

# Veda Assurance Report

For the year ended 30 June 2016

30 September 2016

## Contents

1. Executive Overview .....	3
2. Executive Summary.....	4
2.1 Introduction .....	4
2.2 Veda’s approach to regulatory compliance.....	5
3. Assurance Report for the year ended 30 June 2016.....	6
3.1 Assurance Report and Topics of Interest.....	6
3.2 Clause 9 Code requirements.....	7
4. Review approach and methodology.....	20
4.1 Veda’s approach to assurance reporting.....	20
4.2 Review methodology .....	20
5. Topics of Interest .....	21
5.1 Credit Non-compliance action .....	21
5.2 Spot checks on access requests .....	22
5.3 Access by government agencies .....	24

## 1. Executive Overview

We are pleased to provide to the Commissioner our fifth annual assurance report (**Report**), prepared in accordance with *the Credit Reporting Privacy Code 2004* (**Code**), including additional commentary in respect of the focus areas identified by the Commissioner's office.

We have taken the opportunity in our report to provide details about how we derive assurance that we are compliant with the Code in recognition of its role in promoting fairness, accuracy and privacy in the practice of credit reporting.

This Report reflects the outcome of systematic reviews undertaken during the reporting year to 30 June 2016 as reviewed and assessed by members of the review committee (**Review Committee**) established for that purpose.

The Report sets out the Review Committee's overall conclusions on compliance with the Code for the relevant period and provides the assurances required under Schedule 6 of the Code. It also includes additional information as requested by the Commissioner in respect of identified topics of interest (**Topics of Interest**). This information has been included in the detailed assessment made by the Review Committee when reaching its conclusions.

In addition to meeting its mandated objectives, we hope that the Report makes a useful contribution to facilitating an understanding of the role of credit reporters, and the safeguards that are taken with personal information while fulfilling that function.

As the Commissioner will be aware Veda was acquired by US credit agency Equifax in February of this year, and there is an ongoing process to integrate Veda within the Equifax business structure. One of the benefits of Equifax ownership is the opportunity afforded to the New Zealand business to identify global good practices in relation to privacy and adapt its operations accordingly.

Having been Managing Director of the New Zealand business since July 2015 I am committed to continual improvement to ensure the sustainability of a business that is fully compliant with the Code, and I value the opportunity to engage with the Commissioner in this respect.

We look forward to receiving any feedback and are happy to expand on, or discuss, any aspect of the Report.

Sincerely,



Carol Chris

**Managing Director New Zealand**

## 2. Executive Summary

### 2.1 Introduction

The Code requires credit reporters such as Veda to provide an annual report to the Privacy Commissioner every year providing assurances in relation to Code compliance.

In accordance with this requirement Veda's Report:

- sets out the process of review, assessment and reporting undertaken by the Review Committee; and
- provides assurances relating to policies, controls and subscriber agreements and the monitoring of those policies, controls and subscriber agreements;

In August 2016, the Office of the Privacy Commissioner (**OPC**) identified three Topics of Interest in respect of which it sought additional information in conjunction with the Report. This information is set out in section 5.

The Report has been prepared by a Review Committee established by Veda in accordance with the requirements of clause 9 and Schedule 6 of the Code for the purpose of reporting on the outcomes of Veda's systematic review and monitoring processes, and providing the required assurances for the period 1 July 2015 to 30 June 2016.

## 2.2 Veda's approach to regulatory compliance

As a leading credit reporter in Australasia, Veda is committed to maintaining the highest standards of regulatory compliance in the interests of the New Zealand public and our shareholders. Veda strives for and endorses best practice for privacy risk management, compliance with regulatory requirements, and cultivates a culture of ongoing improvement to ensure that we have the systems, processes and training to meet and maintain the prescribed compliance standards to the very best of our corporate and individual abilities.

The key components of our regulatory compliance framework are captured in the Figures below.

- The first (Figure A) reflects an external facing view that includes the vital responsibilities that Veda and its Subscribers have to deliver the right privacy outcomes for New Zealanders; and
- The second (Figure B) reflects an internal (specific to Veda) facing view of how Veda meets its compliance responsibilities under the Code

