

ELECTORAL REGISTER – NEW REGULATIONS

Equifax plc and their clients have legal obligations to protect consumer data against unauthorised access and illegal or inappropriate use. In order that the obligations imposed by the Consumer Credit Act 1974 and the Data Protection Act 1998 are complied with the following changes have been introduced.

The Representation of the People (England and Wales) Amendment Regulations 2001 now allow an elector to opt out of having their Electoral Register information used for any commercial purposes.

Equifax will now hold two versions of the Electoral Register:

A Full register that contains information on all electors and can only be used for permitted purposes. Full Insight is a Closed User Group which is a data pool to which you must provide information in order to view that contributed by others that allows credit grantors to share experiences on credit agreements. Acting as an aid to the credit making process, Insight is controlled by its members in accordance to the Principles of Reciprocity produced in conjunction with the credit industry.

An Edited Register that contains information on those electors who have not opted out and can be used for any purpose.

THE RESIDENTIAL LANDLORDS ASSOCIATION IS PERMITTED TO ACCESS THE EDITED REGISTER ONLY

Where access to the full register is not permitted a new solution - **Risk Navigator** - is offered that is potentially more valuable than the Electoral Register which utilises information to provide non-financial characteristics proving identity and residency. This information will allow more comprehensive checks than using Electoral Register data alone.

The purpose of this document is to provide you with appropriate guidance when implementing Risk Navigator into your business processes. It should be noted that this document is not a legal document and is not legally binding. It does not replace your own responsibilities when dealing with the assessment of credit reference information.

Risk Navigator - Description

- A means of summarising credit reference information
- A scorecard that could be used by smaller credit grantors who could not develop their own credit scorecards
- A scorecard that could be used by clients launching new products or services, with no prior history
- A scorecard that could be used by clients who were in a start-up situation.

The Risk Navigator scorecard is designed to summarise the available credit reference information and provide a means of assessing the level of risk associated with granting a credit facility. The score represents the probability that a credit search will lead to either a good or a bad outcome.

Another way of interpreting Risk Navigator is as a means of ranking credit risk, where high scores represent low credit risk and low scores represent high credit risk.

The Risk Navigator Scorecards use all the available credit reference information relating to a customer when computing a score. This includes:

- Electoral Roll history going back to 1983
- County Court Judgement and Bankruptcy information for the past 6 years
- Previous Credit Searches for the last 2 years
- Derogatory type Searches for the last 2 years
- Complete Insight account history information for the last 6 years
- Delinquent Insight information for the last 6 years, for those clients supplying delinquent Insight information
- Default Insight information for the last 6 years, for those clients supplying default Insight information
- The latest Post Code Events

**The RLA standard credit scores are between 250 – 500
(the higher the score the better the rating)**

ID Plus

ID Plus has been developed to enhance your ability to:

- Comply with Money laundering regulations
- Minimise any impact that you may have felt in the event of your being unable to continue to use the full Electoral Roll for proof of identity.

ID Plus uses full Insight (consumer payment profile database) even for partial and non-subscribers.

Features

- Delivers 24 easy to understand summary characteristics
- Characteristics are based on **non financial information**
- Provides full breakdown of the different number and type of lenders

Benefits

- Each Insight Account from each different lender can be treated as a separate proof of identity. With access to 280 million Insight accounts (compared to 44 million Electoral Roll records) Idplus significantly enhances the number of proofs of identity that can be found in a single online search.
- Ideal replacement for full Electoral Roll. Insight is updated every day, so is more current than the Electoral Roll
- Reduces reliance on paper proofs of residency (e.g., Rely on a credit card Insight account instead of a paper credit card bill)

Interpreting the data

- The summary section gives totals of information given in the detail section.
- The information returned concerns Open and Closed Insight records.

Open Records are records that are ongoing and information is expected to be given by the supplier each month.

Closed Records detail any records that are settled or in default.

- All information relates to the quantity of records held, the dates regarding their updating and closing and the quantity of records to companies by classification.
- These will be details for current addresses and, if appropriate, previous addresses.

Data Protection Act 1998

Under the terms of the Act all clients that access and use Equifax data, are obliged to be registered with the Office of Data Protection. This document assumes that you are aware of your responsibilities.

A consumer has the a right to ensure that a credit decision is not made solely with automated processing and if it is then the consumer is entitled to have that decision manually reviewed.

If an automated decision is made that significantly affects the consumer then they are entitled to be told of the logic involved in that process.

Any credit decision that you make about a consumer's application is entirely your responsibility.

This also extends to the use of the Risk Navigator score. Risk Navigator will provide an indication of credit risk based on the credit reference information alone. The implementation of credit policy, including the interpretation of Risk Navigator within your business, is entirely your responsibility.

For further help please visit the Equifax Website - www.uk.equifax.com