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THE CONSUMER CREDIT BUREAU

Frequently-Asked Questions

This write-up is intended to provide information to consumers about the consumer credit bureau in Singapore and aims to give straightforward explanations about what information is held by the bureau, where it comes from, how it is protected and used, and what restrictions are applied on its usage.

Introduction To The Consumer Credit Bureau

Q1 What is a consumer credit bureau?

- A consumer credit bureau is a repository of factual information on the credit application and repayment records of consumers only. The credit bureau provides this specific information to its members (credit providers), under authorised conditions, to help them to determine whether or not the person applying for credit is likely to repay. In doing this, the credit bureau helps lenders make better lending decisions quickly and objectively. It also guards against fraud. Credit bureaus are a common feature of developed countries around the world, and this concept is not unique to Singapore.

Q2 Who owns the credit bureau?

- The credit bureau is owned by The Association of Banks in Singapore (ABS) and its operational partner, DBIC Holdings Pte Ltd. DBIC Holdings is a consortium made up of Dun & Bradstreet and Infocredit Holdings Pte Ltd.

Q3 What is the name of the credit bureau in Singapore?

- The name of the credit bureau will be Credit Bureau (Singapore) Pte Ltd.

Q4 When will the credit bureau begin operations?

- The credit bureau is expected to begin operations in September 2002.

Q5 Who are the members of the credit bureau?

- Only banks and financial institutions gazetted by MAS in Singapore providing credit to consumers can be members of the credit bureau.

Operations Of The Credit Bureau

Q6 How does the credit bureau work?

- In order for credit providers such as banks to gain a fuller understanding of the credit applicant, they must be able to gain access to the applicant's complete credit record that may be spread over different institutions. This information can be used to supplement other information to help banks make their decisions to grant credit. The credit bureau stores and provides these credit records in the form of credit reports to enquiring institutions that must first be members of the bureau. To do this, all credit bureau members need to contribute specific credit performance data to the credit bureau.

Q7 What is a credit report?

- A credit report is basically a factual record of a consumer's credit payment history compiled from different credit providers. It is released under legally permitted conditions to credit providers e.g. banks, when they make enquiries about an individual. Its main purpose is to help credit providers make better lending decisions quickly and objectively.

Q8 Where does the credit bureau get the information?

- The credit bureau draws its information mainly from members and supplements it with publicly available information, such as bankruptcy information.

Q9 Is it legal for the banks to share information of its consumers?

A Yes. The Banking Act (Sixth Schedule) provides the legal framework on the use of customer information. Banks are only permitted to disclose specific credit-related information to the recognised credit bureau. Banks are not allowed to disclose deposit information. This includes any funds, safe deposit boxes or safe custody arrangements of a customer under management by a bank.

Q10 Will all banks be contributing data to the credit bureau?

A Yes. It is intended that all retail banks that are members of ABS participate in the credit bureau as an industry-wide practice, and contribute credit performance data under legally permitted conditions for the specific use of credit-worthiness assessment only.

Q11 When the credit bureau is implemented, will all my personal profile data held by my bank be reported and disclosed to the credit bureau and its members?

A Not all your personal profile data held by your bank is reported to the bureau. Only your basic personal profile data like name, gender, nationality, ID, occupation, date of birth and postal code (without your full address and contact numbers) will be provided to the credit bureau. These are required for matching data from various sources to the correct individuals. Banks also use them to conduct data verification in their credit-worthiness assessment process.

Such basic personal profile data is in the credit report that members of the credit bureau can access for the purpose of credit-worthiness assessment only.

As an added data privacy safeguard measure, the credit bureau is subscribing to the CaseTrust Accreditation Scheme and will subject its system and procedures to assessment by CaseTrust. Data privacy protection is one of the principles that CaseTrust requires its members to adhere to.

Types Of Information Held By The Credit Bureau

Q12 What types of information on a consumer are available in the credit report?

A The credit bureau report can include the following information, if available:

- Basic personal profile data;
- Records of all credit checks made on the consumer;
- Past 12 months of repayment trend showing how prompt repayments were made in comparison to the due dates. No amounts are displayed;
- Records of default, if any;
- Bankruptcy record, if any.