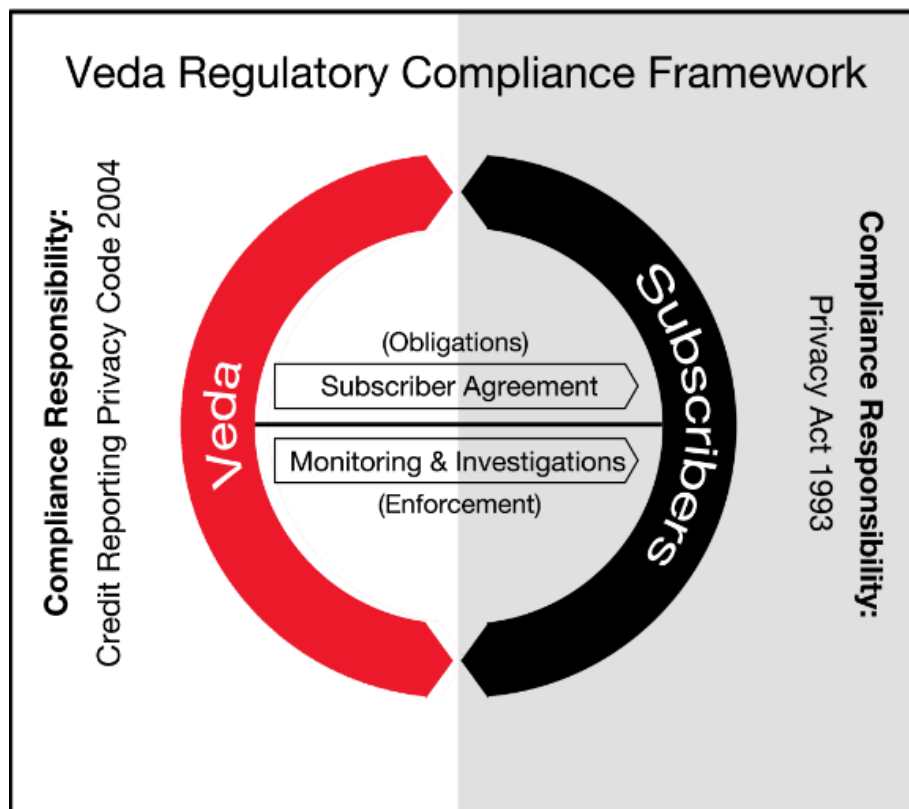
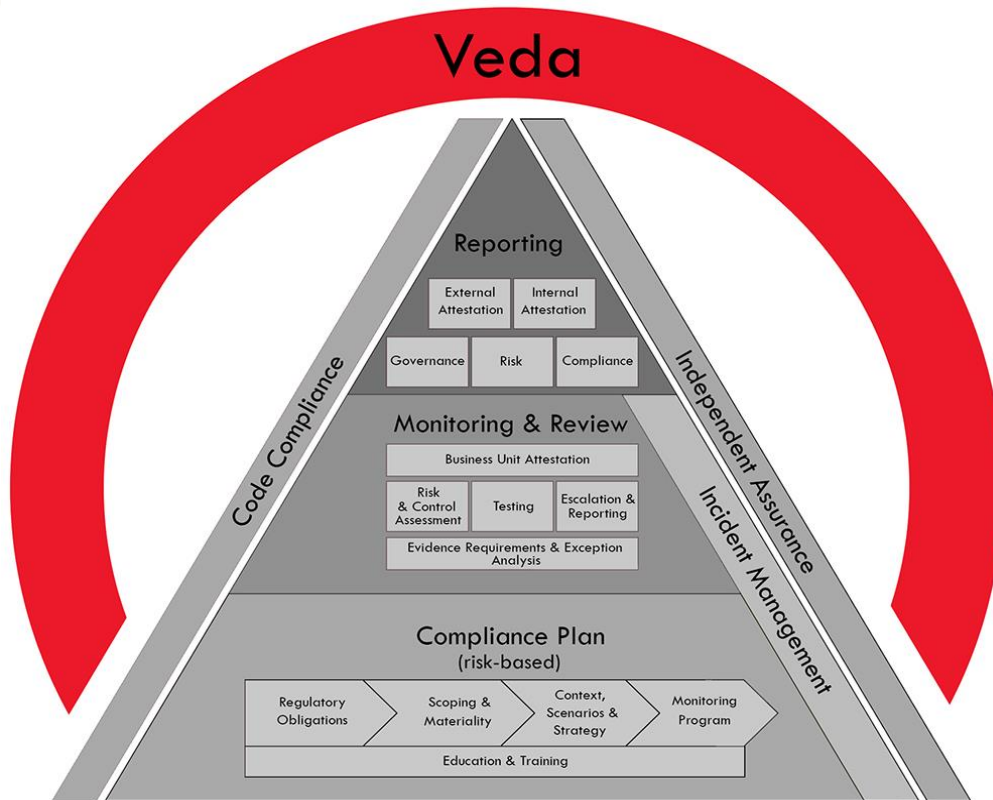


Figure A: Veda's Regulatory Compliance Framework  
(External Facing View)



**Figure B: Veda's Code Compliance Framework  
(Internal Veda View)**

### 3. Assurance Report for the year ended 30 June 2016

#### 3.1 Assurance Report and Topics of Interest

In its Report, Veda sets out how it addresses clause 9 requirements of the Code within its business operations. Due to the breadth of the assurances required the detail provided is, as specified in the Code, a reflection or summary of the entirety of the monitoring and review work undertaken during the reporting period and the corresponding conclusions. The additional information provided in respect of the Topics of Interest in section 5 provides a deeper level of detail into discrete areas identified by the Commissioner. For the purpose of this clause 3 and the requirements of clause 9 of the Code, this information is incorporated into the outcomes and assurances.

