

CENTRIX GROUP LIMITED

**ASSURANCE REPORT TO
THE PRIVACY COMMISSIONER**

**FOR THE PERIOD
1 JULY 2015 TO 30 JUNE 2016**

**In accordance with Clause 9 and Schedule 6 of the
Credit Reporting Privacy Code 2004**

1 Purpose of Assurance Report

Centrix Group Limited ("Centrix") is a credit reporter for the purposes of the Credit Reporting Privacy Code 2004 ("Code"). This report is provided to the Privacy Commissioner as required by Clause 9 of the Code. This Assurance Report has been prepared by a review committee established by Centrix for the purpose of preparing this report for the period 1 July 2015 to 30 June 2016 ("Review Committee"). This Assurance Report contains information that Centrix considers should not be made public and this is indicated by brackets [] and this information is provided separately in Schedule 3. We respectfully request that the information in Schedule 3 not be made public. We ask that the Office of the Privacy Commissioner withhold disclosure of the information contained in Schedule 3 where any Official Information Act 1982 request is made (under sections 6(c), 9(b) and/or 9(k) of that Act). We ask that if the Office considers that any of this information should be made public that Centrix is given a reasonable opportunity to present the reasons in support of withholding the information, before the information is made public.

2 Review Committee

2.1 *Members of the Review Committee*

Keith McLaughlin (Chairman), Managing Director, Centrix Group Ltd
Mark Rowley, Executive Director, Centrix Group Ltd
Bill Coleman, Operations Manager, Centrix Group Ltd
Janine Jackson, independent person

2.2 *Independent Person*

Information about Mrs Janine Jackson's relevant experience and expertise is set out in Schedule 1, including her expertise in relation to matters of compliance with the Code.

Mrs Jackson is not (and never has been) an employee, director, or owner of Centrix.

Mrs Jackson does not only meet the "independent person" definition in the Code, she is also independent of the matters that are required to be reviewed in this process. Mrs Jackson has never been involved in the establishment, implementation or monitoring of Centrix' Code compliance programme, nor has she ever advised or provided services to Centrix on any matter relating to Code compliance (except as an independent person on the Review Committee).

Other than being the independent person on the Review Committee for Centrix' Assurance Reports for 2012 to 2015 and for this Assurance Report, Mrs Jackson does not provide (and never has provided) any services to Centrix.

3 Summary of review process and method followed by Committee

3.1 Role of the Credit Reporting Privacy Code Compliance Committee

In order to provide a summary of the review process and method followed by the Committee, the role of Centrix Credit Reporting Code Compliance Committee ("Compliance Committee") needs to be explained.

The Compliance Committee is a permanent Committee established by Centrix to oversee Centrix' compliance with the Code. In carrying out this role, the Committee undertakes a number of Code compliance tasks. Some of these tasks include:

- a) Sets all policies, procedures and forms that are required by the Code.
- b) Sets the scheduled Code monitoring activities to be undertaken (for example, type of monitoring, frequency and number of subscribers/enquiries).
- c) Reviews the policies and procedures formally at least annually and also where an event occurs that requires a review (for example a change to the Code or an operational issue has arisen).
- d) Reviews all the results of the scheduled Code compliance monitoring undertaken and any action taken as a result of the monitoring and decides whether the action taken is appropriate in terms of Code compliance.
- e) Reviews the Code Compliance Report (see below for more details on the Code Compliance Report).
- f) Reviews any Code complaints received.
- g) Reviews a summary of the Corrections Register.
- h) If appropriate as a result of the reviews undertaken in d) to g) above, sets any additional action to be taken in relation to that matter and/or an amendment to the relevant policy or procedure and follows up to ensure completed.
- i) Sets the staff training programme and monitors this.
- j) Sets the general Code compliance schedule (for example, general compliance communications to subscribers).
- k) Considers the staff access privileges to the consumer Bureau.

This Committee meets regularly to review Code compliance matters.

3.2 Code Compliance Report

A Code Compliance Report was prepared prior to each meeting for the period under review. Each report included the following:

- a) The scheduled monitoring undertaken and the outcome of the monitoring;
- b) Details of any Code complaints received;
- c) Details of any incorrect matching;
- d) Details of any actions taken in relation to Code matters.

3.3 Compliance Committee meetings

For the period under review the Compliance Committee met 3 times. [1]

The Compliance Committee received a Compliance Report for each meeting (along with all supporting documentation evidencing the monitoring) and any other relevant papers that had been prepared. The report was considered and discussed at a meeting of the Committee. Minutes of every Compliance Committee meeting were taken.

