

## Media Release

### ARCA consulting on changes to improve credit reporting

- ARCA is calling for public feedback on proposed changes to the Credit Reporting Code
- The changes would simplify credit report corrections and allow consumers to shop around for credit without affecting their credit report
- ARCA's members are Australia's most significant credit providers and credit reporting bodies

**Melbourne, 13 November 2023:** The Australian Retail Credit Association (ARCA) is consulting on proposed changes to the Privacy (Credit Reporting) Code for public feedback, which aim to better protect a consumer's credit report and ability to access future credit.

**Chief Executive Officer of ARCA, Elsa Markula** said, "These proposed changes address concerns identified when the Credit Reporting Code was independently reviewed last year, with a focus on improving consumer outcomes, removing ambiguity, and creating a framework that promotes competition and enables risk-based pricing".

The proposed changes include improvements to how and when information on credit reports can be corrected. This involves making it easier to request that multiple pieces of information that relate to a single event be fixed, as well as more scope for correction requests for information that exists due to circumstances outside the consumer's control.

Consumers can currently correct information that is wrong. The proposed changes are focused on making corrections easier where there is a single significant event that has caused issues.

Additionally, the proposed changes include a new soft enquiries framework, allowing consumers to shop around for the best price on a loan with no impact to their credit report.

Ms Markula emphasised that this framework is a common feature of credit reporting systems overseas and would create a standardised regime within Australia for the first time.

"A soft enquiries framework addresses consumer concern that searching for a loan can affect their credit report and make it harder to get credit. The framework we have proposed would also ensure that lenders can have faith that if a full application is made, there will be evidence of it within the credit reporting system," Ms Markula said.

Unless seeking approval for credit, such as a home loan, a consumer seeking a tailored pricing quote from a credit provider should not have their credit report affected. Consumers should be free to shop around without any fear that this may harm their credit report.

As part of the review, ARCA has also proposed changes to the credit ban process, including the ability to 'opt-in' to receive notifications if someone tries to access information while the consumer has placed a ban on their file.

"Notifications will require work to implement, but it will mean that consumers who have placed a credit ban on their file will know if someone else is trying to access their information or engage in fraud," Ms Markula said.

ARCA is the code developer for the Credit Reporting Code and was invited by the relevant regulator, the Office of the Australian Information Commissioner (OAIC), to propose these variations in response to last

year's independent review. ARCA will seek the OAIC's approval for changes by the end of the year. Once approved, any changes to the Credit Reporting Code will be legally binding.

ARCA welcomes feedback to these proposed changes and requests for submissions to be made by 16 November 2023. Questions or feedback about the CR Code or ARCA's process can be made by contacting [crcode@arca.asn.au](mailto:crcode@arca.asn.au). Further information can be found [here](#).

**ENDS**

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### **About ARCA**

The Australian Retail Credit Association (ARCA) is the peak body for organisations involved in the disclosure, exchange, and application of credit reporting data in Australia. ARCA's members are the most significant credit providers and credit reporting bodies (CRBs), including the four major banks, specialist consumer finance companies, mutuals, credit reporting bodies and marketplace lenders.