

BAILIWICK OF GUERNSEY DATA PROTECTION

NO CREDIT?

How to find out what credit reference agencies report about you and how you can correct mistakes

Section 1: Have you a right to receive credit?

Introduction

No-one has a right to credit. Before giving you credit, lenders such as banks, catalogue companies, loan companies and shops want to check whether you are an acceptable risk.

To help lenders do this, they may check with companies called **credit reference agencies** and may also use **credit scoring** (see below for more about credit scoring).

Credit Reference Agencies

There are two *credit reference agencies* in the Bailiwick of Guernsey and three in the UK (details are at the back of this booklet). They hold information about most adults on **credit reference files**. This information comes from a variety of sources which will be explained later.

They do not keep “blacklists”, or give any opinion about whether or not you should be given credit. They provide information about your credit record. The credit reference agency will not be able to tell you why you were refused credit. It is up to the lender to decide if you are an acceptable risk.

When you apply for credit a lender may look at your credit reference file to determine 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 Scoring

Lenders should tell you if they are going to use credit scoring to help them decide if you are likely to repay the loan. Credit scoring enables lenders to look at each credit application in the same way. To work out your credit score lenders give points to various pieces of information on your application form, such as your age, your job and whether you own your home. They may also give points to information provided by a credit reference agency about your credit record. These points are added together to produce

your *credit score*. Each lender will have its own credit scoring system, for example of it is believed that people in a certain age group are more likely to repay then the scoring system will reflect this.

If you score above the lender's "pass-mark" it will in general help you get credit. If you score below this mark, it will mean you are more likely to be turned down. Different lenders have different systems and pass-marks, so you can be turned down by one but accepted by another. The *credit scores* lenders give you are not part of the file the credit reference agencies keep about you.

When credit is refused

If a lender used 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 do not reach the lender's pass mark. Lenders must also make sure 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 computer was not used and you have other information which you think will alter the decision, you can ask the lender to review the decision. Even if the decision is reviewed you may still be turned down.

The Electoral Roll – lenders may also give you points if you are on the electoral roll as this is a means of verifying an address. In the Bailiwick of Guernsey details on the electoral roll are processed for election purposes only and so cannot be supplied to credit reference agencies. Therefore islanders may be at a disadvantage where the receipt of credit is concerned

To prove to the three credit reference agencies in the UK that you are on the electoral register please complete the following steps:

Request a copy of your credit file or report from each of the agencies (see back of this leaflet for contact details). It is advisable to obtain a report from each of them as they may hold differing information on you.

Check that the details on the report(s) are correct. If not ask that the details are corrected (refer to pages 9-10 of this leaflet)

If you are on the electoral roll check that your details on this are correct by contacting the Electoral Roll Office at Sir Charles Frossard House (contact details at back of this leaflet). Incorrect or out of date details can be amended by completing an application form from the Electoral Roll Office.

If not on the Roll you can apply to be registered by completing the appropriate part of the same form.

Once you are satisfied that your electoral details are recorded and correct you can complete an Electoral Roll Confirmation Application Form and send it to the Electoral Roll Office enclosing a cheque for £10.

The Electoral Roll Office will then prepare 4 signed and stamped copies of a certificate confirming your electoral roll details.

You may then send a certificate to each of the three UK agencies who will accordingly update your credit file to show that you are on the electoral roll.

Section 2: Accessing your credit reference file.

Under the Data Protection (Bailiwick of Guernsey) law, 2001 you can write to any of the local credit reference agencies and ask for a copy of your credit reference file. You can use the sample letter used on page 6. Each credit reference agency is allowed to charge a fee of £2.

In the letter you should include:

- your full name – other names you are known by, such as your surname before marriage;
- your full address, including postal code;
- any addressed you have lived at over the last six years;
- your date of birth; and
- a cheque or postal order for £2 made payable to the credit reference agency.

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

Sometimes more information is needed such as proof of your name and address. This is to prevent your file getting into the wrong hands.

If you are a sole trader or a partnership you may be able to get information about your business too. You may find that the agencies offer you the opportunity to ask for your credit file over the phone or look at your file online. There may be a different fee for these extra services.

Section 3: Information kept on the Credit Reference File

Public record information

Credit reference agencies hold details of court judgements in relation to debt recovery, wage arrests and bankruptcy orders granted by courts within the Bailiwick, i.e. the Greffe, Guernsey, Alderney Court, and Seneschal of Sark.

Bankruptcy information may stay on your credit file for up to six years from the date of your bankruptcy (even if you have been discharged (freed) from the bankruptcy). (A Bankruptcy Restriction Order may remain on your credit reference file longer. If your bankruptcy has been discharged, you may need to send the credit reference agencies a certificate of discharge unless you have paid the Receiver to publicly advertise your discharge).

