

The Credit Bureau & you

What is a credit bureau?

A credit bureau is an entity that collects credit information from lenders and information from other sources on a consumer, processes that information and creates comprehensive credit reports and other value added services that are sold for a fee to those persons who provide information, to the consumers themselves, and with written permission of the consumer to other persons or entities for specified purposes.

Is there a credit bureau in Guyana?

There is one credit bureau in Guyana at this time. The name of the credit bureau is Creditinfo (Guyana) Inc.

Is there an Act that governs the conduct of the business of a credit bureau?

The conduct of the business of a credit bureau is governed by The Credit Reporting Act 2010 which came into effect on 15th April 2011. This Act can be found on the website of the Bank of Guyana at www.bankofguyana.org.gy and is available in hard copy at Parliament Office.

Which entity would supervise and regulate the credit bureau?

The Bank of Guyana is the designated supervisory authority.

Which are some of the sources from which a credit bureau may obtain credit information and other information?

A credit bureau may obtain information primarily from the commercial banks, the non-bank licensed financial institutions; the utility companies, and hire purchase companies.

In addition, under section 12(7) of the Credit Reporting Act, a credit bureau may collect data or information from public sources including –

- (a) data available to the general public*
- (b) court judgments*
- (c) immovable property registers*
- (d) company registries*

Also any entity that the Bank of Guyana may designate as a credit information provider may be a source of information for the credit bureau.

Who is a credit information provider?

A credit information provider is any entity that furnishes credit information to the credit bureau.

What kind of information would be credit bureau be collecting?

The credit bureau could collect information such as those listed below among other –

- (a) the amount and nature of any credit facility(ies)*
- (b) the type of security against those credit facilities*
- (c) the level of non-performing or past due credit facilities*
- (d) nature of any guarantee or other non-fund based facility accessed by a consumer*
- (e) a consumer's financial means, creditworthiness or history of financial transactions*
- (f) any court judgments – adverse or favourable*
- (g) information from the Land and Deeds registries -real estate holdings; etc.*
- (h) information on a company – its condition and performance; governance structure etc.*
- (i) the amount and nature of any hire purchase facility(ies)*
- (j) hire purchase payments or non-payments*
- (k) utility payments or non-payments*

The credit bureau would not be collecting information on your medical history or on your deposit accounts.

Do I have to give consent to any entity to share any information that it may have about me as a consumer of its products or services?

The Act is specific – a credit information provider cannot provide any information to the credit bureau without the prior consent of the consumer and this consent shall be obtained at the time of applying for a credit facility and is contained on the credit application. Consumers who already have credit facilities would also be asked to give ex post consent.

Why is it important to give consent to share any information?

The protection of the consumer's privacy is considered to be of significant importance; It is for this reason that the law does not compel financial institutions to share consumer credit information with the credit bureau but in fact provides for a consensual approach. The provision of this information will allow credit providers and other entities to make an informed assessment of the credit worthiness of an applicant which will result in greater accessibility to credit and other related services.

What would the credit bureau do with the information it collects?

The credit bureau will process the information collected. Processing of the information involves matching, cross-checking, merging, analyzing and interpreting the information. All that is done to ensure that everything is accurate and relates to the specific consumer, then the credit bureau compiles the processed information to create a credit report and determines a credit score for the consumer.

What is a credit report and what does it show?

A credit report is a report that is generated by the credit bureau using the information it collects. The credit report gives a comprehensive profile of a consumer including information such as name of consumer, identification number, date of birth, current and previous addresses, other forms of identification, employment history and alerts such as identification theft or liens/freezes on security. It also details the consumer's economic obligations including his/her payment history of such obligations and of any guarantees, whether accounts are current/past due or non-performing, credit enquiries made about the consumer, number of credit facilities the consumer has/had(both open and closed). The credit report also shows the number of payments missed, bounced cheques, information on collections made on outstanding accounts and information from any public documents/records such as court judgments and bankruptcy rulings, a list of users that have accessed your data during the previous six months and the source of the data or information. It may also include a credit score.

What is a credit score?

