

Dun & Bradstreet (New Zealand) Limited

***Assurance Report under Clause 9
of the Credit Reporting Privacy Code
for the year ending 30 June 2015***

Dated 30 September 2015



Decide with Confidence

Contents

<u>Preface.....</u>	<u>3</u>
<u>1. Summary of Assurances</u>	<u>4</u>
<u>Schedule 6 clause 2: Assurances relating to policies, procedures, controls & subscriber agreements</u>	<u>4</u>
<u>Schedule 6 clause 3: Assurances relating to monitoring of policies, procedures, controls and subscriber agreements</u>	<u>4</u>
<u>Schedule 6 clause 4: Assurances relating to action taken on deficiencies identified</u>	<u>4</u>
<u>2. 2015 Focus Points.....</u>	<u>5</u>
<u>3. Schedule 6 clause 2: Assurances relating to policies, procedures, controls & subscriber agreements</u>	<u>7</u>
<u>4. Schedule 6 clause 3: Assurances relating to monitoring of policies, procedures, controls and subscriber agreements</u>	<u>7</u>
<u>5. Schedule 6 clause 4: Assurances relating to action taken on deficiencies identified</u>	<u>9</u>
<u>6. Appendices</u>	<u>10</u>

Preface

- (a) Clause 9 of the Credit Reporting Privacy Code 2004 (the Code) requires credit reporters to prepare and submit to the Office of the Privacy Commissioner each year an Assurance Report (the Report) that reflects the requirements of Schedule 6 of the Code.
- (b) This is the fourth year that Dun & Bradstreet (New Zealand) Limited (D&B) has provided a Report. A link to the Reports of previous years is [here](#).
- (c) What follows is D&B's Report for the year ended 30 June 2015 for submission on or before Wednesday 30 September 2015.
- (d) This Report is an exceptions Report, in that it lists and comments on changes from and developments since last year's Report. For ease of reference, this Report uses the same structure as last year's.

Business change for Dun & Bradstreet (New Zealand) Limited

Effective 30 June 2015, D&B shifted its Australia/New Zealand (ANZ) business to a Worldwide Network Partner Model. Archer Capital, a leading Australian private equity firm – via its newly-formed Credit Data Solutions business – acquired the entirety of Dun & Bradstreet's ANZ business, including consumer risk and debt collection, and commercial solutions.

Introduction

- 1.6 Replacement clause 1.6: What follows is D&B's Assurance Report for the year ended 30 June 2015 for submission on or before Wednesday 30 September 2015.
- 2.1 Replacement clause 2.1: The Review Committee: members and affiliations

<i>Dennis Martin</i> Managing Director D&B employee based in Auckland	<i>Stacey Corrigan</i> Team Leader, Debt Management Solutions D&B employee based in Auckland
<i>Maria King</i> Operations Manager Trans-Tasman D&B employee based in Auckland	<i>David King</i> National Operations Manager, Debt Management Solutions D&B employee based in Auckland
<i>Margaret Naicker</i> Public Access Centre – Responsible for day to day duties for Consumer Risk Solutions D&B employee based in Auckland	<i>Yvonne Muller (independent person)</i> Barrister and Solicitor in sole practice (also Editor and Content Manager, College of Law New Zealand) Based in Auckland

- 2.2 Additional Information about the independent person's expertise and independence: see **Appendix 1**.

1. Summary of Assurances

Schedule 6 clause 2: Assurances relating to policies, procedures, controls & subscriber agreements	
(a) Does D&B have policies in place that give effect to the requirements of the Code?	Yes
(b) Do D&B's internal procedures & controls give effect to the policies & requirements of the Code?	Yes
(c) Does D&B provide information and training to staff to ensure compliance with the policies, procedures and controls?	Yes
(d) Do D&B's subscriber agreements comply with Schedule 3 and are they in place before disclosing credit information	Yes
(e) Does D&B follow its own policies, procedures & controls?	Yes
Schedule 6 clause 3: Assurances relating to monitoring of policies, procedures, controls and subscriber agreements	
(a) Does D&B follow its own policies, procedures & controls?	Yes
(b) Is the information held by D&B protected by reasonable security safeguards?	Yes
(c) Does D&B process information privacy requests in accordance with rules 6 and 7?	Yes
(d) Does D&B take such measures as are reasonably practicable to avoid incorrect matching of information?	Yes
(e) Is the information held by D&B subject to reasonable checks to ensure that it is accurate, up to date, complete and not misleading?	Yes
(f) Is D&B's reporting and retention of credit information in accordance with rule 9 and schedule 1?	Yes
(g) Does D&B process direct marketing lists in accordance with rule 10(1C)?	Not applicable
(h) Does D&B process suppression, release or cancellation requests in accordance with Schedule 7?	Yes
(i) Does D&B process complaints in accordance with clause 8?	Yes
(j) Is D&B's website displaying accurate information that gave effect to rules 6(4)(b), 7(4)(b), clause 8(3A) and clause 8. 1 of Schedule 7?	Yes
(k) Are D&B's subscribers complying with agreements and controls?	As far as D&B can ascertain, yes
Schedule 6 clause 4: Assurances relating to action taken on deficiencies identified	
(a) Did D&B, where, during its systematic reviews, monitoring activities or as a result of a complaint, <ul style="list-style-type: none"> identify any breaches of an agreement, policy, procedure, control, or requirement of the code, investigate that breach and, where appropriate, take prompt remedial action? 	Yes
(b) Did D&B, where a deficiency was identified in the previous year's report, take, where appropriate, prompt remedial action?	Not applicable. None identified
(c) Can D&B provide an assurance it has complied with clause 6.1(b) of Schedule 8?	Yes