All Compliance Committee agendas, meeting minutes, Compliance Reports and all papers presented to the Committee for the relevant period were reviewed as part of the process for the Assurance Report.

3.4 *Process and framework for the Assurance Report*

A process and framework was prepared that noted each assurance sought and in relation to each assurance detailed:

- a) The reviews to be undertaken;
- b) The personnel involved in the reviews;
- c) The reviews that would be undertaken by Mrs Jackson independently from the other Committee members;
- d) All the documentation to be reviewed.

This was a fluid document. As the reviews proceeded, additional information was sought and at times this led to other matters needing to be reviewed. The Review Committee considered it was important that during the process the scope of the reviews and the information to be considered could be widened so that all relevant matters were reviewed in the preparation of this report.

A summary of what was reviewed is set out Schedule 2. Mrs Jackson independently reviewed all this information.

Mrs Jackson had access to any staff member and all information she considered was necessary to complete her reviews.

Mrs Jackson either interviewed or communicated with the following people during the process: Keith McLaughlin, Mark Rowley, Bill Coleman, the Chief Technology Officer, and the person responsible for the Help Desk.

4. Reasonable Assurances

Having completed the review, Centrix provides the following reasonable assurances for the period 1 June 2015 to 30 June 2016 ("Period").

Reasonable Assurance Centrix had policies in place that give effect to the requirements of the Code
CI 2(a)

Centrix has a number of policies designed specifically to give effect to the requirements of the Code, as well as some general employment policies that are also relevant to Code compliance. These policies are reviewed on a regular basis including an annual formal review – for example, when there are amendments to the Code or an amendment is required due to operational matters or a strategic decision. During the Period the following policies underwent a significant review:

1. Get My Credit Report, Your Credit File and Phone Queries;
2. Legislative Compliance with New Product Development and Modifications or Enhancements to Current Products; and
3. "Information Security" was replaced with "Information Use and Security" and "Internet Use and Communications" policies.

In addition it was determined Centrix had been including Property Ownership information within a Consumers Credit Report and based on discussions with the OPC, this practice has been stopped to ensure the contents of the Consumer Credit Report only contains permitted credit information.

Based on a review of the Code and the policies in place, the Review Committee gives this assurance.

Reasonable Assurance Centrix had internal procedures and controls in place to give effect to the policies and requirements of the Code.
CI 2(b)

Centrix had a number of internal procedures and controls in place during the Period to give effect to the policies and requirements of the Code. Some examples are:

- a) The subscriber sign up process. Only certain roles in the organisation have the authority to give a subscriber access and a number of steps must be completed before a subscriber is given access to the bureau.
- b) Providing people access to their credit information. Only certain roles in the organisation have the authority to provide access. There is a clear stepped process that is followed before access to credit information is given.
- c) Staff access rights and changes rights to credit information are based on the duties undertaken by the staff, and were reviewed during the Period.
- d) The formal compliance monitoring procedures.

All staff are required to comply with the policies, procedures and controls (as part of their employment agreement/contractor agreement) and annual training and refresher courses are completed.

During the Period the Information Security policy and procedures underwent a significant review resulting in updated policies being implemented.

Based on a review of the policies, internal procedures and controls, the Review Committee gives this assurance.

Reasonable Centrix provided information and training to its staff to ensure Assurance compliance with the policies, procedures and controls.
CI 2(c)

Refresher training on the Code policies, procedures and controls was undertaken during the Period.

Any new staff were inducted on the Code policies, procedures and controls before they undertook any relevant Code duties.

All staff are made aware that Centrix handles sensitive personal information and of the potential repercussions (both to the person whose personal information Centrix holds and the staff member) if the policies, procedures and controls are not met.

Based on this and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Centrix ensured that subscriber agreements that complied with Assurance Schedule 3 were in place before disclosing credit information.
CI 2(d)

Centrix' standard subscriber agreements contained Schedule 3 obligations. The subscriber agreement is entered into by the subscriber by either signing the agreement or if using the on-line process, by confirming they agree to the terms and conditions.

All the signed subscriber agreements selected as part of the review contained Schedule 3 obligations. The internal processes require the subscriber to agree to the terms and conditions of the subscriber agreement before a subscriber is given access to the bureau.

The majority of subscribers sign up on-line. The on-line sign up process requires the subscriber to scroll through the subscriber agreement and tick a box confirming they agree to the terms and conditions. An applicant cannot move to the next step in the on-line sign up process if the box is not ticked.

Based on the monitoring undertaken by Centrix during the Period for compliance with this requirement and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance CI 3(a) Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix followed its own policies, procedures and controls.

