

Credit Reporting & the introduction of CCR (Comprehensive Credit Reporting)



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Credit Reporting Legislation

The laws regulating credit reporting in Australia are in Part IIIA of the Privacy Act 1988, the Privacy (Credit Reporting) Code 2014 (Version 2.1) and the Privacy Regulation 2013.

From 12 March 2014, Australia introduced a ‘comprehensive’ credit reporting system. This means a person’s credit report contains information about how they manage their credit obligations not just ‘negative’ information such as defaults or judgements.

The collection, use and disclosure of other personal information (essentially anything which can identify an individual) is covered by the Australian Privacy Principles.

Who are the Credit Reporting Bodies?

- Equifax
- Experian
- Illion
- Tasmanian Collection Service (for Tasmanian residents only)

The basics of Comprehensive Credit Reporting (CCR)

With the introduction of CCR the amount of information about an applicant’s credit history and their behaviour is increasing. It’s vital that you understand lenders may view this information differently depending on their credit policies.

Under CCR an individual’s credit report may contain the following:

- name, date of birth, gender, residential address history, employer history and driver’s licence number
- applications for credit, including information about the type and amount of credit
- opening and closing dates of accounts
- credit limits
- terms and conditions about repayment of credit

- credit providers' names and the names of any credit providers who have requested copies of a credit report
- information about whether the individual has applied for commercial credit
- information about debts guaranteed, including information about when the borrower under a guarantor loan has defaulted
- credit default information (ie information about payments of more than \$150 that are at least 60 days overdue and for which the individual has been served at least 2 notices requesting payment)
- information about any overdue debts that have been paid
- court judgments made in relation to credit provided to the individual or credit applied for
- information about debt or insolvency agreements entered into and bankruptcy
- payment history information (this information can only be supplied or accessed by licensed credit providers, it can't be supplied or accessed by telecommunications companies or utility providers). An example of how repayment information might appear is shown below
- information about any serious credit infringements

A credit report shouldn't contain any information about an individual's:

- religious or philosophical beliefs
- health information
- genetic information
- racial or ethnic origins
- political opinions
- sexual orientation
- membership of professional associations or trade unions
- criminal record
- credit account balances.

Repayment History Information (RHI) example

Below is a key that explains what each status means under CCR;

Repayment History Status Code	Description
0	The consumer credit is not overdue. Current up to and including the grace period
1	15 – 29 days overdue
2	30 – 59 days overdue
3	60 – 89 days overdue
4	90 – 119 days overdue
5	120 – 149 days overdue
6	150 – 179 days overdue
X	180 + days overdue
C	Closed – The account is closed, was closed during that period or was not opened yet during that period
A	Not Associated – The account is open but the subject of the report is not associated to the account

R	Not Reported – Repayment data was not reported for this period
P	Pending – Repayment data has not yet been reported for this period (applies only if the period is the month preceding the enquiry)
T	Transferred – account transferred to another credit provider
O	Other cases

It is always recommended that you obtain a copy of the credit report for each applicant so you have a better understanding of the clients' financial situation and their behaviour with debt.

What are the benefits of CCR?

Positive behaviour is registered (e.g. if you have made all required payments in the past year), which may balance out previous negatives.

People with a short credit history should have more information in their file concerning their creditworthiness which may make it easier for lenders to consider applications from them.

Credit scores may not be significantly impacted by an isolated event (such as one missed payment) where a general pattern might have a meaningful impact on an individual's creditworthiness.

An individual's credit score should be more accurate, compared to a credit score that was constructed using only negative reporting.

Having access to a comprehensive view of an applicant's credit history should enhance responsible lending conduct.

Lenders may be able to differentiate products and pricing based on applicants' demonstrated good conduct.

Lenders may be able to identify credit difficulties earlier to avoid bad debts and bankruptcies.

If you'd still like more information you can watch our Tactical workshop webinar below.

[Credit Reporting & the introduction of CCR \(Comprehensive Credit Reporting\) – Connective Wiki](#)