



IWG - Progress on Industry Remedies

November 2024

Background

As a result of the FCA publishing the Interim and [Final Credit Information Market Study](#) reports, Equifax, Experian and TransUnion set up a number of working groups with the objective of identifying non-competitive quick win opportunities to evaluate and progress the industry-led remedies proposed in advance of the CRGB being formally established. We fully appreciate that longer term solutions will need to be assessed by the CRGB once in place. Across these CRA workstreams, we also intend to reach out to all stakeholders for their views so that we can approach the new CRGB with at least some early formulations of potential remedy implementations into which industry and consumer input has been sought.

The working groups have focussed on the areas that the 3 CRAs have a direct ability to improve upon, and all have kept the FCA up to date on the activities being undertaken and they have provided their views as we have progressed and we continue to align with the [FCAs Principles for industry remedy development](#).

The 3 working groups that are in place are;

- 1. Notice of Corrections & Disputes**
 - Streamlined process for NOCS to improve consumer interactions (Remedy 3C).
 - Streamlined process to help consumers dispute errors in the credit information held on their credit file (remedy 3D).
- 2. Access to Statutory Credit Reporting**
 - Streamlined consumer access to credit information, including SCRs, potential for a one stop shop for consumers to engage with (Remedy 3B).
 - CRA/CISP signposting to Statutory Credit Reporting (Remedy 3A - it is noted this is an FCA remedy).
- 3. Common Data Format**
 - Looking at content, format and definition of data fields currently supplied for Insight, CAIS and Share, with a view to creating a single format (remedy 2B).
 - More frequent reporting (Remedy 4A)
 - Improved CATO data with updated access arrangements (remedy 4C)

Notice of Corrections & Disputes Working Group

In the final report the FCA comment was that they want to see a more efficient process by which consumer disputes can be raised and resolved (Remedy 3D) and proposed the use of standard templates for Notices of Correction (Remedy 3C).

For both solutions they recognise that an optimal solution to this issue may be dependent on the introduction of a common data format and mandatory data sharing, but there are likely measures which could be prioritised in the shorter-term to deliver improvements to current processes, which is what this working group has progressed.

Notice of Corrections

The CRAs completed analysis into the most common reasons consumers add a notice of correction. From this analysis we were able to draft some standard templates for consumers, as this is the approach taken by

TransUnion and Equifax. Experian's support agents already used templates to support consumers raising NOCs.

The template wording was implemented during August and September, and is being utilised by consumers. Equifax has seen that 51.3% of consumers adding NOCs have used the suggested templates, with a further 12.5% using a variation of the template. i.e copy/paste/edit.

The CRAs have additionally added clearer signposting to the other CRAs Notice of Correction process, with the aim of reducing friction for consumers.

We are looking at other organisations where NOCs are referred to in order to review the signposting and education alongside understanding where any improvements could be made, including discussions with MAPs and their Money Helper website.

Disputes

The CRAs looked at where the potential pain points for consumers are when they raise a dispute, with the main ones being;

- Ease of raising a dispute, status and ownership
- Need to raise a dispute
- Timeliness of resolution

The CRAs have therefore implemented some standard wording for disputes, reminding lenders of their obligations in relation to disputes from a Consumer Duty and CIMS point of view.

The initial focus was on those lenders with issues relating to the timeliness of response, and disputes in relation to similar data quality issues. Those lenders with the slowest responses and poorest data quality have been contacted and this has led to multiple discussions and actions implemented to reduce or better action disputes going forward.

Access to Statutory Credit Reporting Working Group

The FCA noted they want to see consumers able to access and engage with their credit information with the minimum amount of friction. They expect to see improvements in signposting to consumers to obtain a copy of their credit report, and will continue to monitor how firms advance with that aspect. If they see no improvement they may look to impose FCA rules. The FCA also wants to see greater consistency in the presentation of key information and metrics in SCRs, to enable consumers to compare information and support consumer understanding.

Having made changes to the prominence of statutory credit reports on the 3 large CRA's own websites in line with Consumer Duty implementation timelines, the CRAs then undertook some analysis into the signposting across lenders' web pages looking for references on how consumers can apply for a copy of their credit report. Equifax analysis highlighted that approximately 18% of providers made no reference to how to obtain a credit report from the CRAs, and a further 23% only make reference to one CRA.

As a result we have created a proposal for a minimum standard for lenders to support consumer awareness of, and access to, credit information. This proposal provides two options:

- Option A: where the content can be adapted to mirror a lender's own branding and includes hyperlinks to the 3 CRA websites or Money Helper website; or
- Option B: linking to an agreed form of words hosted by each of the 3 large CRAs. Finally there is a link which directs consumers to the webpage to request a copy of their statutory credit report.

