



Equifax Australia Information
Services & Solutions Pty
Limited

2016/2017 Credit Reporting Annual
Report

August 2017

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1. Introduction

Equifax Australia Information Services and Solutions Pty Limited ABN 26 000 602 862 (**Equifax**), formally Veda Advantage Information Services and Solutions Limited, is a wholly owned subsidiary of Equifax Inc. Equifax operates a data analytics business and is a leading credit reporting body (CRB) in Australia and New Zealand. Its core product offering includes the provision of credit reports in relation to individuals and businesses. Equifax's data includes credit information on over 19.4 million individuals and 5.6 million commercial entities in Australia and New Zealand.

Clause 23.11 of the *Privacy (Credit Reporting) Code 2014 (CR Code)* requires Equifax to publish on its website an annual report (**Annual Report**) that includes the following information:

- Statistics relating to access requests, corrections, complaints and serious credit infringements;
- A summary of our monitoring and auditing activities;
- Statistics relating to comprehensive credit reporting, such as the disclosure of consumer credit liability information (CCLI) and repayment history information (RHI); and
- Any other information requested by the Office of the Australian Information Commissioner from time to time.

This Annual Report has been prepared in accordance with the requirements of clause 23.11 of the CR Code for the period 1 July 2016 to 30 June 2017 and contains information relating to the Australian Consumer Credit Bureau of Equifax.

2. Access to Credit Reporting Information

The below table provides statistics in relation to the number of individuals who accessed their credit reporting information during the period 1 July 2016 to 30 June 2017.

CR CODE CLAUSE	DESCRIPTION	RESULT
23.11 (a)	<p>The percentage of individuals who were provided their credit reporting information free of charge.</p> <p>To calculate this percentage, the applicable formula was:</p> $\% = \text{AI(WC)} / \text{IND} \times 100$ <p>In this formula:</p> <p>AI (WC) is the number of individuals given access to their credit reporting information (without charge) by the CRB during the reporting period.</p>	1.81%

	IND is the number of individuals about whom credit information is held at the end of the reporting period.	
23.11 (b)	<p>The percentage of individuals who were provided access to credit reporting information with a charge.</p> <p>To calculate this percentage, the applicable formula was:</p> <p>% = AI(C)/ IND x 100</p> <p>In this formula:</p> <p>AI(C) is the number of individuals given access to their credit reporting information by the CRB during the reporting period where the individual used a fee-based service.</p> <p>IND is the number of individuals about whom credit information is held at the end of the reporting period.</p>	1.75%

3. Corrections

Part IIIA *Privacy Act 1988* (Cth) (**Privacy Act**) provides an individual with a right to request a correction to their personal information (which is defined as credit information, CRB derived information and CP derived information about the individual) where it is inaccurate, out-of-date, incomplete, irrelevant or misleading.

The below table provides statistics in relation to the number of individuals who requested a correction be made, the number of corrections executed by Equifax, and the type of corrections made for the period of 1 July 2016 to 30 June 2017.

CR CODE CLAUSE	DESCRIPTION	RESULT
23.11 (c)	<p>The percentage of correction requests received during the reporting period.</p> <p>To calculate this percentage, the applicable formula was:</p> <p>% = CR/ IND x 100</p> <p>In this formula:</p> <p>CR is the number of correction requests received by the</p>	0.25%

	<p>CRB during the reporting period.</p> <p>IND is the number of individuals about whom credit information is held at the end of the reporting period.</p>	
23.11 (d)	<p>The percentage of successful correction requests, that is, where a correction request has been received by the CRB and the CRB was satisfied that the correction should be made during the reporting period.</p> <p>To calculate this percentage, the applicable formula was:</p> <p>% = SCR/ CR x 100</p> <p>In this formula:</p> <p>SCR is the number of successful correction requests, that is, correction requests received by the CRB during the reporting period where the CRB was satisfied that a correction should be made.</p> <p>CR is the number of correction requests received by the CRB during the reporting period.</p>	34.18%
23.11 (e)	<p>The average number of calendar days taken by Equifax to finalise a correction.</p> <p>To calculate the average number of days, the applicable formula was:</p> <p>Average days = TD/ TC</p> <p>In this formula:</p> <p>TD is the total number of calendar days taken from receipt to a finalisation for all correction requests finalised by the CRB during the reporting period.</p> <p>TC is the total number of corrections finalised by the CRB during the reporting period.</p>	27.67
23.11 (f)	<p>The percentage of other corrections made, that is, corrections made by Equifax on its own initiative or as a result of requests from a credit provider.</p> <p>To calculate this percentage, the applicable formula was:</p> <p>% = OCR/ IND x 100</p> <p>In this formula:</p> <p>OCR is the number of other corrections, that is, corrections</p>	0.992%



	made by the CRB during the reporting period that were not made in response to a correction request from the relevant individual.							
	IND is the number of individuals about whom credit information is held at the end of the reporting period.							
23.11 (g) (i)	The types of corrections received and made are listed below, along with the percentage of corrections for each correction type against all types (with results rounded):							
TYPE	Default	Enquiry	Judgment	Identification Error	Personal Details	Personal Insolvency Information	Summons	Other Public Record
%	51.16%	29.57%	6.78%	10.17%	0.31%	0.42%	0.12%	1.47%
23.11 (g) (ii)	The industry sectors from which the information that was corrected originated from where:							
	Credit, Telecommunications, Utilities, Other							