For ease of reference, both the Code requirements and the Topics of Interest are presented in table format.

Details of the contents of each of the sections of the report and further explanation of the configuration of the report are set out below.

#### Sections 3 and 4: Clause 9 of the Code

The substance of Veda's assurance reporting is set out at section 3.2 below. As noted, it is provided in a table format for ease of reference. Where there is any aspect of the assurance reporting that has particular relevance to the Topics of Interest and additional information requested, a reference has been included.

Section 4 provides information about the review process undertaken in the preparation of the Report and the methodology followed in reaching the published outcomes.

### **Section 5: Topics of Interest**

In addressing each of the Topics of Interest, Veda has sought to identify the core issue and provide comprehensive responses that speak to that issue.

We acknowledge the OPC's advice that it is intended that the information provided in respect of each of the Topics of Interest will be published together as part of the Report and this is reflected in the level of commercial detail provided.

### **3.2 Clause 9 Code requirements**

In the table below, Veda makes reference to the relevant section of the Code in column one and provides our formal response on our Code obligations in column 2. In column 3 we have included general commentary in our formal response to give a deeper understanding and insight into our response and highlight any changes from our 2015 Assurance Report.

Reference in Schedule 6	Compliance Response / Assurance	Commentary
<p><b>1. Clause 1 -Process of Review and Reporting</b></p>	<p>As in previous years the review process and methodology involved engagement of all key stakeholders and senior managers with accountabilities directly linked to Code compliance. Further details of the methodology and review process are provided in Section 4.</p> <p>Veda elected to prepare the report by way of a Review Committee as provided for under clause 9(2)(b) of the Code.</p> <p>The members of the Review Committee are listed below, along with their respective areas of specialisation:</p> <ul style="list-style-type: none"> <li>• Carol Chris, Managing Director, New Zealand</li> <li>• Tracy Pennell, General Manager - Product</li> <li>• Donal Barry, Head of IT</li> <li>• Luke Kennedy on behalf of Stephen Robinson, General Manager Customer Services (on extended leave)</li> <li>• Meg Nheu, Manager Veda Learning</li> <li>• Rosemary Fuiava, NZ Customer Services Team Leader</li> <li>• Alana Hampton*, Compliance Manager</li> <li>• Shahn Harris, Senior Information Security Analyst</li> <li>• Michelle Ware, Access and Usage Auditing Manager</li> <li>• Fiona Hall, NZ Corporate Counsel (to 31/08/16)</li> <li>• Deborah Malaghan, NZ Executive Counsel (from 01/09/16)</li> <li>• Clive Schwartz, Project Manager</li> <li>• Richard Kirkland, Independent Person;</li> </ul> <p>In completing the report members of the Review Committee were themselves active participants in the review process, as well as contributors to the wider analysis of the overall level of compliance.</p> <p>*The AU Veda Compliance team again formed part of the Review Committee as Veda is committed to an aligned Compliance approach across the Australasian region insofar as possible, taking into account regulatory differences.</p>	<p>Veda has again chosen to convene a Review Committee for the purpose of preparing the Assurance Report. Veda’s experience is that such an approach provides a valuable working governance tool and with senior leadership and independent representation it represents the best means of providing assurance not only to the OPC but internally, that risks are identified, controls are in place and that risk and compliance responsibilities are clear and their governance robust.</p> <p>This year the Committee has been refocussed to include a greater number of senior managers with primary accountability for Code compliance and extended to some newly created roles. In particular new members to the Committee include GM Customer Services, Manager Veda Learning, Access and Usage Auditing Manager and Senior Information Security Analyst.</p> <p>The introduction of new roles has been part of the restructuring of the NZ business and also represents the integration of the wider Veda group in the global Equifax business following its acquisition of Veda in February 2016.</p>



