

# Credit Information Market Interim Working Group

**Response to the FCA Credit Information Market Study (MS19/1.3)**

**Report One:**

**What the Credit Reporting Governance Body should do**

**April 2024**

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## Chapter 1: Foreword by Chair

This is the first of four reports to be issued on behalf of the Interim Working Group (IWG) following the creation of the IWG as a preliminary step to setting up the Credit Reporting Governance Body (CRGB). The IWG represent a broad range of industry stakeholders and consumer bodies with diverse opinions. The fact that this report is being issued in just over three months from the formal creation of the group represents a significant achievement. This required the organisations involved to commit substantial resources and for individuals to put aside personal and corporate views for the wider benefit of the industry.

The report shows the determination of the IWG's members in making the governance of the credit information industry more inclusive, more transparent and with greater mandate over consequences. It places consumer outcomes at the centre of the CRGB's focus whilst keeping in mind that all stakeholders must benefit if the credit information industry is to operate effectively.

The recommendations in this report are based on work undertaken over a short period. This report represents the collated views arising from the IWG process and not that of any individual person or company, except where stated otherwise. A full FCA consultation process was not undertaken in view of the limited timeframe available and as this report is the output of the IWG, as an independent group, and not the FCA. Every effort has been made to engage the wider community and for their views to be reflected in the proposals. However, it may not have been possible to fully reflect all views. Many diverse opinions were heard which could not always be fully aligned and as such I, as Chair, have sought to ensure fairness and balance whilst leaving scope for further developments in the recommendations in later reports.

It is acknowledged that some elements in this report may evolve because of insights from further consultation. Additionally, the FCA will provide indicative feedback after issuance which will also need to be taken on board as part of later reports.

The current credit information industry governance arrangements, the Steering Committee on Reciprocity (SCOR), received both acknowledgement of past achievements and critique of effectiveness in the FCA's Credit Information Market Study (CIMS). What has become very evident during the development of this report is that the success of any governance body is dependent on the strength of its foundations, the processes by which views are incorporated and the willingness of people to consider the bigger picture.

The FCA has been an appreciated collaborator in the development of this work. The provision of an engaged Secretariat team and access to senior leadership has re-enforced the regulator's resolve to partner with industry to deliver positive change.

Finally, in many ways this report is a work in progress, therefore consultative feedback is most welcome. I, on behalf of the IWG, will be pleased to hear from any stakeholder who seeks to improve the credit information industry for the benefit of all parties.

**Jacqueline Keogh**

Independent Chair

Interim Working Group

## Chapter 2: Acknowledgements

This report has been made possible thanks to the hard work and support of many different stakeholders from across the UK's credit information market. The report has been developed and written at pace and is one of three interim reports that will form part of a final report to the FCA to be published in Autumn 2024. The recommendations put forward in this report have been developed through many hours of work by the IWG and the support of their wider organisations and cohorts. Details of the people and organisations involved are included in the Appendices.

A special thanks also goes to the Chair and secretary of SCOR who have been very generous with their time and knowledge. They continue to play a vital role in the interim governance of the industry and will be key in the transition to the CRGB.

I would also like to express my thanks to the IWG Secretariat team that stepped out of their day jobs to provide excellent support to the IWG members and myself as Chair. Their participation and contributions far exceeded expectations and provided the framing to allow IWG members to focus on the fundamentals.

## Chapter 3: Executive Summary

The Credit Information Market Study (CIMS) [final report](#) found that the current industry governance arrangements, known as the Steering Committee on Reciprocity (SCOR), was ineffective at driving forward change, representing views from a range of stakeholders, prioritising consumer outcomes, and acting transparently. As a result, the Financial Conduct Authority (FCA) have formed an Interim Working Group (IWG) with diverse industry representatives and consumer bodies to produce recommendations to the FCA on the design, implementation, and operation of a new Credit Reporting Governance Body (CRGB).

This, the first of four reports by the IWG Independent Chair, addresses what the CRGB should do. Report two will cover how the CRGB will be constituted, report three will cover how the CRGB will operate with the fourth report bringing together all recommendations, including the transition plan from SCOR. This report represents the proposals of the IWG and views of wider stakeholders. In developing our recommendations, we have taken note of key expectations the FCA set out in their [final report](#). The recommendations have been informed by workshops with the IWG, initial validation with cohorts of industry stakeholders represented by IWG members, academic research, and reference to similar entities in the UK and overseas. The content of this report will continue to evolve as work is completed on the remaining components of the CRGB. It is anticipated that further industry engagement, later topics, and cost benefit analysis may challenge some of the early thinking. Any change to what is proposed in this report will be incorporated into later IWG publications.

### 3.1 The CRGB's recommended purpose

The CRGB's recommended purpose is significantly broader than what exists in SCOR today. Looked at purely in the context of SCOR's narrow reciprocity remit, much was achieved with limited resources, however, reform is necessary. The CRGB purpose goes beyond credit data sharing rules to include other key elements of credit information such as data quality, standards, and the role to be played by the CRGB in the CIMS industry-led remedies. The credit information system affects millions of people therefore the purpose recognises the need for an inclusive social contract. The purpose is intentionally brief, so it is best read in conjunction with the proposed objectives.

<p><b>CRGB Purpose</b> - To provide effective governance of credit information for all consumers and other stakeholders.</p>
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### 3.2 The CRGB's recommended objectives

The three objectives set a challenging agenda for the CRGB and seek to ensure that the organisation is clear about its priorities.

- Operational objective
- Consumer objective
- Future-looking objective

It is of utmost importance that the CRGB's priority is the good governance of shared credit information: addressing data quality as well as the rules and future industry remedies in the **operational objective**. The governance must have consumers at the forefront of the thinking with check and balance achieved via recommended outcomes linked to the **consumer**

**objective.** Finally, having in place the tools needed to equip the industry to adopt to changing conditions and opportunities in the **future-looking objective.**

### 3.3 The CRGB's recommended roles

To deliver on the purpose and objectives of the CRGB, a set of roles are recommended which will be costed and resourced as part of future workplans. These roles are centred on the governance of the scheme, market practice to support execution, policing of the data sharing rules & data quality, and supporting stakeholders with education. Longer term there may be the need for shared platforms which provide relevant information to the CRGB and its members, the provision of services and additional roles, yet to be defined, to enable the implementation of other industry remedies or initiatives. The operationalisation and legal basis of the roles proposed continue to be developed and will be described in later reports.

### 3.4 The CRGB's recommended datasets

The FCA considers that a part of the broader CRGB remit should include all relevant datasets shared between data contributors regulated by the Financial Services and Markets Act 2000 (FSMA) and credit reference agencies (CRAs). The IWG believes that for effective governance of shared credit information, the datasets encompassed within the CRGB framework should exceed the FCA ask, i.e., it should also include certain closely related non-FSMA data and non-FSMA entities.

A set of principles have been defined to support the definition of the datasets, along with recommendations on next steps to progress the incorporation of these datasets.

### 3.5 The CRGB recommended outcomes

To measure and evaluate the success of the CRGB in achieving its objectives, a set of outcomes needs to be identified for stakeholders. The IWG defined several positive outcomes for each group of stakeholders. These detailed outcomes highlighted three interrelated themes that are relevant for most stakeholders. The three themes are:

- Improved data quality
- Supporting innovation and competition
- Enhanced financial inclusion

It is recommended that the CRGB, when established, defines quantifiable measures to evidence the progress being made towards these outcomes.

### 3.6 The recommended next steps

As this is the first of four reports, the journey still has a long way to go before plans are in place to execute effective governance arrangements. The immediate next steps on report one are as follows:

- This report will be published on the [IWG landing page](#) and feedback will be welcome via [iwgsecretariat@fca.org.uk](mailto:iwgsecretariat@fca.org.uk).
- IWG members will now be utilising the report to consult their stakeholders on the recommendations.
- The report will be shared with the FCA for consideration. It has been agreed that the FCA will provide interim feedback on recommendations, highlighting any red flags or areas of

concern. A full assessment by the FCA will be reserved until the final report is issued in the autumn of 2024.

## Chapter 4: Background

Credit information is a key element of the retail lending market. It is used to assess the financial standing of consumers, verify identity, reduce instances of financial crime, and inform the decisions of firms. The FCA's CIMS [interim report](#) sets out that there are five main types of participants in the credit information sector: CRAs, data contributors, credit information users (CIUs), credit information service providers (CISPs) and consumers.

