



Your Credit File Explained

May 2022

These Guidelines Will Help You to:

These guidelines will help you to understand your credit file. You should have a copy of your credit file on hand when using these guidelines.

This guide will help you:

- Understand the information held on your credit file.
- See page 12 for an explanation of terms used in your credit file and in these guidelines.
- If necessary, request that information held on your credit file be corrected or investigated.
- If you think there are inaccuracies in your credit file, the steps you need to take to have them corrected or investigated are detailed on page 10.

We have a dedicated team that will investigate any concerns you may have, and can explain your credit file in more detail if required. In order to complete our investigations, we may also need to contact a subscriber to confirm any information that they have provided to us.

You have certain rights with regard to the credit information we hold about you. See the “Your Rights Explained” section on page 9 of this guide.

Who starts my credit file and how?

A credit file is usually created the first time you apply for credit, incur a default, or where public record information is created about you. When you approach a credit provider to apply for credit (e.g. a loan or the supply of electricity/gas or phone account), you give them your details (e.g. your name, address and date of birth) and your consent to undertake a credit check on you. The credit provider uses this to establish your credit worthiness before they make a decision to approve your credit application or supply you with electricity/gas/phone.

In some cases the consent clause that you have agreed to may be found towards the bottom of an application form. When you give consent for a credit check, the credit provider makes an enquiry to Equifax using the details that you provided.

In the example of a Credit Provider, they may provide information including the following to Equifax:

- Name
- Gender
- Date of birth
- Current and previous residential addresses
- Type of credit applied for e.g. loan (optional)
- Amount of credit requested (optional)
- Notice to Equifax that you provided your consent

What's in Your Credit File?

Some of the types of information that you will find in your credit file are recorded in the template below.

Note: The information in the template below will change each time you make an application for credit.

1. Personal Information

Name: Amelia Ingrid Smith
 Date of Birth: 01/01/1965
 Also Known As Names: Amelia Smith, Amelie Smith, Amelie Ingrid Smith
 Current Address: 12 Queen Street, Auckland Central, Auckland
 Previous Address: 12 Queen Street, Panmure, Auckland

Your name, address details and DOB is the information that is used to positively identify you. This information is updated when you have requested updates to your accounts.

2. 24 Month Repayment History

Creditor: Bank ABC
 Creditor Type: Bank
 Product Type: Mortgage
 Account Number: xxxxxxxxxx57493
 Account Limit: \$150,000
 Pay Frequency: Monthly
 Account Status: Active
 Opened Date: 17/01/2010
 Closed Date: -
 Last Update: 05/08/2014
 Responsibility: Individual
 Identity: AMELIA I SMITH

Repayment History shows what credit accounts you have and whether you're making your payments on time over the past 24 month period. Credit accounts include utility and mobile phone accounts as well as credit cards, loans and mortgages etc.

Note: Your credit file may not reflect all your credit accounts as not all creditors supply information to us.

2017									2018									2019					
Q3			Q2			Q1			Q4			Q3			Q2			Q1			Q4		
Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct
		1	1	1	1	1	1	3	2	1	0	U	N	2	3	1	H	U	0	1	1	0	

Key: Account Status & Repayment History

Inactive (no utilisation)	Account has been deactivated	N	No Payment Due/Required
Active	Account is open	0	Payments up-to-date as at the cycle date. Overdraft with limit agreed
Suspended	Account is suspended. This may be for a variety of reasons.	1	Payments 1-29 days in arrears
Scheme of Arrangement	An agreement between the Credit Provider and the Account holder (and other creditors.)	2	Payments 30-59 days in arrears
Debt Sold	Where a Credit Provider has sold the debt to another company who will attempt to recover the money owed.	3	Payments 60-89 days in arrears
Hardship	Hardship is any situation where a customer has asked for and the Credit Provider has agreed to, temporary relief from the terms of a credit contract due to being unable to meet that financial commitment.	4	Payments 90-119 days in arrears
External Debt Collector	An external company is working to recover money owed to the Credit Provider.	5	Payments 120-149 days in arrears
Closed	Account is closed.	6	Payments 150-179 days in arrears
		X	Payments 180+ days in arrears
		H	Customer in Hardship
		R	Account has been re-aged by credit provider
		U	No update received by end of period
		-	Awaiting update for this period
			Status not available

These are the credit accounts you have applied for. The credit provider generally reports the type of account (credit card, mortgage, etc.), the date you applied for the account, and the credit limit or loan amount applied for.

