

The European Union's Expert Group on Credit Histories

**A brief look at the background to the
work so far, the report, it's flaws, and
what happens next?**

EGCH

- **COMMISSION'S FOREWORD:**
- The Expert Group on Credit Histories was composed of representatives from relevant stakeholders:
- consumers, lenders, credit registers, central banks and data protection authorities. The experts took part in the discussions, the formulation of the recommendations and the drafting of the report.

BUT NOT ALL THE EXPERTS ENDORSE THE REPORT

- The three consumer representatives in the group have decided not to endorse the report !
- For reasons related notably to consumer data protection concerns....

THE EXPERTS?

- Who were they?
- **AARNIO Reijo** Finnish Data Protection Office
- **ASCENZO Maria Pia** Banca d'Italia
- **BRADFORD Mike*** Association of Consumer Credit Information Suppliers (ACCIS)
- **CRIVELLARO Piero*** Association of Consumer Credit Information Suppliers (ACCIS)
- **D'OTTAVIANO-CHIARAMONTI Gregorio**
Findomestic Banca spa

AND ALSO:

- **DUMINA Baiba**** Latvian National Association for Consumer Protection
- **HADLOW John** Fair Isaac Corporation
- **JENTZSCH Nicola** Centre for European Policy Studies (CEPS)
- **KRISPER Boštjan**** Slovene Consumer Association (ZPS)
- **LLOYD Andy** Royal Bank of Scotland (RBS)
- **MARZEC Agnieszka** Polish Credit Information Bureau (BIK)

AND ALSO:

- **MEEL Frans** Union Professionnelle du Crédit/Febelfin
- **METALLINOS Nathalie** Société Générale
- **MIETKE Stephan** Association of German Banks
- **MURAILLE Didier** Banque Nationale de Belgique
- **NERBONNE Sophie** Commission National de l'Informatique et des Libertés (CNIL)
- **Ó TIGHEARNAIGH Séamus** Irish Credit Bureau Ltd
- **PAULI Frank-Christian**** Verbraucherzentrale Bundesverband e.V.

AND FINALLY....

- **SANTILLÁN Ramón** Banco de España
- **TELES DIAS Luís** Banco de Portugal
- **VAN LEEUWEN Sjaak** Dutch Credit Register (BKR)
- * P. Crivellaro replaced M. Bradford on 18 March 2009. Before that Mr Crivellaro participated as ACCIS observer.
- **The three consumer representatives have decided not to endorse the report for reasons related mainly to data protection concerns.

LIMITIED ACCESS TO INFO, ETC

- Some EGCH experts believe that, irrespective of the authorised actors in each country, in accordance with the above mentioned provision of the Consumer Credit Directive, the cross-border data access should be limited to creditors.
- In accordance with Article 9 of the Consumer Credit Directive, accessing relevant databases is instrumental to 'assessing the creditworthiness of consumers' before concluding a credit agreement.

FURTHER LIMITATIONS

- Subjects other than creditors (for example telecom companies) are unlikely to enter into credit agreements as defined by the Consumer Credit Directive, since their contracts generally lack the above-mentioned essential elements. Thus, even if the Consumer Credit Directive does not explicitly exclude utilities providers from the definition of creditors, it contains many elements which clearly indicate that they are not to be considered 'creditors' in the sense adopted by the Directive and should therefore be excluded from cross-border data access.

NON-DISCRIMINATORY?

- In the views of some EGCH experts, in line with the CCD, 'non-discriminatory' access means that creditors from foreign Member States must have access to the local credit register under the same conditions as local creditors. The EGCH however notes that the Consumer Credit Directive applies only to certain types of credit and believes that the principle of non-discriminatory access to databases should be also extended to creditors providing mortgage credit.

OTHER REQUIREMENTS

- Other legal requirements such as the legal obligation to hold a banking licence or to have a physical presence in the country of the credit register could be seen as an obstacle for cross-border credit data exchange!

WHAT CONSULTATION?

- The Commission will now open a consultation phase before deciding on any appropriate follow-up.
- The person responsible for the Expert Group is:
- Mr Jean-Yves MUYLLE, Head of Unit H3 – Retail issues, consumer policy and payment systems, Directorate General for Internal Market and Services, European Commission
- Tel. +32 2 296 7537 markt-egch@ec.europa.eu

WHERE TO GET THE REPORT?

- The full report can be downloaded from:
- http://ec.europa.eu/internal_market/consultations/docs/2009/credit_histories/egch_report_en.pdf