2. 2015 Focus points

Following meetings in July 2015 between New Zealand credit reporters and the OPC, the OPC came up with a list of questions/issues it has asked credit reporters to focus on this year. The issues and D&B's responses are set out below.

(a) **“Positive reporting – how positive reporting is going at your agency and any detail that you could provide in terms of compliance and assurance.”**

- (i) D&B reports that the adoption of Comprehensive Credit Reporting (“CCR”) in New Zealand, in terms of both comprehensive data supply and consumption, continues to progress steadily. CCR data is being exchanged by multiple credit providers, [REDACTED] Among D&B's participating customers (already in production as well as those still in test), all are supplying full CCR data on all eligible portfolios. However, usage of CCR data continues to lag behind data supply at this stage – that is, some credit providers are loading CCR data but are not yet using CCR data in their credit risk management processes.
- (ii) D&B notes that in the financial sector, smaller credit providers were the first to share their data, and they have been keen to access the data on the non-financial service providers such as telecommunications and utilities companies. This credit data is attractive to the financial sector as there is a significant number of “unbanked customers” whose initial credit experiences will be with non-financial credit facilities. Inclusion of this data gives the financial sector better understanding of these types of customers, and thus better credit decisioning and risk pricing capabilities.
- (iii) The larger banks have been slower in adopting CCR, with only two major banks currently participating. This is in part due to perceived strategic advantages in timing entry to the market depending on size of market share, which influences readiness to use data, and the ability to gain insights into customer performance and behaviour.
- (iv) D&B is not aware of any significant issues of in terms of compliance and assurance.
- (v) Reciprocity of CCR data sharing amongst credit providers is managed through bilateral agreements between CRBs and CPs making reference to the New Zealand “Heads of Agreement in respect of Principles of Reciprocity for Comprehensive Credit Reporting” (“HoA”), the governing principle of which is “You give all you have – you get all”. However, the HoA are non-binding, and are intended to be a guideline for parties sharing CCR data. Furthermore, the HoA do not prescribe the levels of monitoring, reporting, or enforcement provisions, as are proposed in the Australian Principles of Reciprocity and Data Exchange (“PRDE”). However, the HoA is very detailed in terms of the operational aspects of the data sharing framework. The Retail Credit Association of New Zealand (“RCANZ”) and its members adopted this approach as it was considered sufficient to have a clear, principles- based set of rules that would meet the requirements of industry participants, many of whom were keen to initiate CCR data sharing and thus start realising its expected benefits. With the progression of CCR adoption in New Zealand, there is pending discussion within RCANZ to review this less formal approach and its effectiveness and fairness. At a recent meeting of the members of RCANZ, the possibility of a more formal framework was raised, particularly with reference to the more stringent provisions of the Australian PRDE.

(b) **“Disputed debts – how they are treated and your agency's practices and procedures around catching this issue and resolving it.”**

- (i) D&B does not accept “disputed” debt for loading onto its Credit Bureau. It is a term of D&B's CRS contract with its clients that clients are not to load disputed debt unless it has been thoroughly investigated and confirmed by the client as payable. If D&B is made aware by a client's customer that a default on a credit file is disputed, D&B immediately flags the status of the default with a “dispute” flag until the default is confirmed or corrected. D&B's Customer

Service Team then contacts D&B's client and asks it to fully investigate the matter and confirm the default or advise what other steps D&B is to take in respect of the default (eg, deleting the default).