Credit information, as defined by the FCA's [CIMS interim report](#), typically includes:

- products focused on identity verification and reducing fraud
- products to help inform creditworthiness assessments, such as raw data, summary credit information and credit scores
- products to help inform affordability assessments
- products which help inform customer account management, including collections and recoveries processes
- credit files and scores to CISP

However, the credit information industry is increasingly complex, with credit information data flowing between and beyond the five key players described above as well as outside the retail lending market. Likewise, credit information itself is becoming broader and can now include innovative new data sources which require flexibility from all stakeholders involved. The regulatory and legislative framework surrounding credit information is also complex, including oversight from the FCA, compliance with the Consumer Credit Act (1974), and conformance with data protection law (overseen by The Information Commissioner (ICO)). In addition, non-FSMA firms also use and contribute to credit information and as such, other regulators such as The Office of Communications (Ofcom), The Water Services Regulation Authority (Ofwat) and The Office of Gas and Electricity Market (Ofgem) also have standing in the credit information market. These characteristics mean that governance of the credit information market is increasingly challenging.

The FCA's CIMS [final report and Annex 6: discussion paper on potential remedies](#) proposes the adoption by industry of a new governing body for the credit information market, i.e., the CRGB. As per the FCA's final report, the CRGB should represent the interests of lender organisations, non-lender organisations (such as utilities), trade bodies, consumers, and regulators. The governance remedy is the first of the remedies to be implemented as the entity will play a key role in the enablement of other remedies outlined in the CIMS report.

### 4.1 Interim Working Group

In response to stakeholder feedback, to assist with the development of the new governance framework, the FCA in conjunction with the industry has formed the IWG, whose purpose is to make proposals and recommendations to the FCA on how the new CRGB could be introduced and operate.

The IWG will be temporary and advisory only with no decision-making powers. The core purpose of the IWG is to make recommendations to the FCA on the design, implementation, and operations of the new CRGB as proposed in the CIMS final report. The IWG's [Terms of Reference \(ToR\)](#) provide further detail on the IWG's role. The IWG do not have a mandate to address other remedies outlined in the CIMS final report.



The IWG is comprised of twelve members with a balanced representation from across the financial services and credit information industry. This includes a fixed and Independent Chair appointed by the FCA. Membership of the IWG is included in Appendix A.

The IWG has sought views from areas they represent, from wider stakeholders, and representative cohorts who have an interest in the creation of the CRGB and are not already represented on or engaged with the IWG.

The IWG's work is organised into four distinct phases with a corresponding report. Each phase addresses specific aspects of the IWG's objectives under the ToR. At the conclusion of each phase, the Chair will deliver comprehensive reports to the FCA on the recommendations agreed and options considered by the IWG on the topics in the ToR.

## 4.2 Scope of report one

This document is the first of the four reports which the IWG will issue, with outlined recommendations for consideration by the FCA. This report covers:

- **Purpose, Objectives, and Outcomes** addressing the overarching purpose and intent of the CRGB, explaining its intended beneficiaries, and the reasons for its existence. The outcomes are explored for all stakeholders, emphasising the expected impact, with a specific focus on consumer outcomes. Where possible, the identified outcome themes guide the development of metrics by which the CRGB's success in the future can be assessed.
- **The role and remit** of the CRGB is set out encompassing its principal activities, areas of responsibility or authority. This includes an examination of whether its role goes beyond administration of the data sharing rules. The CRGB's role in overseeing its compliance standards, and its approach to policing its own rules, potential actions it might take is discussed. The report also delineates which data dimensions are relevant to the governance body. This includes considerations such as sources, uses, contributors, mandatory or optional, and commerciality. It will focus on consumer credit data and related consumer data but also considers the interaction with the Commercial Credit Data Sharing scheme (CCDS).

## 4.3 Development of report one

The IWG members were selected by the FCA to represent their cohorts and organisations. They individually bring many years of experience in the credit information market and have a good understanding of the views of their community. The Chair, appointed by the FCA, is independent of the FCA and the sector. The Chair's role is to lead the prioritisation of issues and drive forward the workplan, produce reports to the FCA, and update the FCA and the industry on its progress, whilst being accountable to wider stakeholders. The IWG and Chair is supported by a Secretariat, provided by the FCA, who are subject to ethical walls, where the work of the IWG remains separate and not influenced by the FCA.

The IWG members formed four sub-groups on legal, finance, operations, and engagement. Together with the IWG Secretariat, they undertook research and framed the key subjects for debate at the full IWG. The full IWG operated via a shared document server for virtual deliberation, significant email exchanges, and held four monthly meetings to examine options. To provide transparency of its efforts, the minutes of the IWG meetings and relevant articles are published on the [IWG landing page](#) on the FCA website.

During the development of report one, feedback was provided directly from the IWG members, received via [iwgsecretariat@fca.org.uk](mailto:iwgsecretariat@fca.org.uk) or during an industry event. IWG members engaged their cohorts on certain aspects of the recommendations, with regular updates and testing of concepts. Due to the short timescales further consultation will be undertaken post report publication. The consumer cohorts held two monthly meetings to validate recommendations and source inputs on the direction of travel. The first stakeholder event was held on 26<sup>th</sup> March 2024 with 45 participants representing data contributors and data users. This event and others planned, such as a consumer event on 25<sup>th</sup> June 2024, aim to seek feedback on key subjects and are also published on the landing page.

The IWG Secretariat and Chair have opened dialogue with relevant government bodies and regulators in the UK and overseas to gain insights on expectations, related initiatives, and learnings. A list of the entities engaged is detailed in Appendix C.

## Chapter 5: Purpose and Objectives

A purpose statement is defined as an organisation's reason for being, extending beyond mere profit-making, and explains how its products or services contribute to the well-being of people. Typically characterised by its long-term and visionary nature, a purpose statement addresses fundamental questions for both customers and employees: why does the organisation exist, and what would the world lose if it ceased to exist? It maintains an external focus and remains constant over time.

To define the CRGB's purpose there was reflection on what exists today in SCOR, the FCA expectations outlined in the CIMS report, exploration of comparable industry bodies, a review of good practice and academic research. The purpose should be read in conjunction with the objectives.

### 5.1 Purpose and intent of SCOR

SCOR is a cross-industry forum made up of representatives from credit industry trade associations, industry bodies and CRAs.

It is responsible for the administration and development of the data sharing rules known as the [Principles of Reciprocity \(PoR\)](#). The PoR are a set of guidelines governing the sharing of personal credit performance and related data via the closed user groups of the CRAs, currently Experian, Equifax and TransUnion.

SCOR operates on behalf of the trade associations and industry bodies that it represents and can only make recommendations on matters concerning the PoR to those organisations; it has no powers of its own. Each trade association and industry body has internal procedures for debating and agreeing their position on SCOR's proposals. Issues referred to SCOR may arise from a request by a trade association, industry body, a member, or a CRA. When changes are ratified by the trade associations, industry bodies, and CRAs, these are incorporated into the PoR, which forms part of contractual relationships between a CRA and its clients. They may also arise because of legislative changes that affect the PoR.

### 5.2 CIMS report expectations

In [MS19/1.3](#), the FCA stated that the purpose of the CRGB should extend beyond a mere data-sharing framework, encompassing the progression and oversight of selected remedies deemed suitable for industry leadership.

It was stated that the new body should incorporate the progression and oversight of specific remedies deemed suitable for industry leadership, as depicted in Appendix E.

### 5.3 Purpose of the CRGB

The IWG spent considerable time discussing the purpose of the CRGB and the extent to which it should exceed the remit of SCOR. The key questions addressed were (1) what do you believe is the fundamental reason for the CRGB's existence? And, (2) how would you define the core purpose that will guide the CRGB's actions?

- There was healthy debate on the need to keep the focus of the CRGB on the governance of the data sharing rules and data quality standards to avoid being distracted or creating unnecessary industry costs.

