



illion (New Zealand) Limited

Assurance Report

Under Clause 9 of the Credit Reporting Privacy Code for the year ending 30 June 2020

September 2020

666 Great South Road, Penrose, Auckland
illion.co.nz



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1. Introduction

- 1.1. The Credit Reporting Privacy Code 2004 (the **Code**) requires credit reporters to provide a report (the **Report**) to the Office of the Privacy Commissioner (the **OPC**) each year.¹
- 1.2. The report must meet the requirements contained in the code.² The Code requires the report must provide assurance that a credit reporter is compliant with the code and has sufficient assurance mechanisms. These requirements include that the credit reporter has policies in place to comply with the code, it monitors compliance, and where it identifies issues, that it works to resolve those issues.
- 1.3. This Report covers the period from 1 July 2019 to 30 June 2020. It was prepared by an independent person alongside illion (the **Review Committee**).
- 1.4. The Review Committee was formed in compliance with the requirements of the Code.
- 1.5. This report contains confidential information as indicated by square brackets []. It is requested that this specified information is not publicly released and, should any request be made for the information, that it is withheld under the appropriate withholding grounds contained in the Official Information Act, principally s9(2)b and s9(2)ba.
- 1.6. This report contains two parts, the first regards illion's core business activities as a credit reporter, the second relates to illion's relationship with Credit Simple which, it has been publicly announced, was the focus of an inquiry by the Office of the Privacy Commissioner.

2. The Review Committee

- 2.1. The review committee is made up of the following members:
 - Stephen Blyth, Privacy Compliance Officer
 - David Rullmann, GM, Bureau Operations & Customer Integration
 - Kent Newman, as Independent Person.

¹ Clause 9.

² Specifically, the requirements contained in schedules 6.

- 2.2. Information about Mr Kent Newman is set out in Appendix One. Mr Newman is not, and has never been, an employee, director, or owner of illion. He is independent of illion and has had no role in its compliance programme. Aside from his role as Independent Person, for this review, he has never advised or provided services to illion on any matter.
- 2.3. The review committee have followed an agreed process (the **Assurance Procedure**).

3. The Assurance Procedure

- 3.1. This report is intended to provide a high-level but complete assurance review. It sets out statements to the OPC regarding illion's compliance. Referenced policies, procedures, and controls have been sighted, reviewed and compliance is confirmed where applicable.
- 3.2. This Report breaks down the requirements of the Code into the individual components, and the supporting documentation relating to those components. It gives the title of the document(s) containing the policy, procedure or control, and outlines the Independent Person's commentary on illion's compliance with them and the Code.
- 3.3. During the reporting period, the Office of the Privacy Commissioner commenced an inquiry into illion's arrangements with its subsidiary, Credit Simple. **【Following the reporting period, the OPC has provided its report on this matter to illion. It is not the place of an assurance report to arbitrate the views of the OPC and of illion. However, the report found non-compliance with the Code.】**
- 3.4. The position regarding Credit Simple is complicated, and this assurance report does not attempt to usurp the inquiry conducted by the OPC.

4. Summary Assurance

Assurance relating to policies, procedure, controls & subscriber agreements during the reporting period.		
	Assurance Area	Requirement Met
2 (a)	Did illion have policies in place that give effect to the requirements of the Code?	Yes*
2 (aa)	Did illion have policies in place to ensure that any arrangement with a related company accords with clause 5(2) of this Code?	Yes*
2 (b)	Did illion have internal procedures and controls to give effect to the policies and requirements of the Code?	Yes*
2 (bb)	Did illion have appropriate procedures in place to ensure that any information requested under rule 6 is received only by that individual or, where the request is made by an agent on behalf of the individual, only by that individual or his or her agent (such procedures must amongst other things ensure, as far as possible, that where information intended for an individual is received by a properly authorised agent that it is not subject to bundled authorisations for other purposes that would have the purpose or effect of circumventing the code's prohibitions on marketing and direct marketing)?	Yes*
2 (c)	Did illion provide information and training to staff to ensure compliance with the policies, procedures, and controls?	Yes
2 (d)	Did illion ensure subscriber agreements comply with Schedule 3 and are they in place before disclosing credit information?	Yes*
2 (e)	Did illion ensure access agreements under Schedule 3A were in place before disclosing credit information?	Yes*

* Aside from the contents of Part B which illion will address in line with the final report.

