



**Association of Consumer Credit Information Suppliers**

Mr. Renatas Mazeika  
Head of Unit Consumer Policy  
DG JUST  
European Commission

Brussels, 27 July 2018

Subject: **CCD Evaluation Roadmap**

Dear Mr. Mazeika,

ACCIS, the largest group of credit reference agencies (CRAs) in the world, would like to share three reflections on the European Commission's evaluation roadmap of the Consumer Credit Directive (CCD).

a) Data for creditworthiness assessments and responsible lending

CRAs hold information on credit lines and payment behaviours of consumers and businesses supplied by lenders and other organisations. When consumers and businesses apply for credit, financial institutions rely on CRAs to verify and complete the information provided by the borrower.

As third parties between the interest of lenders and borrowers, CRAs provide information to support the evaluation of the borrowers' ability to repay, thereby contributing to reducing asymmetries between those parties and to supporting sound lending processes.

CRAs are not involved in how information is used by lenders – this is for them to decide, in the context of a consumer's credit application. Hence, our main interest lies in the recitals and articles in the CCD that relate to the provision of information for creditworthiness assessments and the verification of the borrower's information against our databases. In particular, recitals 26, 28 and Articles 8.1 and Article 9.1.

In its Roadmap, the Commission reports that the evaluation of the CCD will assess '*how the Directive works together with other legislation in the field of retail financial services, consumer protection and data protection*'.

In that regard, there are differences between the CCD and the Mortgage Credit Directive (MCD) concerning the data inputs that should be used in creditworthiness assessments: whereas the CCD refers to '*sufficient information*' (Article 8), the MCD refers to '*all necessary and relevant factors*' (Recital 55, Article 18.1).



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ACCIS would like to invite the Commission to evaluate how the outcomes of the creditworthiness assessment obligation provided for in the CCD - adopted before the outbreak of the financial crisis and in the early digitalization days - compare with the outcomes of the '*strengthened creditworthiness assessment*' (Recital 22) included in the MCD and, in particular, whether the potential inadequacy of the factors below may have led to a less than optimal performance of the CCD in effectively promoting responsible lending and protecting consumers (Recital 26):

- the information used in creditworthiness assessments i.e. depth of data;
- the coverage of credit products considered in the assessment i.e. breadth of data<sup>1</sup>; and
- the consultation / verification of external databases.

ACCIS would be glad to work with the Commission to explore how to enhance EU citizens' access to affordable finance and the role that 'relevant' data, including positive data, can play in preventing over-indebtedness and facilitating financial inclusion.

### b) Robust inter-services coordination / cooperation

We support that the evaluation of the CCD is led by your Unit (Consumer Policy - JUST.E1). We think, however, that the issues relating to our industry should not be read exclusively from a consumer protection-privacy perspective. In the past, we have noticed that you coordinate / cooperate on consumer credit issues with other Units within the Commission, such as the Retail Financial Services Unit (DG FISMA).

Considering the vital importance of credit reporting systems in expanding responsible access to credit, limiting the build-up of bad loans and contributing to financial stability, to cite some, we would recommend that coordination / cooperation to continue throughout the evaluation exercise.

### c) Expert Group on Credit Histories and World Bank General Principles for Credit Reporting

The data and recommendations coming from the Expert Group on the Implementation of Directive 2008/48/EC on Consumer Credit (CCD) – representatives from Member States – and from the Financial Services User Group (FSUG) are listed as some of the sources that the Commission will use to evaluate the CCD.

We would like to add to that list the recommendations from the Expert Group on Credit Histories (EGCH), that was disbanded in 2009, after presenting its [report](#) on how to maximise credit data circulation in the EU whilst ensuring a high level of consumer

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<sup>1</sup> For more information you may check [ACCIS 2017 Membership Survey](#), page 18.



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protection. Many of their recommendations are still valid, others have been overtaken by subsequent developments, such as the MCD and the General Data Protection Regulation (GDPR).

In order to further support the evaluation of the CCD and to prepare a potential review of the text, ACCIS recommends the re-establishment on an 'EGCH 2.0', whose task would be to review and update the previous recommendations.

We would also invite you to take into account in the evaluation of the CCD the [General Principles for Credit Reporting](#) prepared by the World Bank in 2011.

I remain at your disposal, should you be interested in discussing any specific issue.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Velázquez', with a vertical line extending downwards from the end of the signature.

Enrique Velázquez  
Director General

ACCIS – Association of Consumer Credit Information Suppliers  
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