1.Consumer Credit Enquiries

07/05/2019 Auckland Bank
Type of Account: Overdraft account
Amount: \$500

08/08/2018 South Island Finance Company
Type of Account: Property Mortgage
Amount: \$100,000

These are credit accounts you have asked for a quote on. These enquiries are included in your credit file but are not used in calculating your credit score.

2. Quotation Enquiries

19/07/2019 Harmoney
Type of Account: Personal Loan
Amount: \$1,500

This section contains a list of who has accessed your credit file within the last four years.

3.Enquiries

07/05/2019 Employer ABC
08/05/2018 Landlord ABC
09/05/2017 Employer 123

Credit reporting agencies collect information on overdue debt, which is more than 30 days overdue, and when steps have been taken to recover the amount owing.

4. Payment Defaults

06/10/2018 South Island Finance Company
Reference: Credit Card account with the reference 15928TA
Date: 05/09/2018
Original Amount: \$5,000
Current Amount: \$4,120
Dispute: Currently in dispute
Correction: This is where a 150 word statement can be entered

Comprehensive Reporting

– What is it?

Since 2012 the Credit Reporting Privacy Code 2020 (the Code), which is the regulation governing consumer credit reporting in New Zealand has permitted comprehensive credit reporting.

A copy of the Code may be downloaded from the Office of the Privacy Commissioner's website: www.privacy.org.nz.

Previously New Zealand had a negative reporting system. This meant consumer credit reports could only contain information such as credit enquiries (typically applications for credit e.g. a personal loan or credit card) or the fact a particular credit provider or collection agency had loaded a credit payment default. Under comprehensive credit reporting, positive data is able to be included on credit reports and provided to eligible groups - this provides a more balanced view of an individual's credit history. Many developed countries in the world operate under a comprehensive credit reporting system.

The positive data that can be included on credit reports includes account information such as the date an account was opened and closed, credit limit, type of credit account, as well as 24 months credit repayment history. Repayment history information can only be provided by and accessed by certain agencies. Those agencies are:

- Registered Credit Providers (i.e. Banks, Finance Companies)
- Telecommunications providers
- Retail Gas and Power Utilities
- Insurers (for defined purposes)

As a consumer, you can access and view all information held in your credit file including any positive data that has been submitted.

Industry rules around data, standards and sharing may further limit those organisations that may access positive data.

What are Some of the Benefits of Comprehensive Credit Reporting to Credit Providers?

Repayment history can provide valuable insight into the dynamic nature of account repayment history. From a credit provider perspective, this information can alert credit providers to current hardship or financial struggle and ensure a customer isn't further indebted without having sufficient capacity to repay their financial commitments – hence avoiding further financial stress for the individual.

What are the Benefits of Comprehensive Credit Reporting for me?

The comprehensive credit reporting system gives New Zealanders more power to demonstrate credit worthiness and manage their credit profile.

- Highlights good credit behaviour: You will be able to demonstrate recent good credit behaviour because the Comprehensive Credit Reporting system records if you have made your credit payments on time.
- Faster recovery from adversity: You may improve your credit profile more quickly after an adverse financial event by showing good credit behaviour, potentially countering the impact of a default which may be up to five years old.
- Quicker to establish a credit report: For individuals new to consumer credit, the use of comprehensive information means that you can build credit worthiness more quickly. For example, if you are a young person or a recent arrival from overseas.
- A more balanced system: It is a more balanced and transparent system for consumers who already have a good credit history, as well as those who previously had trouble meeting their financial commitments – as it may enable them to access quality credit where they may not have been able to previously.
- A better deal with providers: With more complete credit bureau information and monthly updates, having a credit profile and showing good credit behaviour may become important in accessing credit at the best price.