Reference in Schedule 6	Compliance Response / Assurance	Commentary
	<p><b>Independent Person</b></p> <p>The Independent person on the Review Committee, Richard Kirkland, is a director in the professional services practice RiskIQ Limited. This is Richard’s third year as part of the Review Committee.</p> <p>Richard Kirkland is not an employee, director, or owner of Veda nor has he provided any other services or consulting advice to Veda other than as an independent person on this Committee. Whilst Richard is independent he was remunerated for his participation.</p>	
<p><b>2. Clause 2 -Assurances Relating to the Policies, Procedures, Controls and Subscriber Agreements</b></p>		
<p>(a) had policies in place that give effect to the requirements of the Code;</p>	<p><b>(a) Yes</b> During the reporting year Veda had policies in place that gave effect to the requirements of the Code.</p>	<p><b>(a)</b> Veda gives effect to the requirements of the Code through a suite of current, complementary policies and supporting procedures and tools. As part of the integration work being undertaken with Equifax, Veda has a set timetable of reviews. This includes a review of Veda’s policy suite which has already commenced. Several key policies have been reviewed and updated in the last 12 months, as part of Veda’s commitment to continuous improvement, including access control, data security, storage and transmission.</p>

Reference in Schedule 6	Compliance Response / Assurance	Commentary
<p>(b) had internal procedures and controls in place to give effect to the policies and requirements of the Code;</p>	<p><b>(b) Yes</b> During the reporting year Veda had procedures and controls in place to give effect to the Code, including automated access detection.</p>	<p><b>(b)</b> Veda has detailed procedures in place to guide staff and ensure consistency in the application of consumer credit reporting policies in day to day operations. In addition to procedural controls. This includes a broad range of automated controls, including automated access detection controls.</p> <p>Operationally, compliance is independently monitored by functional heads of teams, with periodic assessments. In the case of IT systems there are additional automated access detection programmes operating.</p>
<p>(c) provided information and training to its staff to ensure compliance with the policies, procedures and controls; and</p>	<p><b>(c) Yes</b> During the reporting year Veda provided information and training to its staff to ensure compliance with its procedures, policies and controls.</p>	<p><b>(c)</b> Veda maintains formal and informal training for staff. As part of the induction process new staff are provided specific training on the Code, Veda’s obligations and how it gives effect to those obligations through its risk and compliance framework and its performance management system. In addition to general training, role specific training is provided by the direct manager.</p> <p>The employee handbook is regularly updated to ensure regulatory compliance and reflect any changes that impact staff roles. Procedural or policy updates are approved by management and released to staff accordingly.</p> <p>All managers are required to provide supervision and on-going team and “one-on-one” training in the course of day to day responsibilities. In respect of the customer services team this training focuses on detailed aspects of the Code and the role of particular employees in ensuring Veda meets its obligations.</p> <p>All employees are required to complete induction training and annual compliance training through an on-line compliance training solution (Safetrac). The training modules that are provided to</p>

Reference in Schedule 6	Compliance Response / Assurance	Commentary
		<p>employees are:</p> <ul style="list-style-type: none"> <li>• Equal Opportunity Workplace for Employees – Aus/NZ</li> <li>• OHS/OSH Workplace for Employees – Aus/NZ</li> <li>• Trade Practices – NZ</li> <li>• Credit reporting Privacy Code 2004</li> <li>• Privacy – NZ</li> <li>• Veda Data Security</li> <li>• Equal Opportunity Workplace for Managers and Supervisors – Aus/NZ</li> <li>• OHS/OSH Workplace for Managers and Supervisors – Aus/NZ</li> </ul> <p>Employees are required to complete testing on these modules and must achieve a score of 100% in order to complete the module.</p>
<p>(d) Ensured that subscriber agreements that complied with Schedule 3 were in place before disclosing credit information.</p>	<p><b>(d) Yes</b> Veda had subscriber agreements in place that complied with Schedule3 of the Code for the duration of the reporting period.</p>	<p><b>(d)</b> Veda’s subscriber terms and conditions have been drafted to recognise and include all Code requirements (including changes to the Code over time).</p> <p>No services can be provided unless an executed subscriber agreement is in place. The NZ Subscriptions process provides ‘step-by-step’ details to achieve this and services are not delivered until an agreement has been signed and received.</p> <p>Authorised signatories are required to ensure that all requisite subscriber on-boarding (including any changes for existing subscribers) steps have been appropriately completed.</p>

Reference in Schedule 6	Compliance Response / Assurance	Commentary
<p><b>3. Clause 3 - Monitoring of Policies, Procedures, Controls and Subscriber Agreements</b></p> <p>Veda provides a reasonable assurance that it undertook monitoring activities to ensure reasonable compliance with the Code, including that:</p>		
<p>(a) it followed its own policies and procedures and controls;</p>	<p><b>(a) Yes</b> Veda undertook monitoring to ensure it followed its own policies and procedures during the reporting period.</p>	<p><b>(a)</b> Veda encourages and supports a culture of compliance and reinforces this to staff through its compliance policy and framework. The safetrac training modules are one way of monitoring staff understanding of important areas of compliance. Additionally, all customer service staff are trained in NZ legislation and Veda's procedures in compliance with the Code. During initial training team members are assessed to ensure competency in their role and they are then regularly coached by senior staff and their team leader, through call monitoring and spot checks on work completed</p> <p>Statistically, the number of enquiries and complaints that Veda has received over recent years has continued to decline, which Veda considers supports its assurance that it has complied with its policies and procedures to sustain Code compliance.</p>