- (ii) If the complainant is not happy with D&B's response at this stage, D&B tells the complainant about D&B's complaints process (on D&B's website). If at the end of the complaints process it is found that all the correct actions were taken and that D&B's client still views the debt as payable, D&B advises the complainant about further options for continuing to dispute the issues, eg, the Disputes Tribunal or the Office of the Privacy Commissioner.
 - (iii) If in the course of this process a debtor requests D&B to place a note on their credit file to the effect that a debt is disputed, D&B actions this within three business days.
- (c) "Defaults – issues surrounding defaults that are no longer maintained by creditors. If a record of default is not updated, what is the agency's practice?"
- (i) If a defaulted debt is sold, it is the responsibility of the purchaser of that defaulted debt to provide updated information to D&B's credit bureau. Assuming that D&B is told of the sale, and the new owner, then if the debt is disputed, D&B's Customer Service Team will contact the agency that currently holds the debt to confirm the default's status. If the complainant is not happy with D&B's response, then the process outlined above will be followed. However, if no ownership of a default can be found, D&B removes the default from its Credit Bureau listing.
- (d) "Landlords – landlord's access to credit reporting was a feature in the Orcon case. We would like to hear about systems your agency operates in managing risks to landlord access."
- (i) The landlord must have a privacy waiver/clause in its terms and conditions allowing it to conduct credit checks on individuals. It is a term of the contract between D&B and the landlord that the landlord has obtained the necessary consents and disclosures before the information is sought by the landlord, and there is an indemnity by the landlord to D&B for breach of law.
- (e) "Reporting of judgments – can you elaborate on your process for dealing with compliance of Rule 11(2A) [and] in particular, that information is not reported on for 5 years after date of judgment."
- (i) Rule 11 (2A) of the Code provides that a credit reporter holding credit information of a type specified in column 1 of Schedule 1 must not disclose that information for the purposes of credit reporting pursuant to subrules (2)(a), (b) and (c) beyond the maximum reporting period. The retention periods vary from two working days from date of creation for a credit score to an indefinite period for multiple insolvency events (as provided for in s 449A of the Insolvency Act 2006), but most are six months, two years, or five years.
 - (ii) D&B uses technical software solutions to ensure that each type of information is automatically deleted from a person's credit file on the anniversary of the date the action first occurred. This is done by running a software script against the database which identifies what information needs to be automatically archived. D&B's consumer credit bureau (CCB) Operations Team monitors the auto-archiving process on a daily basis, and reviews the process regularly to ensure D&B is compliant with Rule 11(2A) and Schedule 1.
 - (iii) To the best of D&B's knowledge no individual has ever complained to it about information being retained by D&B beyond the information's (as it were) use-by date. When an individual orders his/her credit report D&B's internal reporting system picks up any inconsistency or potential inconsistency in the retention of data and flags the report before the report is sent to the individual, so the report can be checked.

3. Schedule 6 clause 2: Assurances relating to policies, procedures, controls & subscriber agreements

a	Does D&B have policies in place that give effect to the requirements of the Code? Same disclosure as last year
b	Do D&B's internal procedures & controls give effect to the policies & requirements of the Code? Same disclosure as last year
c	Does D&B provide information and training to staff to ensure compliance with the policies, procedures and controls? Same disclosure as last year
d	Do D&B's subscriber agreements comply with Schedule 3 and are they in place before disclosing credit information? Same disclosure as last year.

4. Schedule 6 clause 3: Assurances relating to monitoring of policies, procedures, controls and subscriber agreements

a	<p>Does D&B follow its own policies, procedures & controls?</p> <p>Same disclosure as last year, and in addition: In 2015 D&B had an ISO re-certification audit, conducted on 9 February 2015. The auditor confirmed in the February 2015 report that D&B continued to meet ISO 9001:2008 standards and that its registration should continue. The purpose of the audit was to determine the capability and effectiveness of D&B's management system in, among other things, ensuring continual compliance with customer, statutory and regulatory requirements. The audit was conducted to a plan established to cover all activity in the scope of registration relevant to the Auckland operation, and all requirements of the standard. No significant issues were identified. In general the processes were found to be operating in compliance with procedures established by D&B, and in compliance with the ISO standard. The systems were found to be consistently applied and to good effect, and essentially the same as in the previous (May 2014) reporting period.</p> <p>The auditor reviewed the Customer Complaint Handling System, and other issues registers and related documents. The review identified that relatively few issues are recorded but that appropriate investigations and corrective actions take place, and no issues were identified with the process. The auditor remarked that appropriate review is made of the activity by senior management.</p> <p>As noted in previous years, this audit is independent evidence that the processes relating to the identified elements and controls meet the relevant statutory and regulatory requirements.</p>
b	<p>Is the information held by D&B protected by reasonable security safeguards?</p> <p>Same disclosure as last year</p>