From a consumer perspective, this repayment history could demonstrate whether current and/or recent financial commitments have been met or not. In an instance where a consumer, for example, loses their job and the situation results in payment defaults being loaded onto their credit file – these payment defaults remain on their credit file for five years.

Repayment history gives the consumer the ability to demonstrate they have rehabilitated their credit behaviour and facilities e.g. home loan, credit cards, personal loan etc. by showing a clear repayment history over a period of up to 24 months. This may then allow consumers access to quality credit (assuming sufficient capacity to repay) notwithstanding the presence of payment defaults.

As it will take time for this new credit data to build up, the above benefits are likely to take some time to evolve.

How Does Comprehensive Reporting Impact me?

If comprehensive credit data is supplied by credit providers, your credit history will include positive information such as:

- Type of credit account i.e. credit card, home loan etc.
- Amount of credit extended (limit) e.g. \$5,000
- Capacity of individual (such as account holder, joint account holder or guarantor)
- Status of account (Date account opened/closed)
- Details of credit provider (i.e. the name organisation / business the account is with)
- 24 months repayment history

This is in addition to the existing information on your credit report such as:

- Personal details – name, address and date of birth
- Credit enquiry details
- Overdue debts like Payment Defaults (paid and unpaid)
- Court judgments
- Insolvency data
- Records of any ID reported lost or stolen

You can track your credit reporting information through My Credit Alert.

You are entitled to receive a copy of your credit report for free. If you require this more quickly, you can have it delivered within three business days for a modest fee.

These Guidelines Will Help You to:

Note: The lodging of a court judgment with the court is public record but the outcome, for example payment or settlement, is not.

As mentioned earlier, the information in your credit file comes from two possible sources:

- Entries recorded by a subscriber (i.e. enquiry or repayment history information on your credit accounts) including collection agent (i.e. the payment defaults or collection agency defaults section of your credit file)
- Items of public record such as insolvencies, public notices and court judgments. Further information on some of these is set out below.

Court Judgments

Information on court judgments are obtained from the various courts around New Zealand through the Mercantile Gazette. You can request Equifax to correct a court judgment that appears on your credit file if you believe it is incorrect.

What you need to do if a court judgment is paid in full or settled:

- Provide Equifax with a receipt or other evidence of a payment or settlement.

What Equifax does:

- We mark a court judgment "paid in full" or "settled" if it has been finalised. "Settled" indicates that a lesser amount of money was accepted as full and final payment for the debt.

What you need to do if a court judgment is "set aside":

- Provide us with documented proof, stamped by the court, stating that the court judgment has been set aside.

What Equifax does:

- We will remove the court judgment that has been set aside, off your credit file.

Insolvency Information

Insolvency information is received via a data feed sourced directly from the Ministry of Business, Innovation and Employment (MBIE) on a regular basis.

Information provided includes insolvency data relating to 'No Asset Procedures' (NAP) and 'Debt Repayment Orders' (DRO)

What you need to do if your insolvency information differs from that displayed by Equifax:

- As the information displayed is sourced directly from the Insolvency and Trustee Service (ITS), you will need to contact ITS and ask them correct the details of your insolvency. The corrected details will be transferred automatically to Equifax from ITS. Please refer to: <http://www.insolvency.govt.nz>

Protecting Yourself Against Identity Theft Which Could Damage Your Credit Profile

Identity theft is a type of fraud which involves stealing money or gaining other benefits by pretending to be someone else. Identity theft can happen in many ways – from someone else using your credit card details to make purchases, to using your name to open bank accounts, take out loans or conduct illegal business.

The reality is that identity theft can be a stressful, time consuming and costly experience that many people don't realise has occurred until it's too late.