A credit score is a statistical estimate of the probability of default of an existing or prospective borrower based on characteristics available in the information that the credit bureau has collected. The credit bureau will explain to you the significance of your credit score.

Could a consumer obtain a credit report?

Yes. A consumer has the right to obtain a credit report free of charge once a year upon his/her request and under investigative circumstances due to data or information error attributable to the credit bureau or to a credit information provider. In all other cases, a consumer has to pay for a credit report. The credit bureau has fourteen days from the date of your request for a credit report to provide you with that report.

What would be the price for a credit report?

The price for a credit report would be determined by the credit bureau based on its pricing policy.

Could the credit bureau share a consumer's credit information with anyone?

The Act specifies that a consumer's credit information can be shared with credit information providers who intend to use the information to extend credit to the consumer. With the consumer's written permission and instructions, such information can be shared for the purposes of

- *purchasing or collecting of a debt of a consumer to whom the information pertains*
- *entering into a renewal of a tenancy agreement*
- *underwriting of insurance involving the consumer*
- *facilitating a financial or other commercial transaction involving the consumer*
- *employment of the consumer*

Consumer information could also be shared in response to a lawful subpoena. No one could walk off the street and request your credit report.

What is the penalty that a credit bureau would face if it shares my information without my consent?

If the credit bureau discloses your credit information in contravention of the Act, it would be committing an offence and would be liable on summary conviction to a fine of one million dollars.

Apart from not sharing my credit information as noted above, what other obligation(s) does the credit bureau have to me as a consumer?

The credit bureau has to maintain a file for you and has to store that file for a period of seven years after the date of termination or settlement of the credit extended by the credit provider or lender in a secured manner safe from any misuse, loss or unauthorized access. The credit bureau may also refuse to create a file for you if it considers that the information it has received from the credit information provider is not reliable.

How would the information (the credit report or credit score) from the credit bureau be of benefit to me?

Information from the credit bureau would allow a lender to more accurately assess your credit worthiness. This would enable the lenders to better assess the risk of each credit and price the loan/credit accordingly. As such, potential borrowers with good credit histories can benefit from reduced lending rates. You can take your credit report from one financial institution to another in an endeavour to obtain better terms of credit, making lending markets more competitive, and in the end more affordable.

Would the credit bureau collect only information on an individual or on a company as well?

Yes, the credit bureau would collect information on both the individual and a company. In this way it would allow for the assessment of a company and its owner to be combined. The credit history of a company's owner is an important predictor of the credit risk of the company.

Has the credit bureau a legal obligation to treat all of a consumer's information as confidential?

The credit bureau, credit bureau users and credit information providers are required by the Credit Reporting Act to keep confidential any information received in connection with their duties/functions under the Act.

Apart from the credit report and the credit score, are there any other services that the credit bureau would offer?

The scope of other services that a credit bureau could offer apart from the credit report and credit score, is a function of the environment in which the credit bureau operates and would be of more direct benefit to the credit information providers and in an indirect way to the consumers. Some of the value-added products/services include – portfolio management, behavioral scoring; monitoring and evaluation; fraud detection and debt collection services, among others. However, these value-added products/services could only be offered when the credit bureau has matured to a certain level, having a database that has grown in depth and breadth.

Can a consumer challenge the information in his/her credit report?

A consumer can challenge the information if he/she is of the opinion that the information is illegal, inaccurate, erroneous, or outdated.

How long would it take to resolve information in a credit report that is illegal, inaccurate, erroneous or outdated?

When this is brought to the attention of the credit bureau, the credit bureau would have thirty days within which to resolve the matter. During that time, the credit bureau has to notify the source from which the information was obtained and request that accurate information be provided. Your credit report would reflect that the illegal, inaccurate, erroneous or outdated information is being challenged.

Could I resort to a higher authority if I am not satisfied with the outcome of my challenge?

The Credit Reporting Act allows for two levels of recourse. In the first instance, you could make a complaint of the matter in writing to the entity or person designated by the Minister of Finance to hear the matter. If you are still not satisfied, then you may appeal to the High Court.

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