

Questions & Answers

This PRDE FAQ will focus on Principle 1 and will answer some questions around CP & CRB obligations, paragraph 15 and the impact on negative information.

WHAT IS THE PURPOSE OF PRINCIPLE 1?

Principle 1 is fundamental to making the PRDE work. It lays the groundwork for the PRDE as a binding multilateral framework for data exchange and transforms the PRDE from high level principles, to a document which has legal effect, across the entire signatory base.

WHY IS IT NECESSARY TO HAVE ALL ORGANISATIONS SIGN THE SAME DEED POLL?

Under the PRDE, everyone is bound by the same rules. It means, we won't have CP1 signing one Deed Poll which says they have to comply with half the provisions in the PRDE only, and CP2 signing another Deed Poll which says they have to comply with all the provisions in the PRDE.

When an organisation signs the Deed Poll, it does so knowing everyone else is doing the same, and they all have the same rights and obligations.

WHAT MUST A CP SIGNATORY DO IF IT WANTS TO CONTRIBUTE INFORMATION UNDER THE PRDE?

A CP wanting to contribute information under the PRDE will first need to:

- Sign the Deed Poll
- Decide a Tier Level for exchange

- Supply the PRDE Administrator with a signed Deed Poll, advise what its Tier Level is, and pay the PRDE administration fee
- Let its CRBs know that it is participating in the PRDE and its Tier Level, and have the signed Deed Poll annexed to its services agreements
- Make sure its information is ready to be contributed – so it has a transition plan in place, and its credit information is ACRDS compliant.

WHAT BINDS AN ORGANISATION TO THE PRDE?

The Deed Poll is a binding 'instrument'.

A Deed Poll provides a way for an organisation to declare that it will comply with certain obligations (in this case the PRDE).

WHO CAN BIND THE ORGANISATION TO THE PRDE?

Generally, only company directors or people who have the delegated authority of their board of directors, will be able to bind the organisation.

This means that if an accounts manager or compliance officer signs the Deed Poll, that won't necessarily be sufficient to bind your organisation. Authorisation from a board member may be required.

DOES MY ORGANISATION NEED TO PAY A FEE WHEN IT SIGNS THE PRDE? IF SO, WHY?

Yes. The PRDE will cost money to run, and signatories will need to pay these costs.

Making this payment is also an obligation under the PRDE, so that signatories have to pay the costs identified by the Administrator (and in the manner identified by the Administrator).

WHEN A CRB SIGNS THE PRDE, WHAT DOES THAT MEAN IN TERMS OF ITS SUPPLY OF INFORMATION TO ITS CUSTOMERS?

When a CRB signs the PRDE, it commits to only supplying PRDE signatory information within the signatory network, although that restriction won't apply to negative data.

That may mean it may have to run separate data exchanges (for non-signatories and signatories) for its consumer credit liability information (CCLI) and repayment history information (RHI). However, we expect this will be for the short-term only, as more and more CPs choose to participate in the PRDE exchange.

WILL THE PRDE IMPACT ON A CP'S EXISTING SERVICES AGREEMENT WITH ITS CRB(s)?

No. The PRDE is a separate legal document to the services agreement.

The only impact on an existing services agreement will be where there are terms in that services agreement which prevent or constrain a CP's ability to contribute information to another CRB, those terms

may need to be amended or deleted. The services agreement will also require a CP to sign the Deed Poll if it wants to participate in the PRDE exchange – although this is already a requirement of the PRDE.

DO I HAVE TO SUPPLY DATA TO A CRB IF MY ORGANISATION DOES NOT HAVE A SERVICES AGREEMENT WITH THAT CRB?

Absolutely not. Your organisation will be able to choose which CRB it wants to deal with.

IS THERE A REQUIREMENT TO OBTAIN SUPPLY FROM ALL CRBS WITH WHOM I HAVE A SERVICE AGREEMENT WITH?

No. If a CP has services agreements with multiple CRBs, it is only required to **contribute** the same tier level to each CRB. Which CRB a CP chooses to obtain supply (or 'consume') its information from, is really a commercial decision for that CP.

MY ORGANISATION WANTS TO SIGN THE PRDE AND EXCHANGE OUR CARDS PORTFOLIO, BUT NOT OUR HOME LOAN PORTFOLIO. IS THIS POSSIBLE?

No. CPs are required to contribute information across all of their portfolios. It means that the data in the system isn't fragmented. Fragmentation can cause huge gaps, which makes it harder for a CP to get real value when using credit reporting data to help make credit decisions.

That said, it may be possible to transition one portfolio across to the PRDE exchange first, and the remainder of the portfolios within the 12 month transition period. This will be a matter for each CP to determine, depending on the total size and make up of their retail credit portfolio.