Reference in Schedule 6	Compliance Response / Assurance	Commentary
<p>(b) the information it held was protected by reasonable security safeguards;</p>	<p><b>(b) Yes</b> Veda undertook monitoring to ensure that the information it held was protected by reasonable security safeguard.</p>	<p><b>(b)</b> Veda maintains robust security policies including system access controls that are applied across the group. This framework includes firewalls, secure housing of the database with relief backup provisions, restricted accesses and controlled log-ins. Integration within the Equifax business structure is likely to see further enhancements to these controls.</p> <p>The technology architecture is well proven in terms of security and controls and remains as advised in previous reports.</p>
<p>(c) it processed information privacy requests in accordance with rules 6 and 7;</p>	<p><b>(c) Yes, subject to commentary in respect of access to free reports</b> Veda undertook monitoring activities to ensure reasonable compliance with the Code requirements around the processing of information privacy requests in accordance with rules 6 and 7.</p>	<p><b>(c)</b> Veda makes available comprehensive product and service information for consumers to help them to make fully informed decisions in relation to accessing and correcting their credit information, including:</p> <ul style="list-style-type: none"> <li>• Your credit file explained</li> <li>• Your rights explained</li> <li>• Comprehensive reporting – what it means for you</li> <li>• Understanding your VedaScore</li> </ul> <p>The web site design has undergone recent review and updates to ensure that users have an optimal experience.</p> <p>The information provided is supported by a systematic customer service process with a range of response template letters covering a wide range of client requests.</p> <p>The investigation process is systematic with defined pathways and timelines to handle all requests and a database is used to keep track of all requests from the time of initiation until formal resolution.</p> <p>Veda maintains records of the length of time to respond to access</p>

Reference in Schedule 6	Compliance Response / Assurance	Commentary
		<p>requests for credit information. In response to the Spot check conducted by the OPC in 2015 refresher training was provided to staff in terms of how to process requests. This is further detailed further in Section 5, Topics of Interest.</p>
<p>(d) it took such measures as were reasonably practicable to avoid the incorrect matching of information held by the credit reporter;</p>	<p><b>(d) Yes</b> Veda undertook monitoring activities to ensure it took such measures as were reasonably practicable to avoid the incorrect matching of information during the reporting period.</p>	<p><b>(d)</b> As previously reported, Veda has automated matching protocols that underpin how its data matching is undertaken. Complex algorithms drive the matching through automated processes.</p>
<p>(e) the information is subject to reasonable checks to ensure that it was accurate, up to date, complete, relevant and not misleading;</p>	<p><b>(e) Yes</b> The information held by Veda was subject to reasonable checks to ensure it was accurate, up to date, complete, relevant and not misleading during the relevant reporting period.</p>	<p><b>(e)</b> Veda bases its assurance on a number of factors including system design, its subscriber agreements and the auditing and monitoring of these, the evaluation of enquiries and investigations and their outcomes and the overall level of enquiries received.</p> <p>Veda operates on both preventative and detective levels to ensure ongoing accuracy of data. Systematic rules and controls mandate the deletion of records within the mandatory times and reject data that does not conform to system protocols.</p> <p>In summary the controls are: Preventative</p> <ul style="list-style-type: none"> <li>• Subscriber contractual obligations</li> <li>• Conservative (stringent) data matching policies</li> <li>• Prompt remediation of any known data quality issues, including sanctioning of non-compliant subscribers</li> <li>• Internal data quality policies and procedures e.g. mandatory fields, missing data etc.</li> <li>• Employee training</li> </ul>

Reference in Schedule 6	Compliance Response / Assurance	Commentary
		<p>Detective</p> <ul style="list-style-type: none"> <li>Relating to the level of enquiries investigated following subscriber monitoring</li> </ul>
<p>(f) reporting and retention of credit information was in accordance with Rule 9 and Schedule 1;</p>	<p><b>(f) Yes</b> Veda's reporting and retention of credit information was in accordance with rule 9 and Schedule 1.</p>	<p><b>(f)</b> As set out above, Veda has automated processes regarding reporting of information and the period for which data is retained. Each of the data fields identified in Schedule 1 of the Code are assigned an automated removal date and the system is designed so the information is removed in accordance with those protocols. Veda is not aware of any incident arising in the reporting year where data has been incorrectly retained. Most often, where a query arises it is due to a consumer not understanding the way in which defaults are reported and updated.</p>
<p>(g) it processed direct marketing lists in accordance with Rule 10(1C);</p>	<p><b>(g) Yes</b> Veda has processed direct marketing lists in accordance with rule 10(1C).</p>	<p><b>(g)</b> There have not been any changes to the manner in which direct marketing lists are processed since the last report. Specific contractual terms apply when a subscriber makes a request to process a direct marketing list to ensure subscriber compliance. Veda has internal policies to ensure appropriate review and management of any such requests.</p>

