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No negatives in positive reporting, says credit agency D&B

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Privacy

CREDIT agency Dun & Bradstreet has denied it is pushing for a US-style regime that would give lenders access to detailed information about their customers' credit patterns.

D&B Australia chief executive Christine Christian said criticism of so-called positive credit reporting was "based on error" and a "distortion of our

position". "D&B does not want the US model — we are not advocating anything like that," she told a Committee for Economic Development of Australia forum in Melbourne.

Companies including D&B and consumer credit giant GE Money have been lobbying the federal Government to allow positive reporting, under which creditors are allowed to access details such as the number of loans held by an individual.

Under the current regime, creditors can only ascertain whether a loan applicant has defaulted on a past loan.

Consumer groups claim positive reporting will lead to problems such as aggressive marketing by loan providers armed with details of an individual's loan balance and repayment patterns.

In the US, positive credit reporting has spawned sophisticated credit scoring techniques which, it is claimed, discriminate

against the poor. "Your individual credit score can lead to a change in your credit card interest rate or insurance premiums," the Victorian Consumer Credit Legal Service said in a recent paper. "If power companies had their way, it could even change the amount consumers pay for electricity."

But Mrs Christian said D&B only wanted the ability to provide four pieces of extra information to lenders: the individ-

ual's credit provider, type of account, date of account opening and credit limit.

GE Money Direct managing director Mike Cutter said it did not support the "US model", but overseas experience suggested that positive reporting could lead to a \$80 million reduction in "avoidable" bad debts in Australia each year.

He said the current regime meant credit providers had to rely on what credit applicants

disclosed, with "unscrupulous or forgetful consumers" neglecting to mention their other loans.

While credit providers have been lobbying Attorney-General Philip Ruddock on the issue, it is not clear whether there is an appetite for legal reform, which would involve amending the Privacy Act.

Mrs Christian has called for a parliamentary inquiry into the issue, "where all views can be heard and tested".