



# Privacy Commissioner Te Mana Mātāpono Matatapu

## **Credit Reporting Privacy Code changes take effect**

The Credit Reporting Privacy Code is changing on 1 April 2019.

In 2018, the Privacy Commissioner sought to amend the Code to make the credit reporting system fairer for consumers and improving enforcement and compliance. He also sought to ensure that consumers at risk of identity fraud could exercise their rights to get an initial credit freeze more quickly.

In addition, another change allows the use of the credit reporting system to return money owed to individuals.

The Code has been amended to reflect those improvements and they will take effect on 1 April.

Here's what it means for consumers.

### **Easier credit freezing**

Where a consumer may be a victim of fraud, they will be able to use a simple process to alert the three major credit reporters to freeze their credit information. A consumer's request to one of the credit reporters is to be treated as a request to all of them. The process will include notification to the consumer of when the extended suppression will expire. This change is designed to make the credit freezing process quicker to the benefit of both the affected consumers and the lending industry.

### **Stricter controls around marketing and direct marketing**

The Code strengthens the direct marketing rule. It prohibits credit reporters from using credit information for marketing and direct marketing. This change also prohibits the use of credit information for marketing by other parties or for credit information to be used for targeted or direct marketing.

Credit reporters will also be prohibited from using arrangements or loopholes with related companies to get around the Code or to make uses or disclosures of credit information that would breach the Code.

For example, when an individual makes a request for their credit information, a credit reporter would now be prohibited from using that process to obtain consent to disclose identifying information to a third party such as an insurer, debt collector or credit broker. The

change makes clearer the Code's prohibition of any use of credit information by a credit reporter 'to facilitate marketing'.

## **No cross-selling**

In another change, if a consumer were to make an access, correction or suppression request to a credit reporter, it removes the opportunity to cross-sell products or seek consent to marketing, debt collection or other unrelated purposes.

## **Returning money owed**

Sometimes an agency holds money owed to an individual but is unable to pay the money out as they lack current contact details. Now credit reporters are permitted to use credit information to assist agencies to trace people to enable return of unclaimed monies. The credit reporter will contact the individual on behalf of the agency, giving the individual the choice to contact the agency if they wanted to claim their money back.

## **More changes to come**

More changes to the Credit Reporting Privacy Code will come into effect on 1 July 2019 and 1 October 2019. To find out more about all the changes, [read our Information Paper](#) or email us at [policy@privacy.org.nz](mailto:policy@privacy.org.nz).

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