Reference in Schedule 6	Compliance Response / Assurance	Commentary
<p>(h) it processed suppression, release or cancellation requests in accordance with Schedule 7;</p>	<p><b>(h) Yes</b> Veda has processed suppression, release and cancellation requests in accordance with Schedule 7.</p>	<p><b>(h)</b> There has been no change in approach to the processing of the requests since the last report and requests remain relatively low. Last year saw the introduction of additional controls in respect of identifying CCR and pre-existing credit accounts for the purpose of suppression. Veda continues to monitor and refine this process as the use of positive reporting increases.</p>
<p>(i) it processed complaints in accordance with clause 8;</p>	<p><b>(i) Yes</b> Veda processed complaints in accordance with clause 8.</p>	<p><b>(i)</b> There is a dedicated NZ team that reports to the General Manager, Customer Services. The team has regular meetings with NZ Legal Counsel to review any outstanding investigations or OPC enquiries. The team also works closely with the compliance team.</p> <p>The team follows a systematic complaints procedure that complies with the Code requirements and also utilise template response that are available to respond to enquiries appropriately.</p> <p>The NZ dedicated team are trained specifically in the requirements of the Code. Any enquiries that are escalated or unable to be addressed to the satisfaction of the consumer are referred to Legal Counsel. Senior management are also regularly updated on any significant issues. Where the team identifies any subscriber in respect of which proportionately greater enquiries are made, these are referred to Legal Counsel and the subscriber monitoring team.</p> <p>Veda regularly reviews enquiries and investigations both statistically and for substance to understand and identify any systemic issues. It then addresses any anomalies or trends identified.</p>



Reference in Schedule 6	Compliance Response / Assurance	Commentary
<p>(j) it's website displayed accurate information and gave effect to rules 6(4)(b), 7(4)(b) and clauses 8(3A) and 8.1 of Schedule 7;</p>	<p><b>(j) Yes</b> Veda's web site displayed accurate information that gave effect to rules 6(4)(b), 7(4)(b) and clauses 8(3A) and 8.1 of Schedule 7.</p>	<p><b>(j)</b> Veda's website cannot be changed without a full review by the legal and compliance teams. The web site was updated during the last review period to enable easy access via mobile devices, in order to optimise user experience. There was no change to core content.</p>
<p>(k) Its subscribers complied with agreements and controls.</p>	<p><b>(k) Yes</b> Veda has during the relevant reporting period undertaken monitoring activities to ensure reasonable compliance by subscribers with Veda's agreements and controls.</p>	<p><b>(k)</b> In accordance with the Code, all subscribers must agree to Veda's terms of use that include the requirements and obligations of the Code that are in the control of the subscriber. In particular Veda highlights the importance of accurate, up to date and fair reporting, which is repeated in its subscriber information and guidelines. The manner of review for compliance includes both preventative and detective controls, namely:</p> <p>Preventative</p> <ul style="list-style-type: none"> <li>• Subscriber contractual obligations</li> <li>• Review of subscriber's privacy terms and conditions on signing up subscribers and at other opportunities (e.g. when complaints are received)</li> </ul> <p>Detective</p> <ul style="list-style-type: none"> <li>• Results of subscriber monitoring</li> <li>• Results of reviewing consumer initiated investigations.</li> </ul> <p>Veda will provide additional training and support to subscribers where issues have been identified.</p>

