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FINANCIAL INSTITUTIONS

Retail issues, consumer policy and payment systems

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CONSULTATION DOCUMENT ON

THE REPORT OF

THE EXPERT GROUP ON CREDIT HISTORIES

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BACKGROUND

The Expert Group on Credit Histories was announced in the Commission Communication on *A single market for 21st century Europe* and the White Paper on the Integration of EU Mortgage Credit Markets. The group was mandated to identify solutions which maximise consumers' credit data circulation whilst ensuring a high level of consumer protection (Commission Decision 2008/543/EC of 13 June 2008).

The group gathered 20 experts representing all relevant stakeholders (lenders, credit registers consumers, data protection authorities...). The group met eight times between 26 September 2008 and 30 April 2009.

THE EXPERT GROUP'S REPORT

The report explains that credit data sharing between creditors is considered an essential element of the financial infrastructure. The use of credit data in assessing borrowers' creditworthiness is key in order to enhance the quality of creditors' loans portfolio and thus reduce risks. It also assists creditors in complying with responsible lending obligations.

While national credit reporting systems effectively assist creditors in assessing credit requests, obstacles to the access to and exploitation of foreign credit data is one of the barriers to the development of cross-border lending activities.

The report recognises however the low appetite for important changes. Thus, experts have rejected global and complex solutions, such as setting up a pan-European credit register or aligning all Member States to a single credit data model. According to the group, data access model choices should be market driven and any solution, before being implemented, need to be carefully evaluated in terms of their costs and benefits for both consumers and creditors.

The report's analysis and recommendations, as well as reactions to them, will be taken into account by the Commission when developing its future position on credit histories.

The report will be open to consultation until 31 August 2009. Written reactions to the report and the answers to the questions below are to be e-mailed to markt-egch@ec.europa.eu.

QUESTIONS

General assessment

1. Do you agree with the report's conclusions and recommendations?
2. What other suggestions/recommendations would you have?

Data access

3. Would you suggest any other data access model for cross-border data exchanges?
4. What rights should the data holder enjoy in a cross-border context, in particular regarding access to or data correction? What could help the holder exercise these rights and seek redress in case of breach?

Data content

5. The expert group recommends a greater convergence of the content of credit databases. For which aspects this convergence should be achieved?
6. What solution would you suggest in order to solve, in a cross-border context, the identification problems described in the report?