4. Complaint Handling

Complaints received by Equifax are managed in fair, objective and timely manner by resolution team. All complaints are actioned and a written response is provided to the complainant within 30 days of receipt of complaint.

The following table provides statistics in relation to the number, type and outcome for complaints reported to Equifax during the reporting period.

CR CODE CLAUSE	DESCRIPTION	RESULT
23.11 (h)	<p>The percentage of complaints received during the reporting period.</p> <p>To calculate this percentage, the applicable formula was:</p> <p>% = C/ IND x 100</p> <p>In this formula:</p> <p>C is the number of complaints received by the CRB during the reporting period.</p> <p>IND is the number of individuals about whom credit information is held at the end of the</p>	0.000334%

	reporting period.	
23.11 (i)	<p>The types of complaints that were received by Equifax during the reporting period, including a percentage figure for all complaint types:</p> <ul style="list-style-type: none"> • Complaint alleging access to or delivery of credit report not in accordance with the Act. 16.981% • Complaint alleging Correction request not handled in accordance with the Act 49.057% • Complaint alleging other non-compliance with the Act or CR Code 24.528% • Complaint alleging request for a ban on a credit report 3.774% • Complaint about Equifax's pre-screening service 5.660% 	
23.11 (j)	<p>The percentage of complaints finalised during the reporting period.</p> <p>To calculate this percentage, the applicable formula was:</p> <p>% = F/ IND x 100</p> <p>In this formula:</p> <p>F is the number of complaints finalised by the CRB during the reporting period.</p> <p>IND is the number of individuals about whom credit information is held at the end of the reporting period.</p>	0.00038%
23.11 (k)	<p>The average number of days taken to finalise a complaint once received by Equifax.</p> <p>To calculate the number of days, the applicable formula was:</p> <p>Average days = TD/ TCP</p> <p>In this formula:</p> <p>TD is the total number of calendar days taken from receipt to a finalisation for all complaints finalised by the CRB during the reporting period.</p>	14.63



	TCP is the total number of complaints finalised by the CRB during the reporting period.	
23.11 (l)	Information about the outcomes of the complaints finalised during the reporting period, expressed as a percentage against all outcomes.	Investigated– additional action required - 11.48% Investigated – no additional action required - 88.52%

5. Serious Credit Infringements

According to the Privacy Act, a serious credit infringement is where, in the opinion of a credit provider, an individual has committed an act that involves fraudulently obtaining or attempting to obtain consumer credit, or fraudulently evading or attempting to evade their obligations in relation to consumer credit.

The Privacy Act further defines a serious credit infringement as an act done by an individual where a reasonable person would consider the act indicates an intention by the individual to no longer comply with their obligations in relation to consumer credit provided by a credit provider, the credit provider has been unable to contact the individual after taking reasonable steps, and at least six months has passed since the credit provider last had contact with the individual.

The below table provides statistics in relation to serious credit infringements that have been disclosed to Equifax during the reporting period.

CR CODE CLAUSE	DESCRIPTION	RESULT
23.11 (m)	<p>The percentage of serious credit infringements disclosed by credit providers during the reporting period.</p> <p>To calculate this percentage, the applicable formula was:</p> <p>% = SCI/ IND x 100</p> <p>In this formula:</p> <p>SCI is the total number of times during the reporting period that a CP disclosed an opinion to the CRB that an individual had, in circumstances specified by the provider, committed a serious credit infringement.</p> <p>IND is the number of individuals about whom credit information is held at the end of the reporting period.</p>	0.02907%
23.11 (n)	The percentage of serious credit infringements	Credit Industry- 18.07%

	<p>disclosed to Equifax, by industry sector.</p> <p>To calculate this percentage, the applicable formula was:</p> <p>% = SCI(S)/SCI x 100</p> <p>In this formula:</p> <p>SCI(S) is the number of times during the reporting period that a CP from a particular sector disclosed an opinion to the CRB that an individual had, in circumstances specified by the provider, committed a serious credit infringement.</p> <p>SCI is the total number of times during the reporting period that a CP disclosed an opinion to the CRB that an individual had, in circumstances specified by the provider, committed a serious credit infringement.</p>	<p>Telecommunications – 0.22%</p> <p>Utilities – 0.00%</p> <p>Other – 81.72%</p>
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6. Monitoring & Auditing Activities

Under sections 20N and 20Q of the Privacy Act, regular audits of credit providers who have consumer credit information agreements with Equifax must be conducted by an independent person, to determine the credit provider's compliance with the following obligations:

- (a) that credit information that a credit provider discloses to Equifax is accurate, up to date and complete; and
- (b) that credit reporting information that Equifax discloses to a credit provider is protected by the credit provider from misuse, interference and loss and from unauthorised access, modification or disclosure.