Q13 Why are these types of information needed?

A The basic personal profile data is primarily meant for making sure that when members contribute data or make an enquiry, the correct data is updated or given to the member who is enquiring. Banks also use it to conduct data verification in their credit-worthiness assessment process.

The rest of the information in the credit report is primarily used for credit-worthiness assessment purposes, for example for observing repayment trends.

Q14 What types of information are not included in the credit report?

A The credit report does not contain:

- Address and contact numbers;
- Credit limit(s);
- Amount of loan(s) granted;
- Monthly repayment(s) required;
- Actual amount(s) repaid each month;
- Salary of the individual;
- Amount(s) deposited with the bank;
- Value of assets mortgaged;
- Net worth of the individual;
- Investment(s) made through the bank or financial institution.

Q15 Does the credit bureau provide information on companies and businesses?

A No. The credit bureau only provides credit related information on consumers who have or are applying for credit in their personal capacity. Information on sole proprietorship, partnership or business is not included.

Q16 Does the credit report show any default amount owed?

A Yes. The amount owed is displayed for any default record. This will be the amount outstanding at the date the record was sent to the credit bureau by the member.

Q17 When is an account classified as "default"?

A This is a commercial decision by the credit provider, and may depend on a variety of factors. The credit bureau does not determine when an account is classified as default, and merely reflects this information after the bank has classified it as such.

Q18 How long does information remain on my credit report?

A The relative importance of each type of information differs in credit-worthiness assessment. As such, information remains in the credit report for members' credit-worthiness assessment use in the following manner:

- Previous enquiries made on your report are displayed indefinitely.
- Records on the promptness of monthly repayments for the past 12 months are displayed.
- Closed or terminated credit accounts will be displayed for 3 years from the date the account was reported closed or terminated.
- Default records, if any, will be displayed for 6 years from the date it was uploaded to the credit bureau.
- Bankruptcy data, if any, will be displayed for 6 years from the date of discharge.

Q19 How do I avoid having negative information on me from being sent to the bureau?

A The best preventive measure is to exercise good money management and make repayments on time.

Q20 If I am a first-time borrower, will I be in a disadvantaged position as there will be no information on me?

A As a new borrower, there will be a new file created for you. This is not considered a disadvantage. It will then be in your interest to build up a favourable repayment track record for future credit applications.

Access To The Credit Bureau Information

Q21 Who can access my credit report ?

A Only the credit bureau and other MAS approved institutions participating in the credit bureau can have access to a consumer's credit report. The purpose for such access is restricted to the assessment of credit-worthiness of the consumers, and further disclosure to any other person is prohibited.

All authorised personnel (of both members and the bureau) will have unique ID and passwords to identify themselves when they access the bureau's database. Access by unauthorised personnel is prohibited. All access to the bureau database are tracked and recorded for auditing.

Q22 Can I obtain my credit report from the credit bureau?

A Yes, you can obtain your credit report when the credit bureau is operational, with effect from 9 October 2002.

To obtain your credit report:

- You need to go personally to the credit bureau office. This is to ensure that your details are only released to you;
- You will also need to produce your Identity Card / FIN Card / Passport or other photo ID card that can satisfy the bureau's need to confirm your identity;
- A credit report fee of S\$20 will be payable. However, if you have been denied credit or any enquiry was made on you within the past 30 days, this fee will be waived.

(Meanwhile, you can visit the Credit Bureau (S) Pte Ltd's website at www.creditbureau.com.sg for other information about the credit bureau.)

Q23 Can the credit bureau provide my information to companies such as direct marketing companies?

A No. The credit bureau is not permitted to do this, and can only provide information to its members. Members can only access the information for credit-worthiness checks.

Q24 Can the credit bureau provide credit report information to credit providers in other countries?

A No. The credit bureau can only provide credit report information to its members in Singapore.

Lending Decisions

Q25 Does the credit report indicate if credit should or should not be given?