Regular scheduled monitoring for Code compliance and Centrix policies, procedures and controls was undertaken during the Period. This was documented and reviewed by the Code Compliance Committee.

See also Reasonable Assurances CI 2(d), 3(b), 3(c), 3(d), 3(e), 3(f), 3(h), 3(i), 3(j), 3(k).

Based on the monitoring undertaken by Centrix during the Period for compliance with this requirement, and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance CI 3(b) Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that the information held by Centrix was protected by reasonable security safeguards.

Centrix has security policies and procedures in place to ensure the credit information it holds is protected by reasonable security safeguards. Access to credit information is restricted and monitored. Compliance with the policies and procedures are monitored and reviewed by the Compliance Committee. As previously reported under Reasonable Assurance CI 2(a) the Information Security policy and procedures were reviewed and updated during the Period.

Based on the monitoring undertaken by Centrix during the Period and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance CI 3(c) Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix processed information privacy requests in accordance with rules 6 and 7.

Each quarter, monitoring for compliance with Rule 6 (access to credit information) takes place and the outcome of the monitoring is reviewed by the Compliance Committee.

All requests for correction of information are recorded on a Register. Each quarter, monitoring for compliance with Rule 7 (correction requests) takes place and the outcome of the monitoring is reviewed by the Compliance Committee.

The majority of requests for correction of credit information related to default information and in most cases, after Centrix had completed its investigation, the information was corrected in accordance with the request.

Based on the monitoring undertaken by Centrix during the Period for compliance with Rules 6 and 7 and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix took such measures as were reasonably practicable to avoid the incorrect matching of information held by Centrix.

CI 3(d)

Centrix has detailed processes and business rules for matching credit information. These are all automated. When an incorrect match is identified, it is immediately reviewed by Management to ensure it is not a systemic issue. The Compliance Committee regularly reviews any known instances of incorrect matching occurring in the preceding quarter.

Centrix considers people are the best “auditors” of their own information. During the Period, on average, Centrix received over 100 access requests a day.

At the end of year, the Compliance Committee reviewed the Registers recording correction requests, incorrect matching, any complaints and any other issues raised for the purpose of identifying any matter that may have arisen from incorrect matching.

Based on the very small number of known instances of incorrect matching [2], the monitoring undertaken by Centrix during the Period for compliance with this requirement, and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that the information held by Centrix was subject to reasonable checks to ensure that it was accurate, up to date, complete, relevant and not misleading.

CI 3(e)

Scheduled quarterly, subscriber monitoring checks the accuracy of credit information provided by subscribers that are monitored.

People requesting access to their credit information are the best “auditors” of the credit information held by Centrix. At the end of year, the Compliance Committee reviewed all requests for corrections to credit information and the outcome of those requests.

Based on the low level of corrections made to information during the Period, the monitoring undertaken by Centrix during the Period for compliance with this requirement, and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance CI 3(f) Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix' reporting and retention of credit information was in accordance with rule 9 and Schedule 1

Centrix has automated processes in place that results in:

1. Credit information no longer being reported once the maximum reporting period has been reached;
2. Credit information being deleted before it reaches the maximum retention period.

On a daily basis our Helpdesk reviews credit reports and that includes a review of the reporting and deletion periods as they relate to the information on the credit report.

Based on the automated processes Centrix has in place, the monitoring undertaken by Centrix during the Period for compliance with the maximum reporting and retention periods and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance CI 3(g) Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix processed direct marketing lists in accordance with rule 10(1C).

Not applicable.

Reasonable Assurance CI 3(h) Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix processed suppression, release or cancellation requests in accordance with Schedule 7.

Each quarter, monitoring for compliance with Schedule 7 (suppression process) takes place and the outcome of the monitoring is reviewed by the Compliance Committee.

[3]

Based on the monitoring undertaken by Centrix during the Period for compliance with Schedule 7 and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance CI 3(i) Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix processed complaints in accordance with Clause 8.

[4]

Based on the monitoring undertaken by Centrix during the Period for compliance with Clause 8 and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance CI 3(j) Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that Centrix' website displayed accurate information that gave effect to rules 6(4)(b), 7(4)(b) and clause 8(3A) and clause 8.1 of Schedule 7.

The website displayed all the required information (www.centrix.co.nz).

Based on the review undertaken for this assurance, the Review Committee gives this assurance.

Reasonable Assurance CI 3(k) Centrix undertook monitoring activities to ensure reasonable compliance with the Code, including that subscribers complied with agreements and controls.