Previous and existing credit accounts

Many of the large lenders file information with the credit reference agencies on whether you have kept your payments on your credit accounts up-to-date or whether you have been or are in arrears. If you have a history of paying on time this is likely to help you get further credit.

Other Information

On your credit reference file you will also find *a record of the searches* which organisations have made of your file.

There may also be a “*gone away*” marker on the file. Organisations report to the agencies when they cannot trace a customer whose credit repayments are not fully up-to-date and who has moved house without providing a forwarding address. This information stays on file for 6 years.

Some lenders will refer to credit reference agencies based in the United Kingdom. These agencies hold information derived from the U.K. electoral roll, county court judgments and decrees, bankruptcies and administration orders and the council of mortgage lenders repossession register. Such information may be particularly relevant if you have lived in the U.K. during the previous six years.

These agencies are regulated by the U.K. Information Commissioner whose address is at the end of this leaflet.

Your Rights

Under Data Protection legislation you should be told, unless it was already obvious, if the files of a credit reference agency are to be searched when you apply for credit. In most cases you should also be told if a credit reference agency receives information about you from a lender; they should let you know who they are and how your information will be used and disclosed. To make it easier what will normally happen is that the lender will tell you all of these things when you apply for credit. The name and address of the agency which has been used will not always be on the application form but it will be made available to you free of charge if you ask. You can write to the lender (the type of letter you could use is given below) or you may be given a phone number. You can find the names and addresses of the agencies at the back of this leaflet.

<p>123 Any Street Anytown A45 6EC</p> <p>21 March 200-</p> <p>Dear Loan Company</p> <p>Data Protection Law 2001</p> <p>Please tell me the name and address of any credit reference agency which you have asked to give information about me. I expect a reply within 7 working days of your getting this letter.</p> <p>Yours faithfully,</p> <p>Adam Neil Other</p>
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If you do not want to write to the lenders or phone them, you can apply directly to the credit reference agencies for a copy of your credit reference file.

Your right to see your file

You do not have to be refused credit to see what information credit reference agencies hold about you. You have the right at any time to ask them in writing for a copy of your file.

For a copy of the information they hold which has an effect on your financial standing you must:

- send £2 (this will not be returned)
- give your full first names, surname and address including postcode
- give any other addresses you have lived at during the last 6 years. (This helps the agency to trace all the information it holds about you).

If you run a business as a sole trader give its name and address too, because under the Data Protection Law you will be entitled to any separate information which may be held about you in your business capacity.

It is a good idea to keep copies of any letters you write and to have a proof of posting or recorded delivery number. They may be useful later if there is a disagreement about your file.

123 Any Street
Anytown
A45 6EC

23 April 200-

Dear Credit Reference Agency,

Under section 7 of the Data Protection Law 2001 please send me a copy of my file containing the information which has an effect on my financial standing. I enclose a postal order/cheque for £2.

I have lived at the above address for 3 years. Before that I lived at 789 High Street, Anytown A43 9DF.

I expect a reply within 7 working days of your receiving this letter.

Yours faithfully,

Adam Neil Other

The agency may ask for more details to help it find all the information they hold about you and, before sending the file out, to check that you are who you say you are. Otherwise they must send you your file within 7 working days from the receipt of your letter or tell you that they hold no information about you.

Your right to amend your file

If the details on your file are correct you cannot expect the agency to remove them just because they may be embarrassing. When deciding whether to lend you money, lenders need to know your full credit history, good or bad. However, you can ask for your file to be amended if:

- it contains information about other people with whom you have no financial connection
- it contains information which is incorrect.

The procedures are different in each case.
Please read the following notes carefully and follow the steps which apply to you.

Information about other people

Agencies are only allowed to give information about:

- you
- people with the same name, or a very similar name, living at your address
- other family members living in your household
- people with the same name, or a very similar name, who have, in the past, lived with you at your current or last address
- other people who have, in the past, lived with you as part of your family at your current or last address.

Agencies must not report financial information about other people if:

- they have not lived at your current or last address as a member of your family at the same time as you
- the agencies have information which makes it reasonable to believe that you have no financial connection with them.

If an agency includes such information on your file, you can ask the Data Protection Commissioner to investigate. The address is at the end of this leaflet.

Disassociation

If there is information on your file about people in your family with whom you have no financial connection, you can write to the agency to disassociate yourself from them. Unless the agency has a good reason to doubt what you tell it, they must not continue to give lenders information about the other people you have mentioned. You need only write to the agency which sent you your file, since **disassociation** information will be shared between the agencies.