Reference in Schedule 6	Compliance Response / Assurance	Commentary
<p><b>4. Clause 4 -Assurances Relating to Action Taken on Deficiencies Identified</b></p>		
<p>(a) where, during its systematic reviews, monitoring activities or as a result of a complaint, Veda identified a breach of an agreement, policy, procedure, control, or requirement of the Code, Veda investigated that breach and, where appropriate, took prompt remedial action; and</p>	<p><b>(a) Yes</b>            During its systematic reviews, monitoring activities and review of complaints, where Veda identified a breach of an agreement, policy, procedure, control or requirement of the Code, Veda investigated that breach and took prompt remedial action where appropriate.</p>	<p><b>(a)</b> Veda has detailed and robust investigation processes to ensure that all enquiries and complaints are fully reviewed and any necessary remedial action is taken promptly. This is supported by the determinations of recent OPC investigations in the reporting year.</p> <p>Veda works proactively with its subscribers assist them meet their ongoing compliance obligations.</p> <p>In the rare event that a systemic issue has been identified, Veda has investigated and modified its processes accordingly. By way of example we refer to the enhancement made to the processing of batch uploads that was introduced as a consequence of an investigation by the OPC earlier in the year. Although the particular circumstances were rare and not likely to recur, Veda took the opportunity to introduce an alert notice to all subscribers receiving exception reports, to highlight the need that these be reviewed and actioned as a priority.</p>
<p>(b) Where a deficiency was identified in the previous year’s report, Veda, where appropriate, took prompt remedial action.</p>	<p><b>(b) Yes</b></p>	<p><b>(b)</b> No change from the previous reporting period. The Independent Person made some general recommendations for improvement in certain areas to which Veda has responded, including establishing a dedicated Privacy Code risk register.</p>

Reference in Schedule 6	Compliance Response / Assurance	Commentary
<p><b>5. Transitional Provisions – clause 6.1 of Schedule 8</b></p> <p>Veda provides a reasonable assurance that:</p>		
<p>Where clause 4.1 applies, it has complied with clause 4.2 (authorisations)</p>	<p><b>Yes</b></p> <p>Where Veda collected credit information from a source other than the individual and the authorisation was obtained by the relevant subscriber prior to 1 January 2013, Veda took reasonable steps to ensure that the authorisation met the requirements of clause 1 of Schedule 3 and that the subscriber notified the individual concerned of the changes regarding positive credit reporting.</p>	<p>There has been no change in procedure since the last report. Veda continues to include these requirements into the additional terms of use that apply when subscribers access comprehensive credit information and to capture the date of the clause 4.2(b) notice as necessary.</p>

## 4. Review approach and methodology

---

### 4.1 Veda's approach to assurance reporting

- 1) Veda's preferred approach was to continue with a Review Committee comprising key stakeholders with accountability and subject matter expertise, together with an independent person to provide objective oversight and challenge.
- 2) Our experience is that this approach ensures that there is high level engagement and the Committee provides a working governance tool for the business.
- 3) Senior management participate actively as members of the Review Committee and the Executive has oversight throughout the process.
- 4) The outcome is a report that reflects the representative view of all key stakeholders.

### 4.2 Review methodology

The review methodology continued to build on the work of the previous (2) years and involved the following steps:

- Undertaking an online survey of Veda NZ business leaders in which information around privacy risks and controls was sought and assertions made of the respective respondents;
- Carrying out follow up interviews with the same business leaders using their survey responses as the agenda and constructive challenge by the 'independent person' of their assertions and other responses;
- Requesting additional evidence through the same business leaders including: performance statistics, controls reporting and independent review reports;
- Undertaking a privacy risk maturity assessment to identify, at a high-level, areas for future improvement;
- Tabling the resulting findings at Review Committee meetings, where follow up action was agreed and carried forward for action and monitoring.

## 5. Topics of Interest

The following Topics of Interest have been raised by the Commissioner and additional detailed information requested.

Topic	Request
1 Credit non-compliance action	Please elaborate on the handling of credit non-compliance action.
2 Spot Checks on Access	Please provide feedback on the spot checks on access requests that the OPC conducted last year.
3 Access by government agencies	Please advise on the systems in place to manage and monitor access to credit information by government agencies.

Each of these Topics of Interest is discussed below.

### 5.1 Credit Non-compliance action

#### Commissioner's Enquiry

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

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

#### Background

The concept of credit non-compliance action was introduced into the Code as part of Amendment No.5. This amendment saw significant changes to the Code as it signalled the introduction of comprehensive credit reporting as well as amending the definition of credit information and inserting a new definition of debtor credit. The amendments were introduced after a period of consultation including public meetings but given the scope of the proposed amendments the primary focus was on comprehensive credit reporting.

#### Current Status

Veda does not currently report credit non-compliance action. This is due to a lack of demand from subscribers. In the event subscribers indicated this was a status that was relevant and applicable then Veda would and could report it.

While Veda is not privy to the specific credit and collections decisions of its customers, we do make the observation that creditors' primary focus with defaulting debtors is the prospect of recovery. Many of the circumstances that would give rise to credit non-compliance would not support recovery.

Further the need to update and possibly remove the listing after a relatively short period of time may also contribute to the lack of demand from subscribers, as that type of monitoring would require a high level of administrative resource.

Our experience suggests that creditors are interested primarily in listing defaulting debtors in respect of which there may be some chance of recovery and the listing will remain for a defined period of time. In this respect the option to list credit non-compliance does not appear to feature highly.