The detail of this proposal is being provided as part of the CRA communication advising lenders of a new version of the Credit Reference Agency Information Notice (CRAIN).

We have completed a cross CRA review of our statutory credit report offerings to see where there are inconsistencies or where terminology differs.

Throughout November 2024, the CRAs are undertaking some quantitative and qualitative research with consumers to gain an insight into their view of the terminology, which includes a vulnerable consumer focus group.

The output from these surveys will then be used to produce an outline of common terminology we will implement into the statutory reports across the CRAs. This working group will also work closely with the Common Data Format as work in that area progresses to ensure any new information is reflected consistently across the statutory credit reports.

Common Data Format working Group

The FCA believes a common data format will increase consistency of data and data quality across CRAs. They believe it is vital that the “credit reporting infrastructure records consumer circumstances consistently and appropriately”. They acknowledge that implementing a common data format will be complex but they foresee better risk assessments and outcomes for consumers and firms as a result.

The FCA believes more frequent reporting (Remedy 4A) will “facilitate a more accurate and up-to-date view of consumers' credit commitments. As a result, more timely reporting would enable lenders to make more informed lending decisions”. This could also mitigate against fraud by ensuring more timely visibility to firms and consumers of new account openings.

The common data format workstream have opted to undertake a phased approach to lay the foundations for ultimately achieving a common data format across all data providers.

The initial phase has provided a **Standard Industry Reporting Format (SIRF)** which is now accepted across Equifax, Experian and TransUnion. It should be noted, this new format is based on the CAIS (Credit Account Information Sharing) 2007 format, but with a comma separated name field.

This new format is being shared with all new closed user group members who are also encouraged to share with all 3 CRAs in advance of Mandatory Data Sharing (Remedy 2A). By providing one data format, it ensures that there are clear definitions on reporting and removes variances in fields such as account types or status codes. It should be noted that whilst existing providers are not expected to migrate to SIRF v1, should they wish to migrate, they are able to.

This working group is now focussing on the future phases of the common data format and the interlinked industry led remedies, including CATO (4C) data, more timely reporting (4A) and a review of existing data fields aligned to the FCA's views in the final report.

We have initially grouped together various aspects from the final CIMS report;

- **More frequent reporting**
 - Facilitating more frequent reporting of key fields. This could be dependent on the type of account and 'event' i.e. new account, change in balance, closure etc. This may also include new methods of delivery or supporting existing technologies.
- **Improvement of debt management / arrangement / arrears reporting**
 - Improved consistency to how arrangements, debt solutions and arrears are reported, investigate reporting payment performance against any new payment schedule. This may

include additional flags or status codes.

- **Review of Current Account Turnover (CATO) data supply**
 - Review of the CATO data supply, investigate the standardisation of the CRA reporting requirements to drive consistency in reporting of information and assess the potential inclusion in the Standard Industry Reporting Format (SIRF). Review the existing CATO governance framework linked to the remit of the CRGB.
- **Additional or more granular account types**
 - Introduction of new account types to cater for new products in the market or future products that may be in scope for data sharing. This could include the addition of new account specific fields. Review and restructure existing account types.
- **Review and enhance flags**
 - Review of structure and consistency within flag reporting. Introduction of new flags to support more granular reporting. Explore the reporting of multiple flags at the same time.
 - Review of the proposed Payment Freeze flag for consumers and how that would be defined.
- **Inclusion of additional identity data - not explicitly called out in CIMs but we see benefits to consumers**
 - Explore the reporting of new fields within the Standard Industry Reporting Format to support improved identity verification, AML and anti-fraud checks.
- **Inclusion of data sets, such as Commercial Data and/or CCDS information (e.g. limited companies, sole traders and partnerships)**
 - Incorporating Commercial Data Sharing within the wider data sharing framework. Potential to include of Commercial data into the Standard Industry Reporting format (SIRF), linked to the inclusion of the existing CCDS data sharing regulation framework into the remit of the CRGB.

We are now looking to agree the priority of these buckets and in January will issue a survey to the Trade Associations and Consumer groups to gather feedback from their members. We will then be holding multiple workshops to discuss in more detail with providers, partners, other industry stakeholders, regulatory bodies and IWG members in advance of the formation of the CRGB.

It should be noted that due to the close interlink of the FCA led remedies, namely Mandatory Data Sharing (2A) and Data Contributor requirements (2D), we have kept the FCA informed throughout phase 1 of the common data format. We have additionally received their views on the priorities for the future phases - which will be combined with the industry views upon the completion of the survey.