- There was collective agreement that the CRGB should go beyond the rules to incorporate data quality standards to drive a more efficient and transparent industry, and to ensure a focus on good consumer outcomes.
- The recognition that the CRGB has a role to play in progressing the industry remedies, as defined in the CIMS final report, led the group to settle on the broader scope of “credit information” rather than the narrower “data sharing framework”.
- The intended inclusive nature of the CRGB drove the addition of consumers and stakeholders within the purpose.
- The insertion of consumers is indicative of the desire of IWG members to acknowledge the social impact of the credit information industry and by default the social function the CRGB needs to facilitate.

The proposed purpose was shared with both the FCA Consumer Network and a subset<sup>1</sup> of parties who participate in a IWG Consumer sub-group where the feedback was:

- The purpose must include a focus on good consumer outcomes, making clear that a core purpose of the CRGB is to ensure shared credit information works well to support good consumer outcomes.
- The purpose and objectives need to line up with the FCA objectives, regulatory principles and the Consumer Duty. The view is that much of what the FCA is seeking to achieve in the credit market through the Consumer Duty depends on well-functioning credit information.

The data contributor and user event electronically voted on the purpose; there was no comprehensive debate, so the results are indicative only

- 89% of the participants either agreed or strongly agreed with the core purpose.
- 58% of the attendees did not agree with the term “all stakeholders”. There was a request to clarify who are the stakeholders.
- A number of alternatives were proposed, and the preference was to include consumers in the purpose.

Views of other cohorts were represented by the IWG members, who engaged with their communities in various forms as they deemed appropriate.

The purpose was intentionally limited to a single sentence to assure that the 'purpose' distinctly outlines the organisation's reason for existence and clarifies the primary function the organisation plays in its industry. As such it is vital that the purpose is considered in conjunction with the objectives.

Several versions of the purpose were explored and debated with rewrites to incorporate as many views as possible. The purpose that is recommended to the FCA is significantly broader than that currently followed by SCOR and seeks to be more inclusive of the wider industry. Shifting the industry to this purpose should already make a meaningful difference to how the credit information industry is governed with the focus on effectiveness for all stakeholders<sup>2</sup>.

**CRGB Purpose** – To provide effective governance of credit information for all consumers and other stakeholders.

<sup>1</sup> For more detail, see Appendix B

<sup>2</sup> Chapter 8 includes comprehensive list of the CRGB's stakeholders.

## 5.4 CRGB's Objectives

A company's objective(s) is what it needs to do to achieve its purpose. The objectives provide a direction for the organisations efforts and sets a strategic focus.

To support the deliberations, a review was undertaken of similar bodies, academic literature was analysed, reflections were made on the successes of SCOR and the FCA expectations were revisited as set out in the CIMS final report.

From the outset the IWG characterised the objectives needed to deliver on the purpose into three areas of responsibility (1) operational (2) consumers (3) forward-looking. These three areas have remained constant during all deliberations.

The discussions on the objectives can be consolidated around:

- Governance of the rules and standards needs to be the primary objective, other objectives are supported but seen by some members as secondary.
- The desire to ensure consumers are appropriately central to the objectives.
- The data sharing rules and the data standards are seen as equally important.
- Data is not only shared consumer data, the CRGB also needs to consider shared commercial (business) data.
- A reminder that the FCA expects the industry remedies to be part of the proposition, so the objectives should be wider than rules and standards.
- Innovation and competition are better drivers for change than requirements via regulation. This should be evident in the objectives.
- In some instances, the CRGB needs to promote rather than take responsibility, for example, consumer education since there is an institution with this objective, MaPS.
- The integrity of the credit information market is key and needs to be covered in some way.
- The objectives should be deliverable by the CRGB without creating unrealistic costs and complexity.
- The objectives should have regard for the remit of other established entities in the industry.

### 5.4.1 Proposed objectives for the CRGB

#### CRGB Objectives

The objectives of the Credit Reporting Governance Body (CRGB) revolve around three pillars:

1. **Operational Objective:** The CRGB will actively define, govern, and promote data sharing rules and data standards along with relevant industry initiatives. By doing so, it aims to establish a robust foundation for the efficient exchange of credit information within the industry.
2. **Consumer Objective:** The CRGB will promote good outcomes for all consumers. It will support the credit information industry to build transparency, trust, understanding and fairness. In doing so it will have regard for the impact credit information has on consumers in terms of access to credit and other goods or services.
3. **Future-Looking Objective:** The CRGB recognises the dynamic nature of the industry and embraces a forward-looking approach. It is dedicated to support competition and innovation to ensure that the industry remains adaptable and sustainable in the face of evolving technology and customer needs.

#### 5.4.2 FCA expectations on objectives

The proposed objectives were assessed against the FCA expectations. The CIMS report quoted the below expectations in relation to the objectives of the CRGB:

- Financial inclusion – to seek to enhance financial inclusion when considering changes to existing or new data sharing arrangements.
- Competition – to ensure that governance and data sharing arrangements foster competition in the provision of credit information to lenders and other users.
- Innovation – to encourage the development of innovative products and services from existing and new market participants.
- Regulatory liaison – to participate in ongoing dialogue with regulators and agree to undertake targeted work to achieve specified outcomes.
- Trust and transparency – to enhance consumer trust and understanding through improved transparency. Including publication of key documents and consumer communications/guidance.

The expectations above relate to new broader objectives and, as such, the core objective of data sharing governance is assumed to be a minimum requirement.

#### 5.4.3 Feedback on objectives

The objectives were shared with both the FCA Consumer Network and the IWG consumer sub-group. The feedback is summarised below.

- The consumer objective should focus exclusively on consumers, not on all stakeholders, as was the case in earlier versions.
- The consumer objective should address the need to empower consumers.
- There should be specific reference to financial inclusion in the objectives. It is seen as essential that an overarching consumer outcome objective for the body exists to ensure that interpretation of financial inclusion is balanced and ultimately serves the interest of consumers.
- The body must be aligned with the FCA to ensure effective implementation of market study remedies that will sit with the body and prevent the need for further FCA intervention.

The objectives were also a core subject at the data contributor and user event on the 26<sup>th</sup> March 2024. The indicative feedback was that:

- Of the 43 event participants that voted, 98% agreed there should be an operational objective with 86% agreeing that a consumer objective is needed and 81% supported a future looking objective.
- The recurring theme in the feedback was the need to ensure consistency of shared data, consistency with other regulatory bodies and consistency in CRGB's decision making.
- Questions were raised as to whether reciprocity should be stated within the objectives.

#### 5.4.4 Response to feedback on objectives

The operational objective defines a broader remit with the inclusion of governance of shared data standards and appropriate industry remedies. It also has regard to corporate data which is particularly key for small to medium sized enterprises (SMEs), where the boundary between personal and business data can be fine. While we recognise the importance of reciprocity in promoting data-sharing, it did not make it into the objectives as questions remain on the future

of reciprocity as it is not the sole model of data sharing under SCOR. Reciprocity will be considered as part of the CRGB's future role in advancing the CIMS industry-led remedies<sup>3</sup>, remedy 4B.

The inclusion of a consumer objective establishes a foundation for a more inclusive industry where consumer outcomes are at the centre of data sharing arrangements. The consumer objective specifically calls out much of what is stated under the FCA trust and transparency expectation. The objective puts good consumer outcomes as the priority. There was a repeated debate on the potential addition of financial inclusion within the consumer objective. There is recognition that some consumers may not currently be well served by the credit information market. However, it is also recognised that more data may not always provide a good outcome for consumers. Therefore, whilst CRGB can support industry activities to enhance financial inclusion, CRGB does not have all the levers at its disposal to justify it as an objective in of itself.

The competition and innovation expectations are addressed in the future-looking objective. It is vital that the governance body and its work allows for known and unknown evolution in customer needs and technology. The CRGB must horizon scan and be future proofed to avoid the need for future regulatory intervention.

The FCA regulatory liaison expectation is not specifically called out, but the operational objective presents a remit that goes beyond the governance of rules to incorporate data standards and industry remedies. This and the future looking objective demonstrate the desire to ensure the CRGB is more proactive in its engagement and intends to progress targeted work. Report four will make recommendations on the relationship between the CRGB and the FCA, thereby addressing this expectation more completely.

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<sup>3</sup> For more detail, see Appendix E

## Chapter 6: CRGB's Role

The role(s) of an organisation is defined by external expectations and responsibilities, providing a framework for behaviour and decision-making. The role(s) is linked to the function of an organisation.