c	Does D&B process information privacy requests in accordance with rules 6 (Access to Credit Information) and 7 Correction of Credit Information?			
	Same disclosure as last year.			
d, e	Does D&B take such measures as are reasonably practicable to avoid incorrect matching of information, and is the information held by D&B subject to reasonable checks to ensure that it is accurate, up to date, complete and not misleading?			
	Same disclosure as last year			
f	Is D&B's reporting and retention of credit information in accordance with rule 9 (Retention of Credit Information) and Schedule 1 (Maximum Reporting Periods)?			
	Same disclosure as last year			
g	Does D&B process direct marketing lists in accordance with rule 10(1C)?			
	Not applicable/same disclosure as last year			
h	Does D&B process suppression, release or cancellation requests in accordance with Schedule 7 (Suppression of Credit Information)?			
	Same disclosure as last year			
i	Does D&B process complaints in accordance with clause 8 (Complaints of breach of code)?	NZ/PAC	Complaints Handling Procedure PAC Matrix	<p>Yes. Para 1 – Same disclosure as last year</p> <p>Para 2 – New comment for 2015: D&B received two complaints about credit reports last year. Both were resolved within the period of this Report through a variety of mechanisms including amending the credit report.</p>
j	Is D&B's website displaying accurate information that gave effect to rules 6(4)(b), 7(4)(b), clause 8(3A) and clause 8. 1 of Schedule 7?			
	Same disclosure as last year			
k	Are D&B's subscribers complying with agreements and controls?			
	During the Report period, D&B continually reviewed the consent and control mechanisms of all its Customers with whom D&B has a subscriber agreement. To the best of D&B's knowledge and based on D&B's review of Customer documentation, all were compliant with agreements and controls.			

5. Schedule 6 clause 4: Assurances relating to action taken on deficiencies identified

Requirement		Owner	Details	Assessment
a	Did D&B, where, during its systematic reviews, monitoring activities or as a result of a complaint, identify any breaches of an agreement, policy, procedure, control, or requirement of the code, investigate that breach and where appropriate, take prompt remedial action?	NZ/PAC	D&B Complaints Handling	Yes. The D&B Complaints Handling Council reviews and analyses all complaints regularly to identify and rectify any systemic and recurring problems. This is a topic specifically reviewed as part of the ISO Audit Review process, as well as in the course of this 2015 assurance Report. In both cases (this Report and the 2015 ISO Audit Review), the systems were found to be working well.
b	Did D&B, where a deficiency was identified in the previous year's report, take, where appropriate, prompt remedial action? No deficiencies were identified in the 2014 Report.			
Clause 6.1(b) of Schedule 8	Note: During the transition to more comprehensive credit reporting, the assurance report must also include the information set out in clause 6.1 (b) of Schedule 8.		New comment for 2015: See comment at paragraph 2(a) above.	

6. Appendices

Appendix 1

Paragraph 2.2: Additional Information about the independent person's expertise and independence

Ms Muller has never trained staff in nor been engaged to assist at any stage with implementing privacy policies or compliance programmes. She has not been involved in drafting or developing privacy policies for the last five years. Compliance implementation and training is managed by D&B's local compliance team led by its Privacy Officer. For privacy matters, Yvonne does not report locally. Instead she reports to Mary O'Leary, Senior Legal Counsel in Dun & Bradstreet (Australia) Pty Ltd, who is responsible for compliance in Australia and New Zealand. A negative audit review by Yvonne or a discovery by her of shortfalls or inadequacies relating to privacy and in particular for the requirements of this Report would not impact on the terms of Yvonne's engagement by D&B as its independent person.

Appendix 2 Summary of documents reviewed (alphabetical)

Call Centre Privacy Procedure (verification of identity and authority)
Client Training: Consumer Credit Bureau Fact Sheets

[REDACTED]

Complaints Handling Procedure (internal document) May 2014

Complaints Register July 2014 – June 2015

Confidentiality and Non-Disclosure Policy – June 2014

Consumer Credit File – update form (this form is filled in by consumers if they query or want an investigation into the content of their credit file) – May 2014

D&B Standard Terms and Conditions, March 2015

Document Destruction Service outline of services and location/action taken confirmation sheet

Employee Training (various documents)

[REDACTED]

Employment agreement template

ISO 9001 2008 Certificate QEC7030 dated 9 February 2015

ISO Executive Summary by SAI Global dated 21 May 2014

Network User Log On agreement / acknowledgement

New Zealand Public Access Centre (PAC) Procedures Matrix (book) v 4.5 February 2014

Policy – Use of Electronic Resources March 2014

Acknowledgement form by employee of receipt of and having read and understood the Use of Electronic Resources Policy February 2014

Privacy Act Code of Conduct April 2014

Website information www.dnb.co.nz

- Complaints Handling + “Complaint lodgment [sic] Form” (also available to complete as an online form)
- “Privacy Policy”, covering:
 - Legal entities
 - Our data protection practices
 - Collection of information
 - Website data collection practices
 - Use and disclosure
 - Information quality
 - Information security and retention
 - Access and correction
 - Summary of Rights*
 - D&B D-U-N-S Number registration
 - Updates to D&B data protection practices for the internet
 - Financial transactions
 - Additional information

* available as separate download in 12 languages