## 5.2 Spot checks on access requests

### Commissioner’s Enquiry

The OPC carried out spot checks on access requests last year and would be interested in feedback on that. In particular:

OPC question	Responses
<p>(a) Have any changes been made to the processing of access requests?</p>	<p>(a) Upon receipt of the OPC’s report into its spot check, Veda undertook a full review of its policies and procedures. This review included a comparison of the data, which was at the time of the report some 6-8 months old, with more recent data in order to assess what, if any, changes had occurred in the intervening months. Veda also undertook a review of the processes that had been followed that had led to findings in the OPC’s report. The review was led by the product manager of Veda’s B2C products and the NZ customer services team leader.</p> <p>The review concluded that while appropriate procedures were in place, these needed to be applied consistently across all customer interactions. As a result, the teams managing requests were provided with retraining and documented procedures were updated to provide greater detail and ensure clarity in respect of alternative means of requests. The changes are set out in greater detail at (b) below.</p> <p>The review also established that, as advised to the OPC in our letter of 29 April 2016, fulfilment times were considerably shorter in the months following the spot checks.</p>
<p>(b) Have any changes been made to the processing of access requests?</p>	<p>(b) The OPC first advised Veda of its spot checks and findings on 22 April 2016 in response to which Veda took the following action:</p> <p><b>Access via phone request:</b> Veda’s review found that there were appropriate processes in place to manage phone applications. However, it appeared on the basis of the spot checks that application of these procedures could at times have been more consistent. To address this Veda provided targeted training and direction on the handling of credit file requests made via the phone to ensure that consumers are able to apply through this channel if this is their preference.</p> <p><b>Application in person:</b> Our review found that at the date of the report, appropriate processes were in place to ensure customers who chose to deliver applications to Veda in person would be able to do so. The process requires appointment of staff to be responsible for such enquiries. At the time of the spot check this appointment had not been</p>

made. The process has been formalised (appointment made) and Veda is confident all issues have been addressed.

**Application via post:** The OPC spot check identified the need to ensure all applications, irrespective of channel, receive a consistent response. Veda has accordingly expanded its policy to clarify that all requests made via letter are to be fulfilled in every instance where the letter contains all relevant information required to satisfy identity verification standards. Additional training was provided to the customer services team to ensure consistent application and understanding of this policy.

**Application via email:** As with applications via post Veda clarified existing policy to expressly provide for receipt and fulfilment of requests for consumer credit files where all the relevant information is provided, irrespective of whether such a request is made using Veda's application form. However, Veda considers that the sharing of personal information via email is not the most secure channel available and accordingly does not actively encourage consumers to complete application via standard email. Further Veda staff proactively outline more secure alternatives (e.g. online requests) before proceeding.

(c) Do you have any additional comments regarding the spot check process?

(c) Veda considers the information and insight gained from the OPC's spot check a useful additional tool to assess its fulfilment of access requests in accordance with the Code and in this respect we note that the delivery of all reports was in compliance with the Code's timeframes.

However, we also note that there was some time that elapsed between the spot checks and the report being published. As credit reporting is dynamic and subject to change over relatively short periods, our experience was that by the time the information was released in a public forum, it was no longer reflective of the current position. In particular the response times varied greatly to the time frames then current, a fact that would not be known to the general public.

We also note that it would have assisted Veda's review process if greater details had been available of the requests that the OPC considered were not properly fulfilled. On the basis of the information provided we were unable to identify the date or time relevant to the request that we understand was made in person. Similarly, we had challenges identifying and tracking the requests that we understand were made in writing. The absence of such information meant it was difficult to follow up in the most constructive way i.e. we could not identify the staff who presumably spoke/dealt with the person to ensure they were trained/retrained. . This type of identification is critical if Veda is to utilise tools such as the spot checks to optimal effect. That said, we would note that requests in person or by letter are extremely rare.

## 5.3 Access by government agencies

### Commissioner's Enquiry

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

### Access requests

Subscriber applications from government departments are not common place and in the last reporting period there have been no new applications processed.

### Process

In the event that a subscriber access application is received from a government department, this is subject to the same on-boarding protocols as non-government subscriber applications. Additionally, Veda's on-boarding procedures require that any subscription request by a government agency have the approval of Veda's Legal Counsel before being approved and processed.

Where the access is required for pre-employment checks, our procedures require that a copy of the pre-employment consent be provided.

### Requests by way of exercise of statutory power

Occasionally Veda may receive requests from government agencies such as the police to provide information in support of their exercise of a statutory function or duty e.g. criminal prosecution. Any such request must be accompanied by the appropriate authorisation and reference to relevant legislation, prior to any information being provided. Such requests would be referred to Veda's Legal Counsel for approval and response.