A set of role principles were defined by the IWG to facilitate discussions on the breadth of potential roles and will form part of the overall CRGB design principles. Design principles are used to help an organisation adapt to the changing business strategy so that it functions efficiently and achieves its objectives.

Role principles:

- The CRGB will lead relevant CIMS remedies to conclusion at the request of the FCA or stakeholders and be responsive to any changes in the industry.
- The CRGB should have sufficient scope over its roles to be able to adapt to a changing market.
- The CRGB's activities do not need to benefit all stakeholders but will evidence consideration of impacts on all stakeholders.
- The CRGB as an entity will promote good consumer outcomes and have regard for financial inclusion, aligned with its role and objectives.
- The CRGB will make every effort to ensure that all data sharing rules and standards meet / do not conflict with all applicable regulation.
- The CRGB must have the ability to prevent and deal with inappropriate behaviour or non-compliance with its rules and standards.
- All roles undertaken must be transparent, contribute to the agreed stakeholder outcomes and support the CRGB's objective to help improve the credit information market.

To help define the future role(s) of the CRGB, the IWG reviewed the current role of SCOR, the FCA expectations set out in the CIMS final report, along with a few overseas case studies.

SCOR defines its role as administering and developing the data sharing rules (the PoR). It operates on behalf of the trade associations, CRAs and industry bodies that it represents to administer the PoR and has no devolved powers of its own. It may only recommend decisions to its membership.

The FCA outlined the remit of the CRGB to include a role in supporting good and improved consumer outcomes through competition and innovation, whilst also taking forward other proposed remedies. The new body could also take responsibility for other relevant datasets currently shared by lenders with CRAs.

Insights were gained from credit reporting entities in Europe, America, and Australia. These organisations operate in a different legislative and regulatory environment and as such whilst valuable insights were gained, none of the entities provide the perfect framework for the UK.

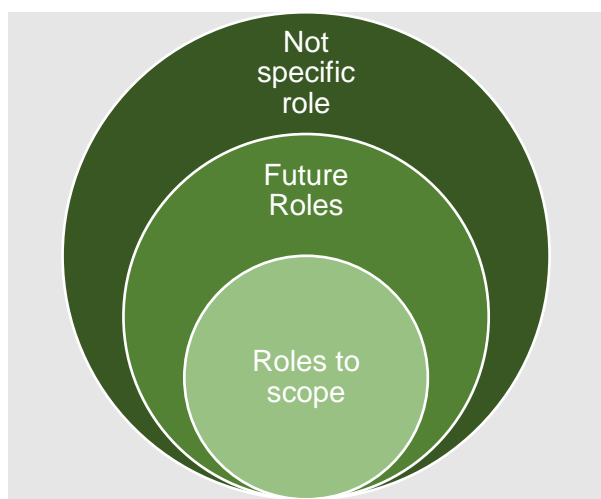
The recommendation that the CRGB should undertake a role does not come with a defined period. When assessing the potential roles undertaken by the CRGB, at establishment or at some future occasion, consideration needs to be given to:

- Cost and resource implication of fulfilling the role.
- Is the CRGB the best placed organisation to fulfil the role?
- Would this be a primary or secondary role for the CRGB?



IWG were keen to ensure that limitations were not placed on the ability of the CRGB to fulfil its purpose and objectives. Therefore, no role was ruled out indefinitely. The positioning and fulfilment of the roles are likely to significantly differ at the establishment of the CRGB versus a fully functioning entity at a future date.

The IWG debated several roles and agreed on the below. Some will be needed at the formation of the CRGB and therefore will be scoped and costed as part of report three. A couple of roles may be needed in the medium term once the other CIMS remedies have been further defined. A driver behind a small number of potential roles have been addressed in other ways so a specific role will not be scoped.



#### ***Required at establishment***

1. Scheme – Rules and Standards
2. Market practice – Common processes
3. Policing – Ensure rules are followed
4. Education – Awareness of scheme
5. Leading CIMS remedies

#### ***Potential future roles***

6. Shared platform – Infrastructure
7. Services – the provision of services

#### ***Addressed without a specific role***

8. Advocacy
9. Financial Inclusion
10. Competition and Innovation

## 6.1 CRGB recommended roles at establishment

**Scheme Rules:** Scheme rules are defined as the way the credit information data sharing system will operate and the behaviour and interaction of participants. Scheme rules are defined to minimise risks, maintain integrity and provide customers with a seamless, common, convenient, secure and reliable experience.

There is collective agreement that the CRGB must govern the scheme rules and the embedded standards (which includes data quality). The scheme rules and data standards are the foundation of the CRGB, on which all other roles depend.

It was concluded that the CRGB scheme rules must go beyond what exists in the SCOR PoR today. The IWG does not have a mandate to revisit the current PoR, this will be in the remit of the CRGB post-transition from SCOR, as set out in the CIMS final report.

However, IWG recommends that the rules should go beyond shared personal credit performance and related data, whilst avoiding duplication with other entities. The rules will cover who can provide and have access to data, aligning with FCA requirements on mandatory data sharing with designated CRAs as appropriate. The rules will govern both utilisation via a closed user group, exemptions and where agreed, application outside of closed user groups. The rules will address the provision, use, accuracy, and quality of shared data. It will be appropriate to have rules that define the technical data standards including format, definition, implementation approach, etc. The CRGB and its members are subject to GDPR and as such the scheme rules do not govern the privacy of data.


**Market Practice:** Market practice is generally defined as the customary or established practices, procedures and terms in the jurisdiction or market where an activity occurs, including the processes and procedures of any activity and any practical constraints that exist with respect to the execution of said activity. Market practice differs from rules in that it is generally not legally contracted as it reflects mutual agreement on how things are done.

There is almost full support for the CRGB playing a role in market practice at the outset which became unanimous once the detail of the role was debated. Market practice is complementary to the scheme rules. In the context of the CRGB, market practice may be required for guidance and best practice on how to implement a rule. To help parties where a rule can't be agreed and on the implementation of other industry remedies.


**Policing:** In the context of governance, the term policing is used as all-encompassing to respond to the need for a level of oversight of and ensuring compliance with the rules. There are many potential levels of policing which have been briefly outlined in the chart below, and which formed the basis for discussion with the IWG.

*Levels of Policing – Reactive to Proactive*

Agreement	Certification	Accreditation	Monitoring	Supervision	Enforcement
Sign up to abide by CRGB rules	Periodic certification process to CRGB	Annual accreditation of compliance to CRGB	CRGB monitors rule compliance via regular reports	CRGB supervises rule compliance via reports & visits	CRGB can remove & penalise contract parties
Left to self-police	CRGB reviews and resolves with in private	Peers report any issues to CRGB via formal process	Self-report non-compliance	CRGB can take direct action and/or will report to FCA/ICO/etc	
No CRGB action for breach	A complaints procedure exists for peers to raise concerns	CRGB addresses in private	Peers can report issues to CRGB		
		CRGB escalates to industry determination group for public action	CRGB addresses in private with process for public action		
		CRGB can initiate dispute	CRGB will report noncompliance to FCA/ICO/etc		



Reactive



Proactive

The IWG is in favour of policing as there is a desire to give the CRGB some teeth in the event of non-compliance. The scheme rules need to be more than guidelines and must be enforceable in law. All IWG members require the CRGB to be clear upfront on the level of oversight and consequences of breach. The policing discussion was framed and agreed around six key elements:

1. What is being policed?

Agreement was reached that this will include scheme rules, data quality and other remedies.

2. Who initiates a breach to be policed?

All options should be built into the rules to allow for self-reporting, peer reporting and governance initiated. This also includes options in the rules to refer to another agency better placed to police the relevant conduct.

3. How is any breach resolved?

The ability for the CRGB to resolve the issue in private, via industry forum and by referral to the regulator is required - depending on the nature of the breach.

4. What is the consequence of a breach?

The CRGB must have the ability to take penal action for non-compliance as in some instances referral to the regulator may not be an available option.

5. Does CRGB have the power to enforce?

The means by which the CRGB holds the power to enforce has yet to be finalised and will be subject to external legal advice. A recommendation on how this could be executed will be delivered as part of report four. Options are being considered and could range from (a) the scheme rules are legislated (b) the entity is regulated (c) FCA's Code of Recognition Regime is adopted (d) there is an MoU with the FCA and other regulators where non-compliance is reported (e) contract law applies. A consideration in all of these options is the treatment of FSMA and non-FSMA firms.