Other family members, for example, your husband or wife, can also use this procedure to disassociate themselves from others in the family with whom they have no financial connection.

123 Any Street
Anytown A45 6EC

10 June 200-

Dear Credit Reference Agency,

Your reference 123456-7890

Thank you for sending me my file. The information on it about John James Other relates to my adult son. He has now left home and I no longer have any financial connection with him. Please 'disassociate' us, so that financial information about him no longer appears on my file, and information about me does not appear on his.

Yours faithfully,

If a credit reference agency refuses to do this or includes information on your file about other people which falls outside these rules, you can ask the Data Protection Commissioner to assess whether or not this is correct under the Data Protection Law. The address is at the end of this guidance.

123 Any Street
Anytown A45 6EC

23 July 200-

Dear Data Protection Commissioner,

I enclose a copy of all of the correspondence I have had with (name of credit reference agency). As you can see it has refused to accept that there is no financial connection between my son and myself, and will not remove information about him from my file. Please assess whether this breaks the provisions of the Data Protection Law.

Yours faithfully,

Adam Neil Other

Incorrect information

If any entry in your file is incorrect, and you think you are likely to suffer because it is wrong, you are entitled to have it corrected, removed or to have a note put on the file which explains why you think the information is wrong. Please note the following steps.

1. *Write to the agency asking them either to remove or change any entry which you think is wrong. Explain why you think the information is wrong and send any evidence you have which proves the information is incorrect.*

123 Any Street
Anytown ,A45 6EC

18 June 200-

Dear Credit Reference Agency,

Your reference 123456-7890

Thank you for sending me my credit reference file.

Please note that I no longer owe any money to Anytown Lending Company Limited. The file shows that I did get into arrears on my loan and they recorded a default. I have now paid this off. I enclose a letter from the company which confirms this.

I expect a reply within 28 days of your getting this letter Please make it clear the debit has been paid.

Yours faithfully,

Adam Neil Other

The agency has to tell you within 28 days of receiving your letter if the information has been corrected, removed or if they have done nothing. If the information has been corrected you will get a copy of the new entry.

2. *If the agency does not reply to tell you they have done nothing, or they made a correction which you do not think is satisfactory, you can within the next 28 days, send them a **notice of correction** to be added to your file. This means that if the agency did not write back you have to send your notice of correction within 8 weeks of your first letter to them which asked them to correct or remove the information.*

A **notice of correction** is a statement of up to 200 words written by you. It should give a clear and accurate explanation of why you think the entry is wrong. If the information is factually correct but you think it creates a misleading impression, you can explain why. The agency can reject your notice if they think it is incorrect, defamatory (affecting

someone's good name or reputation), frivolous or scandalous, or is for any other reason unsuitable for publication. The letter shown on the next page includes an example of a notice of correction which should be acceptable.

123 Any Street
Anytown, A45 6EC

10 August 200-

Dear Credit Reference Agency,

Your reference 123456-7890

Thank you for your letter of 15 July 200-.

I note that you will not remove the entry from my file.
Please add the following notice of correction to my file.

Notice of Correction

I, Mr. Adam Neil Other, of 123 Any Street, Anytown A45 6EC would like it to be known that the judgment recorded against me for £200 relates to a bill which I could not pay because I was made redundant in 1996. I paid the bill in full after I got a job in 1997. I would ask anyone searching this file to take these facts into account.

I look forward to receiving confirmation from you within 28 days of receiving this letter that you have added this notice of correction to mm file.

Yours faithfully,

What happens next?

If the agency amends your file or adds the notice of correction you have sent in, they must send the details to any lender who has searched your file in the 6 months immediately before the agency received your request for your file. The new information must be used in future.

If an agency does not want to add a notice of correction to your file because they think it is wrong, or because they think it is defamatory (affecting someone's good name or reputation), frivolous or scandalous, or is unsuitable for publication for some other reason, ***they must apply to the Data Protection Commissioner for a ruling. An agency***

can only refuse to include your notice of correction if the Commissioner agrees with them.

- 3. If the agency does not reply to your letter enclosing your notice of correction within 28 days of receiving it, or the agency has refused to add it to your file, you can apply to the Commissioner. The address is at the end of this guidance.*

When you write to the Commissioner, you should give the following details:

- give your full first names and surname and address
- give the name and address of the agency
- give details of the disputed entry in the file. Say why you think it is wrong, and why you think you are likely to suffer because it is wrong. It will help if you enclose any evidence you have which shows that the information is incorrect
- give the dates you sent the notice of correction to the agency; if you cannot remember, give an approximate date
- it will help if you enclose any correspondence between you and the agency, as well as a copy of your notice of correction.