Assurance relating to monitoring of policies, procedures, controls and subscriber agreements during the reporting period.		
	Assurance Area	Requirement Met
3 (a)	Did illion monitor that it followed its own policies, procedures and controls?	Yes, with improvement recommended
3 (b)	Did illion monitor that information held by illion was protected by reasonable security safeguards?	Yes
3 (c)	Did illion monitor that it processed information privacy requests in accordance with rules 6 and 7?	Yes
3 (d)	Did illion take such measures as were reasonably practicable to avoid the incorrect matching of information held by the credit reporter?	Yes
3 (e)	Did illion ensure the information held by the credit reporter was subject to reasonable checks to ensure that it was accurate, up to date, complete, relevant and not misleading?	Yes
3 (f)	Did illion ensure reporting and retention of credit information was in accordance with rule 9 and Schedule 1?	Yes
3 (g)	Did illion process direct marketing lists in accordance with Schedule 9?	Not applicable
3 (h)	Did illion process suppression, release or cancellation requests in accordance with Schedule 7?	Yes
3 (i)	Did illion process complaints in accordance with clause 8?	Yes, with improvement recommended
3 (j)	Did illion's website display accurate information giving effect to rules 6(4)(b), 7(4)(b), clause 8(3A) and clause 8.1 of Schedule 7?	Yes
3 (k)	Did illion ensure subscribers complied with agreements and controls?	Yes*
3 (l)	Did illion ensure the intelligence and security agencies complied with any access agreements and controls?	Not applicable for this period
3 (m)	Did illion ensure the requirements on both the subscribers and the credit reporter under Schedule 10 in relation to tracing individuals were met?	Not applicable for this period

* Aside from the contents of Part B which illion will address in line with the final report.

5. Part A: Specific assurance concerning illion's core business activity

- 5.1. illion's core business activities are compliant with the code and assurance activities exist to monitor code compliance. Except for the matters discussed in Part B, illion has appropriate policies and procedures in place and monitors those effectively. Staff interviewed demonstrated significant motivation to do the right thing, complete training and follow corporate policies.
- 5.2. Sophisticated matching processes enable illion to readily identify queried credit reports and to accurately disclose those to credit providers where appropriate. An inherent tension exists between providing complete information and not matching inaccurately matched information—illion uses sophisticated technology to manage this tension.
- 5.3. As noted above in the table, improvement is recommended to the documentation of the monitoring practices at illion. Whilst interviews supported good practices at an individual incident or complaint level, a potential shortcoming exists around the documentation of the monitoring practices. It is intended that the recommended documentation, as contemplated, would enhance the consistency of process and illion's capacity to identify any concerns early and action these, as necessary.
- 5.4. It is also recommended that improvements are made to illion's complaint management. The policy is designed to meet Standards for Complaints Handling AS/NZS 10002:2014. However, the complaint function focuses on escalated complaints (rather than recording concerns early in the complaint process) and is based on tools which are not specifically designed for complaint management. Therefore, the software does not support modern best practice regarding complaint recording and reporting.
- 5.5. The following specific assurance is provided to cover all activities other than those contained in the following section "Part B - illion's relationship with Credit Simple".

Schedule 6 clause 2: Assurances relating to policies, procedures, controls & subscriber agreements				
	Assurance Area	Relevant Documentation	Requirement Met	Commentary
2 (a)	Did illion have policies in place that give effect to the requirements of the Code?	<ul style="list-style-type: none"> • Code of Conduct • Mandatory Training • IT Security Policy • Bureau (Credit Reporter) Access Policy • Employment Agreements • Public Access Centre Procedures Matrix 	Yes*	<p>Regarding its core business, illion has policies and procedures to give effect to the code.</p> <p>Every staff member must complete mandatory training, agree to respect privacy in their employment agreements, and is reminded of their obligations every time that they log in to an illion account.</p> <p>The Public Access Centre Procedures Matrix allows consumers to access their credit reports. It contains detailed instructions and procedures covering access, correction, suppression, release, and cancellation.</p>
2 (aa)	Did illion have policies in place to ensure that any arrangement with a related company accords with clause 5(2) of this Code?	<ul style="list-style-type: none"> • Product Schedule 	Yes*	<p>All customer onboarding is reviewed with consideration of compliance with the Code.</p> <p>Ongoing monitoring is regularly completed to ensure compliance and that usage is consistent with the original purpose.</p>

* Aside from the contents of Part B which illion will address in line with the final report.