6. What will policing look like practically?

IWG wishes to provide the CRGB with the ability to police up to whatever level is required to demonstrate to all parties that there will be consequences for non-compliance. However, practically the policing framework and resourcing will be set at the border between reactive and proactive. Most of the parties and activities will be subject to reactive supervision with exceptions requiring the CRGB to be more proactive.

**Education:** To frame the discussion on education, consideration was given to:

- Forms of education: Is it increasing awareness via articles, speaking at public events, hosting member events providing an opportunity to network and learn about developments, etc? Does it go further with the production of training materials and provision of training or facilitating others to provide the training?
- Receivers of education: Is the education for members of the CRGB, wider industry, government/regulators or for consumers?
- The subject matter: the role of the CRGB, explanation of the scheme rules, understanding credit ratings, managing credit health, etc?

There was a lot of discussion on the need for improved education in the credit information market. The CRGB has an educational role to play with regards to the scheme rules and other

industry remedies. There is limited appetite for the CRGB to play a wider financial literacy role in the industry.

The conclusions on consumer education were informed by discussions with the Money and Pensions Service (MaPS'). MaPS' statutory objectives are to: (1) improve the ability of members of the public to make informed financial decisions, (2) support the provision of information, guidance and advice in areas where it is lacking.

The CRGB will develop a deep relationship with MaPS' to support their legislative role in the education of consumers. MaPS' will look to the CRGB to provide them with insight on changes to the scheme rules and wider credit information happenings that could impact consumers.

The CRGB will directly provide a form of education, such as briefings and documentation, to non-consumer industry participants and the public sector. How this will be fulfilled needs to reflect the parties to be educated. It may be awareness only, could touch on advocacy or go as far as training. Additionally, education will be influenced by the financial implications of the provision of the capability.

**Leading industry CIMS remedies:** There was agreement that there will be a role for the CRGB in leading other industry-led CIMS remedies to a conclusion in line with the FCA's expectations in the CIMS final report. At this point there is insufficient clarity on prioritisation and timing of the design and application of other remedies for the IWG to be able to define a clear role. However, a role will be required, tailored to the selected remedies.

## 6.2 Additional roles for medium term:

**Shared Platform:** The "central data-repository" and the "national credit database" were deemed not to be a proportionate response to the issues in the [credit information market study](#).

There was limited immediate appetite for the CRGB to play a role in shared platforms, but it was not ruled out in certain circumstances. Consideration should be given by the CRGB to the potential need for a shared platform to facilitate a directory of members or of closed user group (CUG) participations. There may also be a demand, at a future occasion, for some form of accreditation. The implementation of the CIMS industry remedies may bring to light the need for common shared platforms or efficiencies which may justify the investment. The potential cost and implications for the industry of the development of a shared platform would be far reaching and need much greater deliberation than the time permitted for this report.

**Services:** When established, the CRGB will have no assets that can be utilised to deliver services. As the entity is being created, consideration could be given to resourcing it to deliver services that could help fund the entity. However, services is a broad term that could lead the CRGB in many directions. Therefore, consideration of services should be strictly in the context of furthering the entity's purpose and objectives.

Potential services have not yet been defined but could be collaborative for consolidating the services offered by several parties as loss leaders that could be made more efficient if centralised.

An example that was discussed was some form of education in the form of training courses, hosting events, etc. There could be services relating to research or analysis, either independently conducting surveys or leveraging the generic data on behalf of stakeholders. As the CRGB will have a wider stakeholder group there may be the need for a service to

support new members becoming onboarded, or training to support some form of data sharing accreditation and any associated fees.

No specific service was defined and agreed but there is in principle support to keep this option open to the CRGB for future reflection.

### 6.3 Additional roles considered:

Roles considered but not recommended as the need is being addressed in another way are as follows:

**Advocacy:** In its most simplistic form, advocacy is petitioning for a particular position or outcome. This advocacy could be representing the industry domestically or internationally in the context of the CRGB rules. But it could go further and represent the credit information industry on future-looking subjects that may or may not impact the scheme rules but can drive policy changes for members.

The CRGB will have a diverse set of stakeholders which may not be aligned on the direction of travel. Therefore, undertaking an advocacy role could be challenging, particularly beyond the boundaries of the scheme rules. Additionally, many other industry stakeholders will undertake an advocacy role and it is important to avoid unnecessary duplication. The recommendation of IWG is for the CRGB to leave the advocacy role to other parties who are better equipped to represent their members.

**Financial inclusion:** There was strong acknowledgement of the influence of shared credit information on financial inclusion and exclusion. As such there is a social responsibility on the credit information industry to ensure that actions taken have regard for these implications.

The FCA CIMS final report pointed to a CRGB objective on financial inclusion – to seek to enhance financial inclusion when considering changes to existing or new data sharing arrangements.

IWG members discussed whether financial inclusion should be a specific role for the CRGB. There was also a vigorous discussion on whether any such role should go further and whether the CRGB should consider undertaking an explicit role in tackling financial exclusion in the UK. The group concluded that CRGB would not have all of the levers at its disposal to justify financial inclusion as an objective or a role but could ensure that the data sharing rules do not exclude consumers. Therefore, financial inclusion has been included as an outcome. This will hold the CRGB and its members to account, with rules, data and other initiatives always keeping at the forefront the impact on financial inclusion.

**Foster competition and innovation:** There was a comprehensive conversation on the need for a role that supports competition and innovation in the interests of consumers. This subject was also presented in the context of the FCA competition and competitiveness objectives.

The FCA CIMS final report has two objectives for the CRGB in this area.

- Competition – to ensure that governance and data sharing arrangements foster competition in the provision of credit information to lenders and other users.
- Innovation – to encourage the development of innovative products and services from existing and new market participants.

Competition and innovation are built into the CRGB's proposed future-looking objective. Supporting competition and innovation is also one of the three outcome themes against which

the CRGB will be measured. There was agreement that the CRGB should be innovative in all roles it undertakes and as such a separate competition and innovation role was not necessary.

## Chapter 7: Relevant datasets

The FCA identified in [MS19.1.2 Annex 6](#) that the current remit of SCOR is generally limited to the administration and development of the PoR and associated documents. It was stated that the new body should have a broader remit, which is able to holistically consider issues relevant to how all credit information is shared and used within and beyond the retail lending sector. While the administration and development of the PoR form a key aspect of that, the FCA considered that a part of that broader remit should include all relevant datasets shared between FSMA-regulated data contributors and CRAs, such as current account turnover data (CATO).

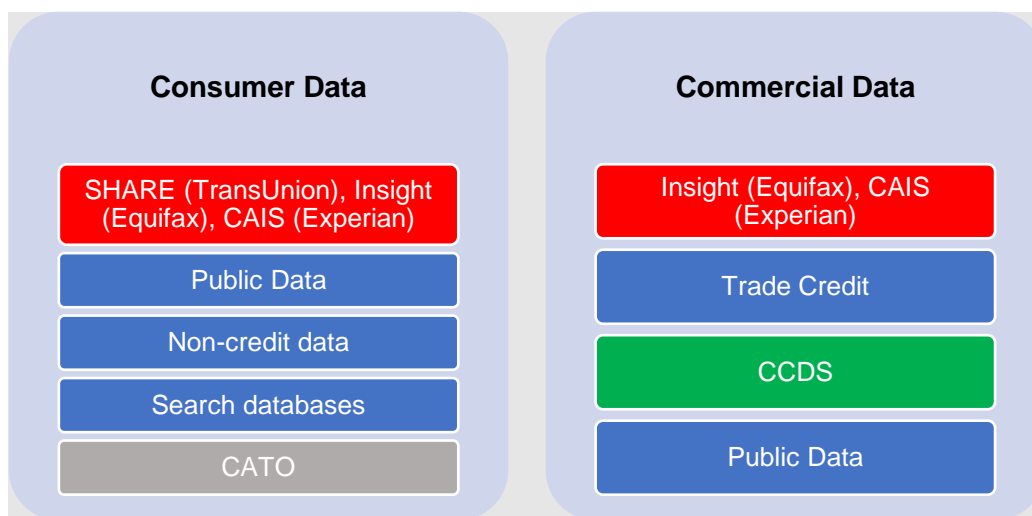
As such, the question the IWG sought to answer was:

*What are the relevant datasets for the CRGB?*

For this, the IWG reviewed: what the FCA had outlined in the CIMS final report, datasets currently under the governance of SCOR and/or connected to SCOR and other datasets that potentially could be considered in the context of the CRGB.

