

CR Code Variation – Industry Association Consultation 10 April 2018 – Outcomes

Attendees:

- Nick Pilavidis, AICM
- Christiane Gillespie-Jones, Communications Alliance
- Alan Harries, ACDBA

Apologies:

- AFIA
- ABA
- Insurance Council of Australia

Paragraph 1.2 – Month definition

- AICM:** query likelihood of a CP changing its systems to enable reporting on weekends/non-business days as opposed to shifting a processing day forwards.
- ACDBA:** for debt buyers, this is not an issue. Debt buyers will continue processes with original CPs. Suggest double-checking with AFIA impacts for mid-tier financiers of shifting reporting dates to accommodate non-business days, as presumably there is a cost associated with that.

Paragraph 6.2(b) – ‘Maximum amount of credit available’

- Comms:** The removal of the 2 credit limit categories for goods/services type credit may impact the telecommunications industry in respect to the reporting of consumer credit where handsets have been provided (and repayment of the handsets form part of the contract). Will need to check this with members.
- ACDBA:** Won't have an impact on ACDBA members.
- AICM:** No issues.

Paragraph 6.2(c) – Day credit is terminated or otherwise ceases to be in force

- ACDBA:** This goes to the issue of debt buyers getting access to CCR. Will they be reporting against recovery of debt, as compared to receipt of regular payment history? Query the role of CRBs in educating CPs as to when it is appropriate to disclose an account as closed – it should be the case that the closure coincides with the acceleration clause being activated, and the follow-up is then a certain default being disclosed on the history.
- AICM:** This is a problem to be addressed – in the sense that disclosing an account as closed too early may be misleading information.

Paragraph 8.2(c)(ii) – RHI disclosure

- ACDBA:** No issue with the proposed rewording.

Paragraph 9.3 (d) – Individual's last known address for default notices

- Comms:** Will need to consult with members, as the ability to send notices by email is important for the telecommunications sector. Possible concern with reference to electronic address “for that consumer credit” – given the electronic address will attach to the customer profile, rather than the credit. Would suggest this

wording be struck out. Should be okay to send notice via email if the customer has opted to have email as means of regular communication.

ACDBA: Even if a customer has opted to do it, if the credit is NCC regulated, the notice will still need to be sent by post. Suggest using term “unless otherwise prescribed by law” ... to ensure that this doesn’t interfere with current NCC requirements.

Comms: Would also prefer the mode of communication was as technologically neutral as possible – would not want to tie to email or SMS. Will further consider definition of ‘electronic communication’ under the Electronic Transactions Act 1999 and whether that is suitable.

[Nb. This definition provides an ‘electronic communication means:

(a) a communication of information in the form of data, text or images by means of guided and/or unguided electromagnetic energy; or

(b) a communication of information in the form of speech by means of guided and/or unguided electromagnetic energy, where the speech is processed at its destination by an automated voice recognition system.]

AICM: Should use the most appropriate means of communication – makes sense to keep it open.

Paragraph 9.3(f) – Timing for default notices

ACDBA: No problem with it – query whether the introduction of ‘giving’ rather than issue will cause problems with EDR. [ARCA noted that FOS determinations have already applied Act timeframe rather than CR Code timeframe]

Paragraph 18.1 – Scope of prohibition on direct marketing

ACDBA: Suggest going further than the words ‘or services’, and include the words ‘or other methodology’.

Paragraph 20.9 – Corrections notifications

[no comment]