Schedule 6 clause 2: Assurances relating to policies, procedures, controls & subscriber agreements				
	Assurance Area	Relevant Documentation	Requirement Met	Commentary
2 (b)	Did illion have internal procedures and controls to give effect to the policies and requirements of the Code?	<ul style="list-style-type: none"> • Public Access Centre Procedures Matrix • Privacy Breach Response Plan • Information Security Policy 	Yes*	<p>The Public Access Centre Procedures Matrix PAC Matrix contains not only policies and procedures but the effects of non-compliance, and necessary procedures to follow for identified issues.</p> <p>illion has an Information Security Policy to maintain security of information, and it has a Privacy Breach Response Plan which supports the identification, management and remediation of privacy breaches where they do occur.</p>

* Aside from the contents of Part B which illion will address in line with the final report.

Schedule 6 clause 2: Assurances relating to policies, procedures, controls & subscriber agreements				
	Assurance Area	Relevant Documentation	Requirement Met	Commentary
2 (bb)	Did illion have appropriate procedures in place to ensure that any information requested under rule 6 is received only by that individual or, where the request is made by an agent on behalf of the individual, only by that individual or his or her agent (such procedures must amongst other things ensure, as far as possible, that where information intended for an individual is received by a properly authorised agent that it is not subject to bundled authorisations for other purposes that would have the purpose or effect of circumventing the code's prohibitions on marketing and direct marketing)?	<ul style="list-style-type: none"> Public Access Centre Procedures Matrix 	Yes*	Automated systems ensure consistent practice around most access requests. Manual requests are processed according to the Public Access Centre Procedures Matrix which contains relevant procedures, but also the effects of non-compliance, and necessary procedures to follow for identified issues.
2 (c)	Did illion provide information and training to staff to ensure compliance with the policies, procedures, and controls?	<ul style="list-style-type: none"> Mandatory Training 	Yes	All employees are required to undertake mandatory training and refresh it yearly. Non-compliance is monitored. All staff interviewed had completed mandatory training and spoke to frequent reminders about the importance of privacy and compliance training.

* Aside from the contents of Part B which illion will address in line with the final report.

Schedule 6 clause 2: Assurances relating to policies, procedures, controls & subscriber agreements				
	Assurance Area	Relevant Documentation	Requirement Met	Commentary
2 (d)	Did illion ensure subscriber agreements comply with Schedule 3 and are they in place before disclosing credit information?	<ul style="list-style-type: none"> • Standard Terms and Conditions • Credit Reporting Offering 	Yes*	<p>illion’s standard terms and conditions and its credit reporting offering together comprise its subscriber agreement. They have been drafted to maintain compliance and to give effect to the code.</p> <p>Customer can only gain access by agreeing to a subscriber agreement.</p>
2 (e)	Did illion ensure access agreements under Schedule 3A were in place before disclosing credit information?	<ul style="list-style-type: none"> • Master Agreement within the credit reporting services product module 	Yes*	<p>Customers are only allowed access once they have agreed to the Subscriber Agreement. Code aspects of these terms and conditions remain non-negotiable.</p>

* Aside from the contents of Part B which illion will address in line with the final report.

Schedule 6 clause 3: Assurances relating to monitoring of policies, procedures, controls and subscriber agreements				
	Assurance Area	Relevant Documentation	Requirement Met	Commentary
3 (a)	Did illion monitor that it followed its own policies, procedures and controls?	<ul style="list-style-type: none"> • Public Access Centre Procedures Matrix • Privacy Breach Response Plan • Information Security Policy 	Yes, with improvement recommended	<p>Privacy is core to illion’s business and therefore, maintaining privacy and its own policies is critical. Staff’s compliance with policies and procedures are monitored and access logs are reviewed.</p> <p>Staff have good practices regarding identifying and address any privacy issues, it was noted that they were primarily focussed on escalation rather than referring to policy document.</p> <p><u>Improvement recommended:</u> illion would benefit from documenting its monitoring program to ensure it is consistently applied.</p>