### 7.1 Dataset graph

As this is a complex subject, we have sought to drive simplification by presenting the data landscape in picture form.



In simple terms:

- In red are the datasets currently governed by SCOR
- In green are datasets subject to cross-over agreement with SCOR
- In grey are datasets shared between FSMA lenders with the CRAs but are not subject to the PoR
- In blue are the datasets shared with CRAs and other organisations but not covered by the PoR

## 7.2 Summary of datasets

### **Datasets governed by SCOR - Red**

Currently, SCOR governs the shared databases under the PoR, these are<sup>4</sup>:

- Consumer CRA data: Contains records of credit information reported by a wide range of data sharers (which can be both regulated and unregulated), including mortgages, current accounts, personal loans, credit cards, store cards, motor finance, utilities, telecoms and buy-now, pay later. This information is shared by data contributors with the CRAs in three file formats: SHARE<sup>5</sup> (TransUnion), Insight (Equifax), CAIS (Experian)<sup>6</sup>
- Commercial CRA data: Includes the length and start date of each agreement, the amount of credit outstanding on a facility and how the business has performed with regards to meeting payment commitments. Of the three CRA's only Insight (Equifax) and CAIS (Experian) manage commercial data.

### **Cross over agreement - Green**

The PoR acknowledges the crossover agreements between the CAIS/Insight/Share databases of consumer data and one or more databases of commercial data, including Commercial Credit Data Sharing (CCDS), in respect of small traders and SMEs that are now held discreetly from the consumer database. Originally, both CAIS and Insight contained commercial transactions for sole traders, SMEs, and small partnerships until the ICO instructed the CRAs to separate the personal and "business" data for consumers.

CCDS is a government initiative mandated under the Small Business Enterprise & Employment Act 2015 (SBEEA), with the aim of actively stimulating competition and new entrants in SME lending markets. Information on loans, credit cards, and business current account data is shared with the designated commercial CRAs: Creditsafe, Dun and Bradstreet, Equifax, and Experian. The SBEEA specifically restricts the parties that can benefit from this data sharing to finance providers, making specific reference to the exclusion of trade credit (defined as business-to-business credit for normal trading purposes not part of a credit agreement from a commercial lender, e.g., goods supplied on monthly invoice payment terms).

### **Datasets shared by FSMA regulated firms, not subject to PoR governance – Grey**

Current Account Turnover Data (CATO) has its own governance forum and bespoke set of rules. It contains information of the turnover through a personal current account. The rules set out how CATO data shared with CRAs can be used by the CRAs to develop products and services that can be accessed by all data users, not just those submitting CATO data. Currently the raw CATO data is only provided to CRAs, the CRA interpret that data to derive an income value, no other data user can access the raw CATO data.

### **Datasets utilised by CRAs not covered by the PoR - Blue**

The CRAs complement the shared databases mentioned above with public data and non-credit data from various sources, which is not covered by PoR, for example:

- Electoral Roll – provided by Local Authorities.

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<sup>4</sup> See p12, [PoR](#)

<sup>5</sup> For more information: [your credit file explained \(transunion.co.uk\)](http://your.credit.file.explained(transunion.co.uk))

<sup>6</sup>For more information see <https://www.experian.co.uk/business-products/cais>



- County Court and High Court Judgements – provided by Registry Trust Limited.
- Insolvencies / Bankruptcies – provided by The Insolvency Service and Accountant in Bankruptcy
- Gazette Notices – provided by The Stationary Office
- Credit search – lender credit search data, hard and soft search.
- Rental Exchange – supplied by Rental Exchange Members
- CIFAS - Credit Industry Fraud Avoidance System

There are already non-reciprocal data sharing schemes in existence covering the provision of trade credit data operated independently by commercial CRAs, outside of the PoR. These schemes enable any subscriber to a CRA's credit reporting services to access summarised information about a subject's payment behaviour regarding its trade credit accounts. Unlike data accessed under the PoR, the information shared with CRAs by trade credit providers is aggregated across all known trade credit accounts and delivered to subscribers in aggregated and summarised form. Current members of SCOR are potentially able to benefit from these existing non-reciprocal trade credit data sharing schemes via their chosen CRA; however, there are no reciprocal benefits delivered to trade credit providers.

There are other sets of information that do not fall under the CRGB's remit but need to be monitored in its development, such as information sources via Open Banking (OB). While OB data is not directly shared by third parties with CRAs, there are several product developments aimed at harnessing the data to augment 'traditional' credit data (e.g., Experian Boost), where data points may be derived and used to inform credit profiles.

### 7.3 Recommendations on datasets

The IWG is not seeking to define all the data content, merely the boundaries of the datasets that will be governed by the CRGB. The CRGB will revisit the data content within these datasets in more detail as part of their scheme role. The CRGB will also need to assess the access to the numerous datasets to be governed by the data sharing rules and how data is collected.

The IWG recommend the following principles that would guide the CRGB's future decisions on datasets.

These principles are as follows:

- Data sharing is already subject to data protection legislation and as such the CRGB will operate alongside the ICO, avoiding conflict or duplication.
- The CRGB will govern more shared datasets (including additional data fields) than those covered by the current PoR.
- The CRGB will encompass all relevant datasets shared between FSMA-regulated data contributors and CRAs, including current account turnover data.
- The CRGB will extend its governance beyond the FCA-mandated data, acknowledging that the scope of mandated data is not yet known.
- The CRGB will cover both credit and closely related non-credit information.
- The CRGB will incorporate both FSMA and non-FSMA data, along with non-FSMA entities sharing data such as Buy Now Pay Later entities.

These principles will establish the framework for the datasets governed by the CRGB and those essential for the effective operation of the credit information system.

These guiding principles substantially increase the scope of the datasets under the remit of the CRGB. Some of these datasets would not historically fall under the directive of the FCA for example data from non-FSMA entities.

To complement the dataset principles, the IWG make these additional recommendations:

- A discussion should be progressed with the CATO governance body to agree how the CRGB will encompass the governance of CATO data.
- The CRGB should oversee both reciprocal and non-reciprocal arrangements within the context of the scheme rules.
- A legal assessment on the source of the CRGB enforcement powers should have the inclusion of non-FSMA datasets and non-FSMA entities at its core. This recommendation will need to be considered when defining the basis of the relationship between the CRGB, the FCA, and any other relevant regulators, as well as public data providers.
- The CRGB should develop data architecture which maps the data flows between scheme participants subject to the CRGB's scheme rules. This exercise will be key to validating whether the rules can be effectively executed.

## Chapter 8: Stakeholders and Outcomes

Effective governance is dependent on the participation and backing of industry stakeholders. It is vital to have an inclusive stakeholder map and understand the drivers for those stakeholders. The interest stakeholders have in the CRGB will only be maintained if the parties benefit from the organisation.

### 8.1 CRGB stakeholders

There was a comprehensive discussion on the CRGB stakeholders. The discussion sought to address questions on:

- Who does the CRGB serve?
- Who does the CRGB impact?
- Who does the CRGB need to engage to deliver its objective?

The question on how stakeholders will influence the CRGB was out of scope at this point and will be addressed in later reports. A list of stakeholders is defined below:

- Large/mainstream lenders
- Smaller/specialist lenders
- Alternative credit providers
- Large/mainstream credit reference agencies (CRAs)
- Challenger CRAs
- Consumers and consumer representatives
- UK Government (including His Majesty's Treasury)
- Financial Conduct Authority
- Other UK regulators (including ICO, Ofcom, Ofwat, Ofgem and the Gambling Commission)
- Trade bodies representing FSMA firms (including UK Finance, the Finance and Leasing Association, the Consumer Credit Association and the Consumer Credit Trade Association)
- Trade bodies representing non-FSMA regulated firms (including Energy UK, Water UK and the British Retail Consortium)
- Credit Information Service Providers (CISPs)
- Schemes such as those related to Open Banking

As part of the development of the CRGB, the IWG, Chair and Secretariat are consulting with these stakeholders to ensure that their views are considered and addressed where possible.