The Commissioner may ask the agency for their side of the story, as well as sending them a copy of your letter. In return you will be sent the agency's reply.

When the Commissioner has considered your application he will decide how the matter should be resolved.

123 Any Street
Anytown A45 6EC
23 September 200-

Dear Data Protection Commissioner,

I got my file (reference number 123456-7890) from (the name of the credit reference agency) and asked them to change an entry about (details of the entry: court judgment/sheriff court decree/bankruptcy etc). Because they would not remove this from my file, I sent the agency a notice of correction to add to my file explaining the situation. It is now more than 28 days since I wrote and they have not told me whether they have put the notice on my file.

I believe that if the notice of correction is not added to my file, it will not be clear why this situation happened and as a result I may be refused credit. Please can you contact the agency and resolve the matter. I enclose copies of all my letters to the agency and copies of the letters to and from the court.

Yours faithfully,

Adam Neil Other

The Data Protection (Bailiwick of Guernsey) Law 2001

As well as your right to have a notice of correction added to your file you also have the right to ask the Data Protection Commissioner to assess whether the entry breaks the provisions of the Data Protection Law by recording incorrect information about you. If the agency cannot check the information you say is wrong straight away they should mark the entry as “in dispute”. They may need to make enquiries about what you say, for example, by asking the lender which filed the information to check the entry you have objected to. You will need to give the agency a reasonable time to do this and respond. The Commissioner thinks this should be **at least** 28 days from the day the agency received your letter. You will need to send the Commissioner the evidence you have which proves what you say. You will also need to send a copy of the file entry. If you have had letters from the lender or the agency giving you reasons why they will not change the record, you will also need to send copies of these to the Commissioner.

You also have the right to ask the courts to order the correction or removal of any inaccurate information which is covered by the Data Protection Law 2001. You also have a number of other rights under the Data Protection Law 2001 which may be exercised through the courts. Further details are available from the Commissioner’s office at the address at the end of this guidance.

USEFUL ADDRESSES

Office of the Data Protection Commissioner
Guernsey Information Centre
North Esplanade
St. Peter Port
Guernsey
GY1 2LQ

Tel: 01481 742074
E-mail: enquiries@dataci.org
Website : www.dataci.org

Guernsey Trading Standards Service
PO Box 459
Longue Rue
St Martins
GY1 6AF

Tel: 1481 235741
Fax: 01481 235015
e-mail: cts@industry.gov.gg

Citizens' Advice Bureau
Bridge Avenue
The Bridge
St. Sampsons
Guernsey
GY2 4QS

Tel: 01481 242266
Fax: 01481 200444

Clerk of the Court
States of Alderney
States Office
QEII Street
Alderney
GY9 3AA

Tel: 01481 822817
Fax: 01481 823709

The Greffe
Royal Court House
St. Peter Port
Guernsey
GY1 2PB

Tel: 01481 725277
Fax: 01481 715097

The Sénéchal of Sark
La Chasse Marette
Sark
GY9 0SF

Tel: 01481 832993
Fax: 01481 832994

CREDIT REFERENCE AGENCIES BASED IN THE BAILIWICK

Global Collections Group

P O Box 140
Manor Place
Guernsey
GY1 4EW

Channel Island Data Services (CIDS) Limited

P.O. Box 379
St. Peter Port
Guernsey
GY1 3YZ

Tel: 01481 713050
Mobile 07911 719455
Email stuart@offshorecreditcheck.com
Website www.offshorecreditcheck.com

RC Services Limited

Cornerways
Les Gigands Road
St Sampson
Guernsey
GY2 4YU

CREDIT REFERENCE AGENCIES BASED IN THE U.K.

Equifax Plc
Credit file Advice Service
P.O. Box 1140
Bradford
BD1 5US

Experian Ltd.
Consumer Support Centre
P.O. Box 9000
Nottingham
NG1 7WP

Call Credit Plc
P O Box 491
Park Row House
5th Floor
19-20 Park Row
Leeds
LS21 1WZ

Tel 0844 481800
www.freeexperianreport.co.uk
www.filechaseuk@experian.com

Tel: 0870 060 1414
Website www.callcredit.co.uk

THE UK INFORMATION COMMISSIONER:

Information Commissioners Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Information Line: 01625 545745
Switchboard: 01625 545700
Fax 01625 524510
e-mail: mail@ico.gov.uk
Website: www.ico.gov.uk

For further guidance please contact:



Office of the Data Protection Commissioner
Guernsey Information Centre
North Esplanade
St. Peter Port
Guernsey
GY1 2LQ

Tel: 01481 742074
E-mail: enquiries@dataci.org
Website: www.dataci.org