A The credit report only shows the factual credit data available and does not give any opinions nor indicate nor comment if credit should or should not be granted.

Q26 Who makes the decision to grant credit?

A The banks or other credit providers whom you have applied for credit with make the credit decisions. The credit bureau does not grant nor deny credit.

Q27 Will the credit bureau know why I have been denied credit?

A No. The decision to grant or deny credit is made by the banks or credit providers.

Q28 Does the credit bureau have any "blacklists"?

A No. The credit bureau does not have any "blacklists". The credit bureau only provides specific factual credit-related information about consumers who have credit or loan facilities.

Q29 If my credit application has been rejected, will this fact appear in my credit record?

A No. The members do not provide such information to the credit bureau. As such, it will not be in an individual's credit report.

Q30 If I have been denied credit by a bank, will others also reject me?

A Not necessarily. Different credit providers may use information differently, or take into account other factors when they assess your application. Although one bank may deny you credit, another bank may take a different view and accept your application. If you have been denied credit, you may wish to review your credit report that you can obtain from the credit bureau free of charge.

Q31 How does the credit bureau benefit me?

- Ⓐ The credit bureau's data is aimed at helping credit providers make faster and more objective lending decisions. This will also contribute to a more competitive credit marketplace among the credit providers. With the bureau in place, responsible customers can expect faster and more competitive services from the credit providers.

Conduct & Confidentiality Of The Credit Bureau

Q32 Is the credit bureau regulated?

- Ⓐ The credit bureau will be self-regulated. The credit bureau and all authorised members must adhere to a strict Code of Conduct in the handling of consumer data. The credit bureau and all authorised members will have contractual agreements based on this Code.

The bureau has been gazetted by the Monetary Authority of Singapore (MAS) and must operate in a prudent manner to maintain its gazetted status.

Q33 Will the credit bureau's Code of Conduct be verified or accredited with any symbol of best business practices or a trust mark?

- Ⓐ Yes. The credit bureau intends to subscribe to the CaseTrust Accreditation Scheme and subject its system and procedures to assessment by CaseTrust.

Q34 Will the credit bureau's Code of Conduct be available to the public?

- Ⓐ Yes. The public may view the credit bureau's Code of Conduct on the bureau's website at www.creditbureau.com.sg.

Q35 How does the credit bureau ensure that information in the database is kept safely?

- Ⓐ The credit bureau's security measures are aligned with stringent risk management standards and will be subjected to regular audits and testing by leading IT service companies. The CaseTrust scheme also requires that a standard of data security be met before the credit bureau is accredited.

Q36 What additional safeguards are there to protect my data in the credit bureau's database?

- Ⓐ In addition to the strict access of data to only authorised members of the credit bureau, the restricted use of the data for only credit-worthiness assessment, and the IT security of the database, you also have access to your own credit report and you can dispute any information which you feel is inaccurate. This will help ensure that the data held by the credit bureau is accurate.

Q37 Can the credit bureau disclose my information to any party?

- Ⓐ No. The credit bureau can only disclose information about you as authorised under the Banking Act. It cannot disclose your information to any unauthorised party. The credit bureau must also maintain a high standard of confidentiality and prudent operations for the credit bureau to keep its gazetted status. Without the gazetted status, it will be illegal for banks to provide customer information to the credit bureau.

Rectifying Inaccurate Information In Your Credit Report

Q38 What if I disagree with the information in my credit report?

- ⓘ Please contact the credit bureau regarding this. The bureau will process your request and an investigation will be carried out.

If the investigation uncovers an error in your personal profile, the bureau will immediately amend your information.

If the disagreement is in the credit data, the bureau will:

- Consult with the data source;
- Post a notice in your credit file with the bureau that the credit data is being disputed and is under investigation;
- Inform you of the progress and outcome of the investigation.

After the error in the credit report has been rectified, the revised report will be sent to all bureau members who have made enquiries on you in the last 3 months to inform them of the amendment in your credit report.

Q39 What if I disagree with the outcome of the investigation above?

- ⓘ You can raise your dispute with the Consumer Mediation Unit (CMU) at The Association of Banks in Singapore.