### 8.2 Outcomes for CRGB

To measure and evaluate the success of the CRGB in achieving its objectives, a set of outcomes need to be identified. Outcomes are the result of actions taken to deliver the objectives. To identify the appropriate outcomes that the CRGB should focus on, IWG discussed the drivers for each stakeholder group and what is required to satisfy the needs of these stakeholders.

The IWG defined several positive outcomes for each group of stakeholders. These detailed outcomes highlighted three interrelated themes that are relevant for most stakeholders. The

three themes are (1) improved data quality, (2) supporting innovation and competition, and (3) enhanced financial inclusion.

The IWG proposes that, upon set up, the CRGB should define metrics around each of these themes. These metrics could be defined differently for different time horizons for each of these themes.

### Three Themes graph



**Improved Data Quality** refers to increased confidence of all stakeholders in the accuracy and consistency of shared credit information data to ensure consumers' data reflects their true financial circumstances.

**Supporting Innovation and Competition** refers to the CRGB creating potential in the credit information industry for both existing and new players to offer innovative products and developing advanced tools that improve credit information.

**Enhanced Financial Inclusion** refers to the CRGB ensuring that credit events reported into the credit information system safeguard equality of opportunity for everyone to access financial products according to their circumstances and does not create barriers to seeking early help with financial difficulties.

#### 8.2.1 Feedback on outcome themes

Note, the improved data quality outcome received wide acceptance from both the IWG and data users and contributors. 100% of the participants at the data contributor event supported this outcome theme. There was some additional feedback that the data should also be timely, consistent, and transparent. This additional feedback will be factored into the rules and standards that will drive the data quality outcome, and therefore, addressed within the theme.

The other two outcome themes, namely on supporting innovation and competition and enhanced financial inclusion, started as 'increased competition' and a different definition of 'financial inclusion'. In the first version, these outcome themes received push back both from some stakeholders within the IWG and from the data users and contributors.

The concerns raised on the competition theme centred around the ability of the CRGB to go beyond 'facilitating' competition in the first place. There were also concerns around the CRGB replicating the FCA's mission and the nature of existing competition in the market being healthy (as set out in the CIMS interim report). Likewise, it was made clear that there is a real need in the industry to support competition that promotes 'innovation'. Therefore, the outcome

theme was amended from 'increased competition' to 'supporting innovation and competition'. As such, the CRGB will be measured against the support it provides to the industry to innovate and compete.

The concerns raised on the financial inclusion theme centred around the CRGB's limited influence in credit decision-making as this is largely a lender's commercial decision. Likewise, it was pointed out that increased availability of credit is not always 'good' for consumers. It was also suggested that the role credit information plays in financial inclusion should be made central to the theme. As such, financial inclusion is neither an objective nor a role for the CRGB. However, the CRGB will have regard for financial inclusion in the activities it undertakes and will support related industry efforts. Therefore, it was deemed reasonable to include financial inclusion as an outcome theme.

### 8.2.2 Attribution of outcomes to CRGB and stakeholders

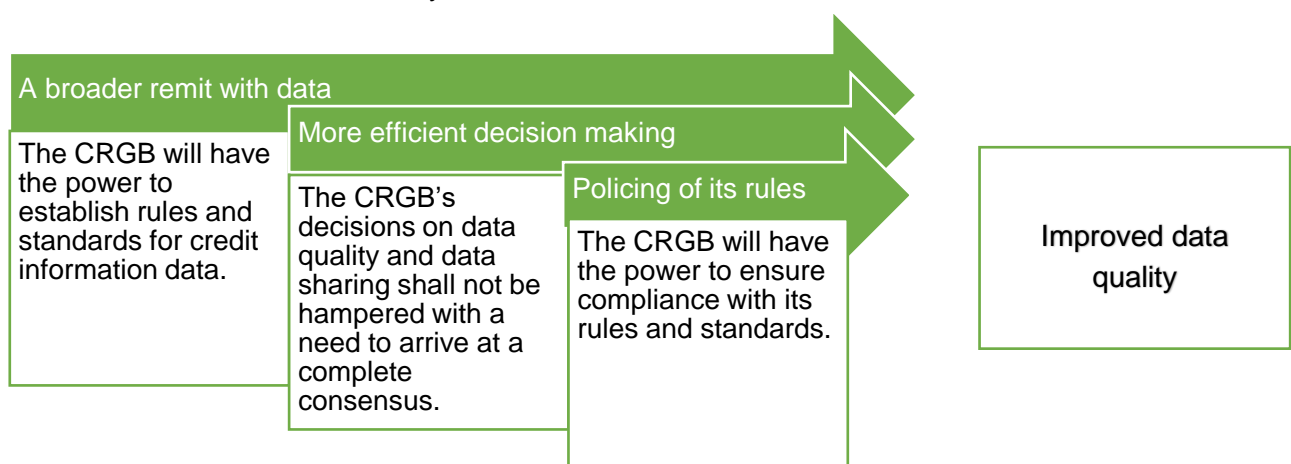
To attribute the outcomes to the CRGB, the activities of the entity must be able to positively influence the outcome. An analysis was undertaken to assess the extent to which the CRGB can drive or will be designed to enable these outcomes.

It is also important that practical outcomes relevant for each stakeholder can be attributed to the themes. An exercise was undertaken to ensure that the themes are relevant for each stakeholder.

The improved data quality outcome theme is explained in more detail below to demonstrate this approach. A similar exercise is required for the two additional themes.

#### 8.2.2.1 Improved data quality outcome

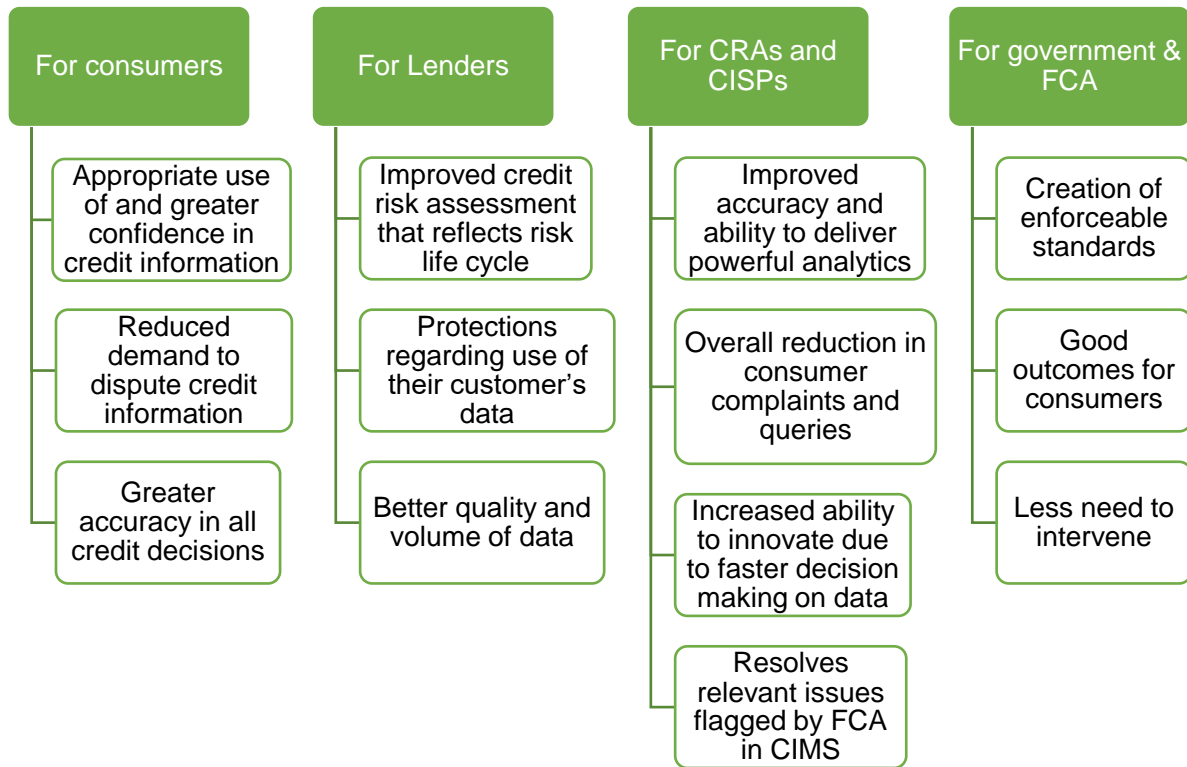
The activities required to deliver on the CRGB's operational objective will contribute to improved data quality. The CRGB can drive this outcome as it enhances three core capabilities for the credit information industry as follows:



The purpose and objectives already point to fundamental changes in the future governance of the credit information market. These changes include a broader remit towards data, an increase in the parties involved in the governance process, and a role in the policing of the governance entity to improve compliance and enhancements in the decision processes. It is these changes that should enhance the overall contribution to the improved data quality outcome theme defined.