Every quarter, scheduled monitoring took place of randomly selected subscribers to check subscribers' compliance with the Schedule 3 Code obligations and controls. The outcome of the monitoring and any actions taken were reviewed by the Compliance Committee. Centrix also checks subscriber compliance as part of usual business operations (for example, a business may make an enquiry about Centrix' credit reports and the issue of whether the business has the appropriate consents in place is considered).

Based on the monitoring undertaken by Centrix during the Period for subscribers' compliance and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance Centrix undertook monitoring activities to ensure that where clause 4.1 applies, Centrix complied with clause 4.2 (Credit account information).
Sch8 CI 6.1

During the Period, Centrix collected comprehensive credit information for the purpose of credit reporting from externally regulated credit providers and retail energy suppliers. [5]

Based on a review of the process undertaken by Centrix before the uploading of the information and the relevant documentation, the Review Committee gives this assurance.

Reasonable Assurance Where during Centrix systematic reviews, monitoring activities or as a result of a complaint, Centrix identified a breach of an agreement, policy, procedure, control or requirement of the Code, Centrix investigated that breach, and where appropriate, took prompt remedial action.
CI 4(a)

At its regular meetings, the Compliance Committee considers any identified breaches of agreements, policy, procedure, control or requirement of the Code, and the investigation undertaken and any actions taken.

Centrix has during the Period had cause to suspend a subscriber's access to the bureau for failing to co-operate in making changes to their processes so that they comply with the Code obligations in the subscriber agreement.

Based on the investigations and actions undertaken during the Period and the review undertaken for this Assurance Report, the Review Committee gives this assurance.

Reasonable Assurance Where a deficiency was identified in the previous year's report, Centrix, where appropriate, took prompt remedial action.
CI 4(b)

Not applicable.

5 Additional Information Sought From the Privacy Commissioner

Question 1: Could you please elaborate on how you handle credit non-compliance action? For example:

- 1. Where a subscriber has listed credit non-compliance action, how do you monitor the updating of that information in the 3-6 month period?**
- 2. If not updated within 6 months is the information automatically removed?**

Centrix does not collect credit non-compliance action information.

Question 2: We carried out spot checks on access requests last year and we would be interested in your feedback on that. In particular:

- 1. Have your policies or procedures been reviewed since the checks were carried out?**
- 2. Have any changes been made to the processing of access requests?**
- 3. Do you have any additional comments regarding the spot check process?**

The Spot Checks on Credit Reporter Compliance with Access Requirements June – October 2015 said:

“Credit reporters must ensure they have appropriate processes in place for dealing with requests made through offline channels. Feedback given by people participating in this spot check mentioned the need for credit reporters to provide information on how to make offline access requests.”

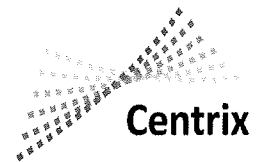
Centrix has reviewed its procedures on access requests and the information provided to individuals on how offline requests can be made. This included what information is given to individuals about offline access requests and we made some minor changes to the information that is being provided over the phone.

There have been no changes to how access requests are processed.

[6]

The report identified that during the spot checks Centrix was not providing the transcript information to the codified repayment history information. This had been remedied before Centrix was made aware of this by the Office of the Privacy Commissioner. Although not in direct response to the OPC spot check report, during the reporting period, Centrix reviewed its policies and procedures and put in place additional compliance review steps when any operational changes are made to the collection, use and disclosure of credit information.

Centrix provided detailed comments to the OPC on the spot check process at the time the OPC advised Centrix that it had undertaken a mystery shopping exercise on access requests. At all times, Centrix welcomes feedback on how it is handling access requests and in general its compliance with the Code.



Question 3: Requests by government agencies for personal information was an issue highlighted in the transparency reporting trial we carried out last year. We would be interested in hearing about the systems you have in place for monitoring access to credit information by government agencies and ensuring such access complies with the requirements of the Code.

Most of Centrix' subscribers apply to become a subscriber via an on-line application system. Part of that process requires the applicant to state the reasons for access to the consumer credit bureau. A list of reasons is given for the applicant to indicate which one(s) apply (these are permitted reasons under the Code). However, not all of the permitted reasons are given and in particular, those reasons permitted under Rule 11 (2)(c) are not listed as reasons in the on-line subscriber sign up process.

If an applicant wishes to access the bureau for any of these special reasons, they must do so by contacting Centrix whereby Centrix then carries out its due diligence in relation to why the applicant would want access under these exceptions.

[7]

During the course of the reporting period, Centrix reviewed its policies and procedures on giving access to credit information under Rule 11(2)(c). Centrix is still working through this review and expects to have the review and any required actions to be completed by October 2016.