Schedule 6 clause 3: Assurances relating to monitoring of policies, procedures, controls and subscriber agreements				
	Assurance Area	Relevant Documentation	Requirement Met	Commentary
3 (b)	Did illion monitor that information held by illion was protected by reasonable security safeguards?	<ul style="list-style-type: none"> • Information Security Policy • Public Access Centre Procedures Matrix 	Yes	<p>Security of information is also key to illion's business. illion's security framework and policies are aligned with ISO 27001. Its policies and procedures mitigate risk around the loss, misuse, unauthorised access, disclosure, alteration and destruction of personal information.</p> <p>illion aligns with the Quality Standard - AS/NZS ISO9001:2008.</p> <p>The Public Access Centre Procedures Matrix and various policies and procedures all support the security of information.</p> <p>Security training is mandatory for all employees. The training must be completed yearly.</p> <p>Staff are reminded of their security obligations in compliance training and every time they log into their computer.</p>
3 (c)	Did illion monitor that it processed information privacy requests in accordance with rules 6 and 7?	<ul style="list-style-type: none"> • Public Access Centre Procedures Matrix 	Yes	<p>As noted above, the Public Access Centre Procedures Matrix contains detailed procedures. Registers are maintained of requests and outcomes. Adherence to the Public Access Centre Procedures Matrix is monitored and the outcomes of decisions are monitored in registers.</p>

Schedule 6 clause 3: Assurances relating to monitoring of policies, procedures, controls and subscriber agreements				
	Assurance Area	Relevant Documentation	Requirement Met	Commentary
3 (d)	Did illion take such measures as were reasonably practicable to avoid the incorrect matching of information held by the credit reporter?	<ul style="list-style-type: none"> Public Access Centre Procedures Matrix 	Yes	<p>illion uses sophisticated rank and match techniques to match information. Matching information is illion's core business.</p> <p>These techniques balance the inherent tension between providing accurate matches yet complete and accurate information.</p>
3 (e)	Did illion ensure the information held by the credit reporter was subject to reasonable checks to ensure that it was accurate, up to date, complete, relevant and not misleading?	<ul style="list-style-type: none"> Public Access Centre Procedures Matrix 	Yes	<p>illion uses sophisticated rank and match techniques to match information. Matching information is illion's core business.</p> <p>These techniques balance the inherent tension between providing accurate matches yet complete and accurate information.</p>
3 (f)	Did illion ensure reporting and retention of credit information was in accordance with rule 9 and Schedule 1?	<ul style="list-style-type: none"> System software 	Yes	<p>illion's core systems automatically dispose of records according to automated rules that are established in accordance with the Code requirements.</p>
3 (g)	Did illion process direct marketing lists in accordance with Schedule 9?	Not applicable illion did not have any dealing with direct marketing lists during the reporting period.		

Schedule 6 clause 3: Assurances relating to monitoring of policies, procedures, controls and subscriber agreements				
	Assurance Area	Relevant Documentation	Requirement Met	Commentary
3 (h)	Did illion process suppression, release or cancellation requests in accordance with Schedule 7?	<ul style="list-style-type: none"> Public Access Centre Procedures Matrix 	Yes	The Public Access Centre Procedures Matrix has detailed procedures for dealing with suppression requests.
3 (i)	Did illion process complaints in accordance with clause 8?	<ul style="list-style-type: none"> Complaint Handling Procedure. 	Yes with improvement recommended	<p>illion has a sophisticated complaint handling procedure, aligned with the Standards for Complaints Handling AS/NZS 10002:2014. Its website has clear instructions for making a complaint.</p> <p>All escalated complaints are registered and reviewed for systemic themes and whether they reveal broader issues.</p> <p><u>Improvement recommended:</u></p> <p>It is recommended that illion moves towards recording of, and tracking complaints earlier in their lifecycle. This would allow early identification of any recurring issues. This could be improved by the use of dedicated, fit for purpose tools to monitor and manage complaints and escalation pathways.</p>
3 (j)	Did illion's website display accurate information that gave effect to rules 6(4)(b), 7(4)(b), clause 8(3A) and clause 8.1 of Schedule 7?	<ul style="list-style-type: none"> illion.co.nz 	Yes	illion's website illion.co.nz displays accurate information.