Equifax has established a risk-based program (**Program**) in accordance with clause 23 of the CR Code to monitor credit providers' compliance with the obligations referred to at paragraphs (a) and (b) above, and also the obligation for credit providers to take steps in relation to requests to correct credit related personal information as required by the Privacy Act, the *Privacy Regulations* and the CR Code. Equifax identified the following criteria to identify credit providers to participate in the Program:

- The scale of credit provider's credit reporting activity levels, as measured by the number of enquiries received;
- The credit provider's credit information accuracy, as determined through the number of incorrect enquiries received (ie. defaults/enquiries that the customers have requested deleted from the bureau due to error);
- Possible systemic issues identified through correction requests and complaints known to Equifax;
- Any reported breaches of the Privacy Act, *Privacy Regulations* or the Credit Reporting Code; and

- Previous audit experience and findings.

During the reporting period, Equifax identified a number of credit providers to participate in the Program based on the above criteria and wrote to each of them, setting out the audit requirements. As at 30 June 2017, two credit providers had fulfilled the requirements of our Program, and subscription to Equifax services for five credit providers had been suspended due to non-compliance with our Program. We are actively engaged with the remaining credit providers to determine the next steps, as the due date for the completion of their audits extends beyond 30 June 2017. In relation to the two credit providers who fulfilled the requirements of our Program, one audit identified the credit provider to be complaint with their obligations and the other audit identified the credit provider was not able to demonstrate compliance with their obligations due to:

- Lack of policies to govern the credit provider's compliance with its obligations under the Privacy Act, the CR Code and its agreement with the CRB;
- Practices considered contrary to accepted industry practice, although not considered by the auditor to be in breach of the Privacy Act, Privacy Regulations or the CR Code.

The credit provider has since actively commenced implementing corrective actions recommended by its auditor by adopting a revised compliance regime and a monitoring program to assist it to meet applicable requirements of the Privacy Act, Privacy Regulations and the CR Code. These corrective actions are expected to be completed by the end of October 2017.

During the reporting period, Equifax was also actively engaged with a number of Credit Providers in relation to outstanding audits from the previous reporting period (2015-2016). Four of these credit provider audits were concluded prior to 30 June 2017 and another is still in progress.

Equifax's Credit Provider Audit Program is reviewed annually and monitored to ensure it is effective in identifying potential non-compliance and to ensure that the process is efficient and adds value for consumers, credit providers and Equifax.

7. Consumer Credit Liability Information and Repayment History Information

Consumer credit liability information (CCLI) is defined in the Privacy Act to include the type of credit account opened by the individual, the name of the provider and whether they are a licensee, the date on which the consumer credit was entered into and terminated, the current limit of the credit account and the terms or conditions of the consumer credit that relate to the repayment of the amount of credit and that are prescribed by the regulations.

Further, repayment history information (RHI) is defined to include information about whether the individual has met an obligation to make a monthly payment that is due and payable in relation to consumer credit, the day on which the monthly payment is due and payable, and (if paid after the due date) the day on which the individual makes the payment.

The below table provides statistics in relation to the percentage of CCLI and RHI that has been disclosed to Equifax during the reporting period:

CR CODE CLAUSE	DESCRIPTION	RESULT
23.11 (p) (i)	<p>The percentage of credit providers that disclosed CCLI to Equifax during the reporting period.</p> <p>To calculate this percentage, the applicable formula was:</p> <p>% = CCLI/ CP x 100</p> <p>In this formula:</p> <p>CCLI is the number of CPs that disclosed consumer credit liability information to the CRB during the reporting period.</p> <p>CP is the total number of CPs that disclosed any credit information to the CRB during the reporting period.</p>	5.24%
23.11 (p) (ii)	<p>The percentage of credit providers that disclosed RHI to Equifax during the reporting period.</p> <p>To calculate this percentage, the applicable formula was:</p> <p>% = RHI/ CP x 100</p> <p>In this formula:</p> <p>RHI is the number of CPs that disclosed repayment history information to the CRB during the reporting period.</p> <p>CP is the total number of CPs that disclosed any credit information to the CRB during the reporting period.</p>	0.44%

8. Other Information

Clause 23.11 (q) of the CR Code requires a CRB to include any other information requested by the OAIC from time to time. The OAIC has not requested Equifax to provide any additional information in this Annual Report.