To demonstrate how the improved data quality theme can be utilised and built out by the CRGB, the theme has been applied to the various stakeholders identified for the CRGB. The

below are examples of potential indicative outcomes and may be improved upon with further validation.



These three outcome themes can be used as the north star during the ongoing development of the governance model and the future operation of the CRGB. It is recommended that the CRGB, when established, defines quantifiable measures to evidence the progress being made towards these outcome themes.

## Chapter 9: Next steps

The recommendations in this report are subject to change in the light of:

- **Public Feedback:** We invite feedback received as soon as this report is published on the IWG landing page. The feedback is welcome via [iwgsecretariat@fca.org.uk](mailto:iwgsecretariat@fca.org.uk).
- **IWG members' further consultations:** The IWG members will now consult their cohorts on the consequences of the recommendations in this report and suggest any changes.
- **The FCA's feedback:** As discussed previously, this report will be shared with the FCA for their consideration. It has been agreed that the FCA will provide interim feedback on recommendations, highlighting any red flags, or areas of concern. A full assessment will be reserved until the final report is issued in the autumn of 2024.

**Further reports requiring adaptations to this report:** Work is underway on report two which focuses on how the CRGB should be constituted; and on report three which focuses on how the CRGB should operate. The analysis to support these reports may highlight the need to evolve the recommendations proposed in report one.

The current intent is to issue report two in June 2024, subject to ongoing analysis and the dependency on external legal advice with regards to the formation and constitution of the CRGB.

## Appendix A – IWG membership

Name	Job Title	Organisation	Representing	Role
<b>Toke Myers</b>	Head of Legal	Equifax	Large CRAs	IWG Representative
<b>Jane Keyword</b>	Head of Data Governance and Frameworks			IWG Alternate
<b>Paul Cresswell</b>	Director of Privacy & External Governance	Experian	Large CRAs	IWG Representative
<b>Clint Hook</b>	Director of Data Insights & Management			IWG Alternate
<b>Sally Matthews</b>	Senior Counsel	TransUnion	Large CRAs	IWG Representative
<b>Colin Rutter</b>	Consultant			IWG Alternate
<b>Faizan Haq</b>	Senior Policy Manager	Finance and Leasing Association	Trade associations, who's members and users are suppliers of credit information and are mainstream credit providers	IWG Representative
<b>Fiona Hoyle</b>	Director of Consumer and Mortgage Finance & Inclusion			IWG Alternate
<b>Paul McCarron</b>	Principal, Consumer Credit	UK Finance	Trade associations, who's members and users are suppliers of credit information and are mainstream credit providers	IWG Representative
<b>Eric Leenders</b>	Managing Director, Personal Finance			IWG Alternate
<b>Ian Fiddeman</b>	Principal, Personal Credit Policy			IWG Alternate
<b>Jason Wassell</b>	Chief Executive	Consumer Credit Trade Association	Trade associations, who's members and users are suppliers of credit information and are mainstream credit providers	IWG Representative
<b>Naveed Asif</b>	Head of Policy and Advice			IWG Alternate
<b>Neil Allen</b>	Head of Strategy	Crediva	Challenger CRAs	IWG Representative
<b>Neil Williams</b>	Managing Director & Chief Technology Officer	Lending Metrics		IWG Alternate
<b>Will Mason</b>	CEO	Infact Systems		IWG Alternate
<b>Pedro Sousa</b>	Head of Risk and Compliance	ClearScore	CISPs	IWG Representative
<b>Grainne O'Driscoll</b>	Legal Counsel	Credit Karma		IWG Alternate
<b>Sharon Evans</b>	General Counsel	TotallyMoney		IWG Alternate



<b>Adam Jackson</b>	Director of Policy	Innovate Finance	Alternative credit providers (including BNPL)	IWG Representative
<b>Luke Seaman</b>	Head of Public Affairs (UK)	Klarna		IWG Alternate
<b>Matt Steele</b>	Director, Credit Risk	PayPal		IWG Alternate
<b>Iana Vidal</b>	Head of UK Public Policy	ClearPay		IWG Alternate
<b>Fionn Sharpe</b>	Policy Manager	Fair4All Finance	Consumer groups (consumer finance)	IWG Representative
<b>Jonathan Turner</b>	Technology Strategy and Innovations Lead			IWG Alternate
<b>Peter Tutton</b>	Head of Policy, Research, and Public Affairs	StepChange	Consumer groups (debt advice)	IWG Representative
<b>Richard Lane</b>	Head of External Affairs			IWG Alternate

## Appendix B – Consumer group members

Organisation	IWG Consumer Sub-group member	FCA Consumer Network member
Wales Illegal Money Lending Team	✓	✓
England Illegal Money Lending Team	✓	✓
Citizens Advice	✓	✓
Debt Camel	✓	✓
Money Advice Trust	✓	✓
Centre for Responsible Credit	✓	x
StepChange	✓	✓
MaPS	✓	✓
Macmillan	✓	✓
Fair by Design	✓	✓
Money Advice Scotland	✓	✓
Money & Mental Health Policy Institute	✓	✓
Advice UK	✓	✓
Christians Against Poverty	✓	✓
Citizens Advice Scotland	✓	✓
Which?	✓	✓
Surviving Economic Abuse	✓	✓
NASMA	x	✓
Clean Slate/Quids In	x	✓
Age UK	x	✓
Alzheimer's Society	x	✓
Money Advice Liaison Group	x	✓
Citizens Advice Wales	x	✓
Shelter	x	✓
Financial Services Consumer Panel	x	✓
Mind	x	✓

## Appendix C – Organisations engaged

Australian Retail Credit Association (ARCA)  
Commercial Credit Data Sharing (CCDS)  
His Majesty's Treasury (HMT)  
Information Commissioner's Office (ICO)  
Lending Standards Board  
Money and Pensions Services (MAPS)  
Steering Committee On Reciprocity (SCOR)  
Vulnerability Registration Service

## Appendix D – Case studies considered

### [Australian Retail Credit Association \(ARCA\)](#)

**“The ARCA exists to promote best practice in credit risk assessment and responsible lending, as well as promoting better standards in consumer credit reporting.**

### [Association of Consumer Credit Information Suppliers \(ACCIS\)](#)

The Association of Consumer Credit Information Suppliers (ACCIS) is a trade association that represents the credit reporting industry in Europe.

**“ACCIS, as the international association serving the credit reporting industry, has a role to play in recognising emerging trends and in forging a vision that will enable its members to benefit from change.** To help its members change with the times.

The [Consumer Data Industry Association \(CDIA\)](#) serves as a trade association representing consumer reporting agencies (CRAs) in the United States.

## Appendix E – Remedies for the CRGB to take forward

Remedy	Description
<b>Common data format</b>	A common data reporting format to improve consistency and granularity of credit information across CRAs.
<b>Streamlined access to statutory credit report (SCR)</b>	Streamlined consumer access to credit information, including SCRs, by having one stop for consumers to engage with.
<b>Streamlined disputes process</b>	Streamlined process to help consumers dispute errors in the credit information held on their credit file.
<b>Streamlined Notice of Correction (NoC) and vulnerability markers</b>	Streamlined process for improved consumer outcomes which builds upon existing processes.
<b>More timely reporting of key data to designated CRAs</b>	Provision of an accurate and up-to-date view of consumer credit commitments to further support lenders in making decisions.
<b>Reviewing the Principles of Reciprocity (PoR) and related issues</b>	Complementing the proposed mandatory reporting requirement implemented by the FCA.
<b>Improved Current Account Turnover (CATO) data with updated access arrangements</b>	Assessment of how access arrangements to CATO data can be updated for non-PCA providers, and how CATO data can be improved.

Source: [Credit Information Market Study Final Report](#)