Schedule 6 clause 3: Assurances relating to monitoring of policies, procedures, controls and subscriber agreements				
	Assurance Area	Relevant Documentation	Requirement Met	Commentary
3 (k)	Did illion ensure subscribers complied with agreements and controls?		Yes*	When new customers are onboarded product profiles are established. illion frequently reviews that a customer's usage matches their declared use case and product profile. illion also monitors complaints for any trends or non-compliance.
3 (l)	Did illion ensure the intelligence and security agencies complied with any access agreements and controls?	Not applicable during the reporting period.		
3 (m)	Did illion ensure the requirements on both the subscribers and the credit reporter under Schedule 10 in relation to tracing individuals were met?	Not applicable during the reporting period.		

* Aside from the contents of Part B where illion will address in line with the final report.

Schedule 6 clause 4: Assurances relating to action taken on deficiencies identified in last year's report.			
	Assurance Area	Response	Commentary
6 (a)	Did illion identify any breaches of an agreement, policy, procedure, control, or requirement of the code during its systematic reviews, monitoring activities or as a result of a complaint and then investigate that breach and where appropriate, take prompt remedial action?	Yes	The Privacy Compliance Officer reviews and analyses all escalated complaints regularly to identify and rectify any systemic and recurring problems. [illion has actively worked with the OPC in relation to the matters contained in Part B.]
6 (b)	Did illion, where a deficiency was identified in the previous year's report, take, where appropriate, prompt remedial action?	Not applicable, as no deficits were identified.	

6. Part B: illion's relationship with Credit Simple

The relationship of Credit Simple with illion

- 6.1. [Credit Simple is a related company of illion. Both illion and Credit Simple are ultimately owned by Credit Data Solutions Pty Ltd. Under Amendment 14 of the Code a credit reporter may not be involved in an arrangement with a related party where the purpose or effect of the arrangement is to circumvent the application of the Code or where the purpose or effect of the arrangement is to disclose credit information that would breach the code if the credit reporter had directly used or disclosed the information.
- 6.2. On the 8 October 2019 the OPC initiated an inquiry into whether illion, and its subsidiary Credit Simple, were complying with the Code, in particular the prohibitions on related company activities. The terms of reference for the inquiry provided that the OPC was concerned the following activities by illion/ Credit Simple could amount to potential breaches of the Code:
- 6.2.1 "Credit Simple appears to be marketing both credit and non-credit products to Credit Simple users. We consider that due to its relationship with Credit Simple, illion may be using Credit Simple to circumvent the Code requirements for marketing purposes for both credit and non-credit products.
 - 6.2.2 If Credit Simple is a 'related company' to illion, the current Credit Simple registration process could amount to 'bundling' under rule 4(2) of the Code.
 - 6.2.3 Credit Simple users are being offered credit products despite opting out of receiving such offers.
 - 6.2.4 Credit Simple user credit scores are available for the preceding six months. If Credit Simple is sourcing credit scores directly from illion and Credit Simple is a 'related company' to illion, then illion may be in breach of schedule 1 of the Code for reporting beyond the maximum reporting period (of 2 days)."
- 6.3. On the 9 July 2020 the OPC provided a draft report into its inquiry into the arrangements between illion and Credit Simple inviting comments from illion.
- 6.4. On 10 August 2020 illion provided its comments on the draft inquiry report to the OPC including actions that had been, and were being immediately taken, in response to the draft report. illion also sought clarification from the OPC in relation to certain matters raised in the draft report.



- 6.5. On 18 August 2020 illion provided clarification and additional information to the OPC on the steps that had been taken by illion in response to draft report.
- 6.6. On 11 September 2020 the OPC provided its final report to illion. The report concludes illion breached its obligations under the Code, in particular clause 5(2), rules 4(2), 10(1B) and 11(3)(b).
- 6.7. illion has accepted the findings of the final report.

Conclusion of part B

- 6.8. At time of writing it is noted that the OPC has only recently supplied its final report.
- 6.9. It is not the purpose of this Assurance Report to pre-empt the conclusion of the OPC on its inquiry into illion and its arrangements with Credit Simple.
- 6.10. It is anticipated that illion will address the recommendations and findings given by the OPC in its final report and these will be reflected in the 2020/21 Assurance Report.】



Appendix One:

Kent is a Principal Consultant for TwoBlackLabs, specialising in Privacy. He has worked in privacy both in-house and externally, as a consultant. He is one of New Zealand's leading privacy professionals, having obtained the accreditation of Fellow of Information Privacy with the International Association of Privacy Professionals. He holds degrees in law and criminology, and has completed a Master of Law, focusing on Privacy.

He also holds accreditation in European data protection and privacy programme management.