Dated ~~20~~ September 2016

A handwritten signature in black ink, appearing to read "Keith McLaughlin", is written over a horizontal dotted line.

Keith McLaughlin
Managing Director and
Chairman Review Committee

Schedule 1

Mrs Jackson was employed by Baycorp (now known as Veda) for a period of over 16 years, with most of that time being involved in some way in the operations of the New Zealand credit bureau. Mrs Jackson held a number of roles at Baycorp, including Privacy Officer and Operations Manager of the credit bureau. Whilst this experience was prior to the introduction of the Credit Reporting Privacy Code 2004 ("Code"), the credit bureau was required to comply with the Privacy Act 1993, which required Mrs Jackson to understand and ensure the bureau complied with the Information Privacy Principles. During this period, Mrs Jackson established the first Privacy Department in the Baycorp credit bureau operations, which increased consumer awareness and minimised complaints through implementing policies and processes. Mrs Jackson was also responsible for managing and resolving consumer complaints regarding privacy issues and liaising with the Office of the Privacy Commissioner regarding complaints.

During 2004 – 2005, Mrs Jackson was responsible for project managing all business related activities of the project undertaken by Baycorp to ensure it was ready for compliance with the introduction of the Code. Mrs Jackson was Baycorp's 'trusted advisor' who was instrumental in liaising and advising directly with the credit bureau subscribers to ensure the bureau and the subscribers had implemented the necessary processes and procedures to meet the requirements of the Code. This included (but was not limited to) a review and implementation of a consumer complaints procedure, carrying out a national 'roadshow' advising all subscribers of the Code requirements and a review of personal information data matching rules.

In addition to Mrs Jackson's previous experiences in the operations of a New Zealand credit bureau and complying with the Privacy Act, including the Code, Mrs Jackson has significant experience in IT and HR audit, risk and compliance in other financial industries. Mrs Jackson is currently employed by Vero New Zealand Ltd as an Executive Manager - People Solutions and Partnering, and held a prior role with Vero as Executive Manager - Support Services. Part of her responsibilities have included being accountable for New Zealand IT audit, risk and compliance, including IT security and IT policies for all New Zealand Suncorp Group entities. Now in her role with the human resources (HR) department, she is also responsible for privacy of information and compliance and standards of outsourcing partners. She has been active in participating in all internal audits, along with the annual external audit reviews completed by KPMG and the Australian Prudential Regulation Authority, to provide evidence and assurances that the Group IT and HR security and policies are in place, effective and being followed.

Mrs Jackson not only has experience in Code compliance, but also has significant experience in undertaking audits in the insurance industry according to the applicable New Zealand and Australian regulations.

**Schedule 2
Summary of Information Reviewed**

Information	Assurances
The Code policies Centrix has in place as required by the Code. This included Mrs Jackson working through each Code policy and considering the internal procedures and controls required to give effect to the Code policy and requirements.	CI 2(a)
The internal procedures and controls Centrix has in place to give effect to the Code (for example bureau access and change rights, password controls and access log procedures).	CI 2(b)
The Code information, policies and the training undertaken by staff during the period under review and the staff acknowledgement forms.	CI 2(c)
The standard subscriber agreements in place during the period under review.	CI 2(d)
The subscriber on-line sign up processes.	CI 2(a), (b)
Application for Get My Credit Report (request for access to credit information) and request for correction of information and reviewed the process that was followed.	CI 2(a), (b)
Application for suppression request and reviewed the process that was followed.	CI 2(a), (b)
Information security policies, procedures and reports.	CI 2(a), (b)
Correction Requests Register, Incorrect Matching Register, Code Complaint's correspondence.	CI 2(a), (b)
Credit account information procedures prior to upload	CI 2(a), (b), Sch 8 CI 6.1
Centrix' website.	CI 3(j)
Compliance monitoring procedures.	CI 2(a), 2(b) CI 3(a), 3(b), 3(c), 3(d), 3(e), 3(f), 3(h), 3(i), 3(j), 3(k) Sch 8 CI 6.1, CI 4(a)
Scheduled monitoring undertaken during the period.	CI 2(a), 2(b) CI 3(a), 3(b), 3(c), 3(d), 3(e), 3(f), 3(h), 3(i), 3(j), 3(k), Sch 8 CI 6.1, CI 4(a)
All Compliance Committee papers, meeting minutes, Compliance Reports, Correction Requests Register, Incorrect Matching Register, Code Complaint's correspondence.	CI 2(a), 2(b) CI 3(a), 3(b), 3(c), 3(d), 3(e), 3(f), 3(h), 3(i), 3(j), 3(k), Sch 8 CI 6.1, CI 4(a)