The best way to find out if you've been a victim of identity theft is to keep a close eye on your financial statements and credit file. If you notice an unusual transaction you should investigate further, no matter how small the payment may be. Remember, identity theft can happen to anyone.

Your Rights Explained

The Credit Reporting Privacy Code 2020 provides specific rights in relation to credit information held by credit reporting agencies such as Equifax.

You have certain rights with regard to the credit information held about you.

In particular you can:

- Access your own personal credit information. When applying for access please provide us with sufficient data to enable us to verify your identity. Please note, where we are unable to verify your identity we may ask you for additional information before we can provide you with your credit file. This is to protect you from identity fraud.
- Request incorrect information to be amended or a statement of correction to be added to your credit information. We are obliged to either correct the information or, if you request, note that you have asked us to correct the information but we have not done so.
- Expect the information to be safely stored, and only used by, or disclosed to, authorised people.
- You can view information about Your Rights and our complaints procedure on our website at www.mycreditfile.co.nz

Alternatively, we can forward a copy to you upon request if you phone 0800 692 733 or email: publicaccess.nz@Equifax.co.nz

We recommend you regularly check your credit file. You can manage your credit reporting information throughout the year with My Credit Alerts, a subscription that includes your credit report. You are also entitled to get a copy of your credit report for free (to be supplied within 10 business days).

Correction or Investigations

To Request a Correction or Investigation Relating to the Identity Section of Your Credit File:

This refers to the "Identity Details" section of your credit file.

STEP 1

Prepare your request in writing – you do not need to fill in a form but your written request must provide:

- Your full name and address
- The Reference Number that appears on the top of your credit file
- Full details of the corrections or investigation you are requesting
- Any relevant information and documentation to support your request

STEP 2

Forward the request details from Step 1 above to:

Post: Public Access
Equifax New Zealand Information Services and Solutions Limited
Private Bag 92156
Auckland Mail Centre
Auckland 1142.

Email: publicaccess.nz@equifax.co.nz

To Request a Correction or Investigation Into an Entry of Public Record Information (e.g. Insolvency, Public Notice, Court Judgment or Directorship):

STEP 1

Verify the information with the source – more on the sources of information below.

STEP 2

Provide all documentation relating to the verified information to Equifax, for example, the receipt of payment when a debt has been settled after a court judgment.

STEP 3

Upon receiving the documentation, Equifax will amend the entry accordingly.

To Request a Correction or Investigation Into Entries Recorded on Your Credit File by a credit provider or Collection Agent:

These entries may appear under the following sections of your credit file:

- Other enquiries made to your credit file
- Payment Defaults
- Collection Agency – Payment Defaults

STEP 1

If you believe an entry made by a credit provider or collection agent is incorrect:

- First contact the credit provider or collection agent named for further information about the accuracy of that entry.

If you are not satisfied with the response of the credit provider or collection agent, and you feel that your issue is legitimate: Make your request for correction or investigation in writing to Equifax (see step 1 above).

STEP 2

See steps on this page for information on how to prepare your written request to send to Equifax.

In addition to these steps, you will need to:

- Request that Equifax investigate your issue for you.
- Write a short explanation of the issue you have, in relation to any detail in your credit file.
- Please include copies of any relevant documentation that may assist us, and the details of any investigation or other steps you may have already carried out in relation to this issue.

STEP 3

If you believe that any information that appears on your credit file has been caused by another individual fraudulently using your identity details, you will need to:

1. Report the matter to the police.
2. Report the matter to the fraud department of each of the credit providers involved.

The credit providers will conduct their own investigations and notify Equifax of the outcome. We can then remove any fraudulent information from your credit file.

Definitions

Collection Agency – Payment Defaults This is information regarding debts, being managed by collection agencies.

Comprehensive Credit Reporting refers to repayment information and other positive credit data.

Consumer – A consumer is the person, individual or subject that the credit information or credit file relates to.

Correction – This is where you have added a statement to your credit file against a default. This statement can be a maximum of 150 words.

