation named below.

Some brief notes on SCOR and the Principles are attached for your convenience.

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'G. Cave' or similar, enclosed within a large, loopy oval shape.

Geoff Cave,
Chair
Steering Committee on Reciprocity

cc: Relationship Manager

Steering Committee on Reciprocity

SCOR is a body whose membership is drawn from the following trade associations and the three licenced credit reference agencies, namely:

Association of Payment and Clearing Services (APACS),
British Bankers' Association (BBA),
CallCredit,
Consumer Credit Association (CCA)
Consumer Credit Trade Association (CCTA),
Council of Mortgage Lenders (CML),
Credit Services Association (CSA),
Equifax,
Experian,
Finance & Leasing Association (FLA),
Mail Order Traders' Association (MOTA).

SCOR is responsible for development and overseeing of documented guidelines to address issues surrounding the use and sharing of credit performance and related data on individual consumers and the reciprocal sharing and use of consumer credit performance and related data on businesses. These are set out in "The Principles of Reciprocity".

The Principles of Reciprocity

These deal with the supply of and access to consumer credit performance data and the recording and sharing rules on credit search data, shared through the CRAs on the following databases:

Callcredit	SHARE
Equifax	Insight
Experian	CAIS

The Principles are supported and supplemented by a number of documents:

The Rules Managing SCOR
Principles of Reciprocity – Questions and Answers
The Guidance on Reciprocity Between Business and Consumer Closed User Groups
SCOR Interpretations
Bureau Product Compliance Process

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