Court Judgments – These are debts where judgment has been obtained against a consumer in the District or High Court. Judgments remain on a credit file for five years.

NB: The fact that judgment has been obtained, and the account has then been paid, becomes part of a consumer's credit history. The court judgment will not be removed from a credit file.

Credit Related Enquiries – This is a summary of access made to a credit file regarding credit applications. These enquiries remain on a credit file for four years.

Credit Reporting Privacy Code 2020 – This is the Code that applies to all credit reporting agencies, such as the consumer credit reporting business of Equifax. The Code is issued under section 32 of the Privacy Act 2020 and is legally enforceable in the same way as the Act itself.

Default – See "Payment Default".

Directorship – This information is obtained from the official Companies Office Register and lists the companies of which a consumer is a director.

Dispute – This is where a payment default is being disputed. It will state against the default whether the default is currently in dispute or not.

DRO – The "Debt Repayment Orders" (DRO) is a formal arrangement between a debtor (you) and your creditors (the people you owe money to) that allows you to pay back all, or an agreed part, of your debts by instalments.

ID Verification – This may confirm that a consumer's identity has been verified, usually through a drivers license.

Insolvency Notices – These are either bankruptcies, no asset procedures, or Debt Repayment Orders.

Judgments – See “Court Judgments”.

Lost or Stolen Identification – This advises any subscriber inquiring on a consumer’s credit file that the consumer has reported his or her identification as being lost or stolen. This information needs to be provided by the consumer to prevent the fraudulent use of their identity.

Mercantile Gazette – The Mercantile Gazette is a magazine that is issued on a regular basis and is a published source of court and public record information. Judgments in particular are sourced from the Mercantile Gazette.

NAP – The “No Asset Procedure” (NAP) was introduced as an alternative to Bankruptcy for Consumer debtors with few or no realisable assets. This notice will be removed four years after the date of discharge.

NZ Gazette – The NZ Gazette is the official newspaper of the Government of New Zealand and is produced weekly by the NZ Gazette Office at the Department of Internal Affairs.

Other enquiries made to your credit file – This is a summary of access made to a credit file and appears as a separate section on the credit file. Some access, such as official government agencies, may not appear on the Other enquiries made to your credit file section. Other enquiries remain on a credit file for four years.

Other names you are known as – These are other names by which you are also known to us. Information held under all known aliases is provided when a credit enquiry is performed on a consumer with other “known as” names.

Payment Defaults – A payment default is a credit account that must have been overdue for more than 30 days and where steps have been taken to recover the amount owing. Examples of steps that may be taken to recover amounts owing include: referring the debt to a solicitor, collection agency or repossession agency for recovery, or reminding the debtor about the amount owing, including the consequences for non-payment. Payment defaults remain on a credit file for five years. The subscriber that lists a payment default entry on a consumer’s credit file is obligated to update the entry when the account is paid.

NB: Even when a Payment Default is paid, it will not be removed from a credit file, it will only be updated. The fact that the account became overdue and has been paid becomes part of a consumer’s credit history.

Public Notices – This is public information obtained from the NZ Gazette. Notices include bankruptcies and insolvency, creditors' proposals and debt repayment orders.

Quotation Enquiries – These are the same as Credit Related Enquiries but do not impact your credit score. These enquiries remain on a credit file for four years.

Subscriber – A subscriber is a client who has access to the consumer credit reporting database. Generally, a subscriber is an agency that is involved with credit in some form and has signed a completed subscriber agreement with Equifax New Zealand Information Services and Solutions Limited. Examples of subscribers are credit providers, debt collectors, landlords, employers, etc. The subscriber agreement defines the obligations imposed when accessing the consumer credit reporting information.

How Do I Find Out More About Information Held on My Credit File?

If you have any queries about any information on your credit file, please contact the Equifax Public Consumer Team on 0800 692 733 or:

Equifax New Zealand Information Services and Solutions Limited
PO Box 912012
Victoria St West
Auckland 1142
New Zealand

Find out more at www.mycreditfile.co.nz

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